DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES

January 15, 2025

444 Lafayette Road
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Submitted electronically.

To the Chairs, Co-Chairs, and Minority Leads of the following committees:

Senate Health and Human Services
House Children and Families
Legislative Task Force on Child Protection

Please accept the attached report entitled ***Income and Resources for Children in Foster Care*** requested by the Minnesota Legislature during the 2023 Legislative Session.

The issue of preserving federal cash payments made on behalf of children and youth in foster care is a nationwide discussion. When this issue first arose in Minnesota, thanks to the hard work of Foster Advocates, staff in our Child Safety and Permanency Administration (CSP) raised many implementation questions that must be answered before a preservation program should be enacted in statute and implemented.

We at the Department of Children, Youth, and Families (DCYF) are thankful that the Legislature provided us with the time and resources to contract with Management Analysis and Development (MAD) within Minnesota Management and Budget to perform important research, independently engage with a broad group of interested parties, and write most of this report. DCYF reviewed MAD's portion of the report to develop recommendations, the only portion of the report not written by an independent agency.

One important lesson from this project is that it is incredibly complicated. Each time an answer was developed for a question, one or more new questions would arise. This issue is like the proverbial onion – each layer reveals another. For that reason, DCYF recommendations include decision-points that should be made by policymakers before a savings plan is implemented. As a human services agency, we are hesitant to recommend the level of risk that should apply to preserved funds. Determining county costs remain difficult to account for given the caseload changes year to year and different county practices, among other factors. Importantly, more work should be done with the federally recognized Tribes in Minnesota to understand if and how they would want to participate in a preservation program.

Finally, it's important to keep in mind only a small portion of children and youth in foster care receive federal cash benefits – the majority lack resources to support their successful transition into adulthood. To paraphrase testimony recently provided to the Legislative Task Force on Child Protection, when the state chooses to remove a child or youth from their home with the promise that their lives will be better, the state has an obligation to make sure the promise becomes a reality.

I'd like to offer my thanks to organizations that were instrumental to the creation of this report:

- Thank you to Foster Advocates, their leadership and staff, and the youth who they have brought forward to share their stories with policymakers. They have done a tremendous job of elevating the voices of children and youth who are or have been in foster care, bringing much-needed attention to some of the most vulnerable people in our state.
- Thank you to Management Analysis and Development, for their hours of research, engagement and report writing on a complex subject. To ensure independence of their work we did not participate in their engagement sessions, but we are certain from the results that their facilitation of difficult conversations was excellent.
- Thank you to the many county child welfare case workers, fiscal and administrative staff, and elected officials who provided data or participated in engagement sessions. County child welfare workers are truly dedicated to improving the lives and well-being of children and families in Minnesota.
- Thank you to the Tribal human services staff and leadership who participated in this research project. Their devotion to seeking good outcomes for Native children, youth, and families is unwavering. To support their work as sovereigns, it is imperative that the legislators listen to the voices of the 11 Tribes in Minnesota as they consider legislation to preserve federal cash benefits for Native children and youth in foster care.
- Finally, thank you to the many CSP and DCYF staff who spent significant time participating in research interviews as subject matter experts and to those who prepared our recommendations. Many of our staff in CSP and DCYF have spent their careers working for counties, Tribes, and the state to help ensure government laws and policies provide children and families in our child welfare system with the best services and care possible. I am thankful for their deep commitment.

I know this report leaves additional questions to be answered through discussions among policy makers, community members and advocates, counties, Tribes, and state agencies, but if we want to do right by our children and youth those discussions will be well worth the continued effort.

Sincerely,

Tikki Brown, commissioner

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES

Income and Resources for Children in Foster Care

Legislative Report

Jan. 15, 2025

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Executive summary

Background

Children and youth in foster care may be eligible for various federal benefits administered by the Social Security Administration (SSA) and other federal agencies, such as Supplemental Security Income (SSI); Social Security Disability Insurance (SSDI); Retirement, Survivors, and Disability Insurance (RSDI); veterans benefits; and railroad retirement benefits. They may be eligible for these federal benefits, for example, if they are a surviving child of a deceased parent who paid into Social Security or was eligible for veterans benefits or railroad retirement benefits, or if they have a qualifying disability. RSDI benefits for children under age 18 are intended to provide necessities for eligible family members and help make it possible for these children to complete school.[1] SSI payments help families care for their children with disabilities and help pay for basic necessities.[2]

The SSA appoints a representative payee to manage and use these federal benefits responsibly for the child's needs, such as food, housing, clothing, and medical care. Representative payees can be individuals like legal parents, legal guardians, relatives, or organizational entities such as county social service agencies.[3]

In 2023, the Minnesota Legislature directed the then-Department of Human Services (DHS) to develop a plan to preserve and make these federal benefits available to children and youth in foster care. That task was assigned by the Commissioner to the Children and Families Administration, which is part of the recently established Department of Children, Youth, and Families (DCYF). The agency contracted with Management Analysis and Development (MAD) to conduct engagements and to draft sections of this report as DCYF develops the plan.

Methodology

MAD conducted interviews, guided group conversations, and surveys, reaching over 250 individuals and organizations. A design team helped develop engagement questions and recommended participants to ensure broad input. Perspectives included subject matter experts, state agencies, representatives of Tribal Nations and social services agencies, counties, advocacy organizations, other states, and youth who are or have been in foster care.

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[1] See the SSA brochure *Benefits for Children*.

[2] See *Supplemental Security Income for Children with Disabilities* from the SSA.

[3] See *Preferred Payee for Minor Children* in the SSA Program Operations Manual System (POMS) for federal preferences on representative payees.

Engagement results

The engagement results generally fall into two categories: 1) support for preserving funds for children and youth in foster care and 2) areas of concern or risks.

Support for the preservation of federal benefits for eligible children and youth in foster care included the following themes:

- Participants felt preserving federal benefits is a matter of equity and ensures they are used by the child and family.
- Preservation of federal benefits could help youth in foster care meet future needs and successfully transition out of the foster care system.
- Knowledge of the preservation of these federal benefits, along with related training and education, may encourage eligible children and youth in foster care to prepare and plan for the future.
- Allowing limited use of preserved federal benefits by children and youth while in care could enhance support to meet needs and improve wellbeing.
- Development of policy and practices to preserve these federal benefits for children and youth in foster care may mitigate risk for the State of Minnesota and counties in Minnesota.

Areas of concern and risk related to the potential preservation of federal benefits for eligible children and youth in foster care included:

- Many youths in foster care were unaware of their eligibility and how federal benefits were used by their representative payees.
- Further investigation is needed to determine appropriate account types and financial institutions to hold federal benefits and avoid exceeding asset and income limits.
- Participants warn of potential misuse of federal benefits and exploitation by others.
- Counties are concerned regarding changes to staff roles, increased staffing needs, and costs.

Additionally, MAD found Minnesota is viewed as taking proactive steps on this issue, including seeking engagement and input as they develop next steps.

Considerations

Based on the engagement results, MAD offered several considerations for DCYF for use when developing a plan for the preservation of federal benefits for eligible children and youth in foster care. The legislation requires the plan include recommendations on:

1. policies for youth and caregiver access to preserved federal cash assistance benefit payments;
2. representative payees for children in voluntary foster care for treatment pursuant to Minnesota Statutes, chapter 260D; and
3. family preservation and reunification.

The considerations below are grouped loosely based on these areas, though there is interconnection and overlap.

- Determine whether federal benefits preservation will be applied to all children and youth in foster care or will be age-based.
- Allow limited use of federal benefits while the child or youth is in care.
- Allow full disbursement of preserved federal benefits once the youth turns 18 and develop a plan to support their responsible management and use by youth.
- Establish clear guidelines to ensure consistency in program implementation across the state.
- Develop a state-led audit or oversight function.
- Assess different account types that may best meet the needs of different children and youth in foster care.
- Determine requirements for financial institutions to partner on these accounts.
- Address county cost concerns related to county oversight and management of preserved federal benefits for children and youth in foster care.
- Allow some flexibility in the preservation of federal benefits, especially for family preservation and reunification; develop guidance.

Summary of plan recommendations

DCYF used the considerations and information provided in this report to develop a plan as the legislation required. **Due to the complexity of this topic, the plan first requires elected policymakers to resolve multiple decision points prior to enacting legislation that would preserve and make available federal benefits of children and youth in foster care.**

Once those decision points are resolved, DCYF recommends the Legislature enact legislation:

- Requiring county agencies to preserve federal cash benefits for all or a portion of children and youth in foster care, with considerations related to type/s of accounts, decision making authority, ongoing access to preserved funds, allowable uses, and disposition of funds upon leaving foster care.
- Outlining county agency responsibilities for screening, application, and account establishment requirements for children and youth in foster care who may be eligible to receive or are currently receiving federal benefits.
- Prohibiting county agencies from becoming representative payees of federal benefits until a permanency hearing determines reunification is not possible or, for voluntary placement agreements, continued foster care placement is in the child's best interest.
- Specifying how fees and other costs associated with management of preservation accounts are funded; how information about the preserved funds and financial advice are provided to children and youth or their caregivers; and the length of time such services are to be provided after a child or youth leaves foster care.
- Outlining an appropriate method for regular auditing of a funds preservation program, including selection of a public entity or contracted external agency to conduct audits.

- Authorizing DCYF to develop policy and practice guidance to support implementation.
- Requiring DCYF to contract with financial institutions or other entities for preservation account establishment, financial guidance for youth and caregivers, and referrals for tax and other financial services.
- Appropriating funding for:
  - County agencies that currently rely on federal benefits to offset costs of care to mitigate potential lost revenue, and to support additional staff needed to implement, manage and administer the plan
  - DCYF to support county agencies and manage contracts
  - The entity designated to audit this program
  - Other implementation needs as applicable
  - Existing programs that currently provide services and concrete supports for youth leaving foster care, particularly those who age out of foster care without achieving permanency, to ensure successful transition to adulthood including youth not eligible for federal benefits.

DCYF further recommends the Legislature consider options and impacts on Tribal Nations, particularly those participating in the American Indian Child Welfare Initiative. Additionally, DCYF recommends state legislators and other elected officials encourage the federal government to change SSI regulations to better support more flexible savings opportunities for children and youth in foster care.

Conclusion

A central theme expressed by participants is the perceived lack of equity in using federal benefits towards the cost of care for eligible children and youth in foster care, particularly when it is not clear if children and youth in foster care who do not receive federal benefits are also required to contribute similarly to their care expenses. Additionally, many participants underscored their personal beliefs that the primary purpose of these federal funds is to provide for the future of the individual in foster care, such as following the death of a parent or guardian, rather than addressing immediate needs.

Participants raised a variety of concerns about the details and mechanics of what a funds preservation policy would contain, how it would be implemented, how the funds would be preserved and managed, who would manage the funds and the overall process, and how it would be funded. They were concerned about the timing of a child or youth’s access to the funds and who, if anyone, would guide them when accessing the funds. Despite these reservations, and often directly after sharing them, most participants repeatedly voiced support for the concept that these funds should be saved and used for the benefit of the child or youth.

Participants expressed a need for further consultation before making policy decisions, particularly with youth formerly in foster care or youth currently in extended foster care and with tribal agencies and representatives. Despite extensive planning, efforts, and the inclusion of additional engagement components, both groups were not as fully represented in this project as was originally intended. MAD recommends ongoing engagement with child protection workers, caseworkers, tribal agencies, advocacy groups, foster care workers, and counties as the Legislature considers next steps.

Recommendations for plan to preserve funds

DCYF was directed by the 2023 Legislature to develop a plan to preserve and make available federal cash benefits of children and youth in foster care to meet their best interests, to include the following:[4]

- Recommendations on policies for youth and caregiver access to preserved funds, representative payees for children in voluntary foster care for treatment, and family preservation and reunification
- Projected timeline for implementing the plan
- Estimated implementation costs
- Legislative actions that may be required to implement the plan.

After reviewing information and considerations provided by MAD in this report, DCYF recognized finalizing a plan requires elected policymakers to first resolve multiple decision points before enacting legislation establishing a plan to preserve federal cash benefits for children and youth in foster care eligible for or receiving federal cash benefits.

DCYF provides the following recommendations with specific decision points for the Legislature to consider. The estimated implementation costs and timeline for implementing the plan will depend on policy decisions made by the Legislature.

1. All older youth exiting foster care need support.

DCYF recommends the Legislature consider providing funding to support all children and youth leaving foster care, particularly those who age out of foster care without permanency. The population of children and youth in foster care who receive federal cash benefits is a small portion of the total number of children and youth in foster care in Minnesota, amounting to slightly less than 5 percent in state fiscal year 2018 to nearly 5.5 percent in state fiscal year 2022.[5] Those youth who age out of foster care at age 18 or older without supportive funding are at a disadvantage for transitioning successfully into adulthood.

The Legislature should consider fully funding the Successful Transition to Adulthood for Youth (STAY) program. One way to support older youth leaving foster care is through the Successful Transitions to Adulthood

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[4] Laws of Minnesota 2023, chapter 70, article 14, section 37.

[5] See Appendix Q for total number of children and youth for whom county agencies acted as representative payees of their federal cash benefits between state fiscal years 2018-2022. Social Service Information System (SSIS) data retrieved in January 2025 was used for the total estimated number of children and youth for whom county agencies were financially responsible for their out-of-home placements. In SFY 2018, there were approximately 14,991 children and youth for whom a county agency was financially responsible for their out-of-home placement, with the county agency serving as representative payee for 721. In SFY 2022, this number was 599 out of approximately 10,957.

for Youth (STAY) program. The STAY program supports eligible youth ages 14-22 through financial and well-being supports to help ensure a successful transition into adulthood. This program is currently funded through federal Chafee funds with a state match, as well as temporary pandemic relief funds and one-time funds from the 2023 legislative session. With the loss of temporary funding beginning state fiscal year 2026, the number of eligible youth who can access this program will be significantly reduced. Additionally, federal Chafee funds vary each year, as the funding source relies on the number of children and youth in out-of-home placement. Fully funding the STAY program expands access so all eligible youth may access this important resource to support their independent living skills development, financial and emotional well-being, health and mental health care needs, housing stability, and successful transition to adulthood.

2. Federal cash benefits should be preserved, with the Legislature determining scope, eligibility, and other critical components.

DCYF recommends the Legislature enact legislation requiring county agencies to preserve specific federal cash benefits for eligible children and youth in foster care. Participants overwhelmingly voiced support for children and youth in foster care who are eligible for these funds to be able to access these funds, rather than having county agencies use the funds to cover costs of care. This recommendation focuses on plan structure and management. Funding considerations are addressed in the next recommendation.

County agencies should manage preservation of these funds. County agencies are responsible for direct services to children and youth in foster care, including billing for and administering foster care maintenance payments and becoming representative payee of benefits. Establishing a statewide bureaucracy to manage funds will be more complicated and costly than local agency management.

Screening, application, and preservation account establishment requirements should be specified. Establishing procedures ensures statewide consistency. The Legislature should require county agencies to screen children and youth in foster care to determine whether they currently receive, or may be eligible to receive, federal cash benefits; apply for or help a child's parent or guardian apply for federal cash benefits for children and youth in foster care who may be eligible; and establish preservation accounts. The Legislature should direct DCYF to provide policy and practice guidance applicable across the state. Such guidance could be based upon state statutory or DCYF-established policy requirements.

Federal cash benefits should remain with a child's caregiver to support reunification, if applicable. County agencies should be prohibited from becoming representative payees to collect federal cash benefits until a court determines reunification with the child's parent or guardian is not possible following a permanency hearing or, for voluntary placements involving a signed voluntary placement agreement, the permanency hearing at 12 months of placement determines continued foster care placement is in the child's best interest.

Children and youth in foster care should have access to preserved funds saved on their behalf for certain needs or activities. The Legislature should specify the circumstances under which a child or youth in foster care may access and use their preserved funds and direct DCYF to develop standard guidance to avoid inconsistencies across the state.

County agencies should ensure children and youth with preservation accounts receive financial guidance. Currently, youth ages 14 and older may receive financial literacy training and other financial services as part of their independent living skills plan, including through the STAY program. The Legislature should require county agencies to refer children and youth in foster care with a preservation account to financial advice services by age 17 to receive coaching on management of financial resources.

Youth exiting foster care at age 18 or older should own their preservation accounts when possible. Whenever possible,[6] a preservation account established on behalf of a child or youth in foster care should become a youth's solely owned property upon the youth's exit from foster care at age 18 or older. Should preserved funds be held in a special needs or other trust, the trustee should be obligated via their contract to provide information about the trust to the youth who is the beneficiary of the account.

Regular auditing of the preservation plan should occur. The Legislature should determine an appropriate method for regular auditing of a program to preserve federal cash benefits received on behalf of children and youth in foster care, and appropriate adequate funding.

Decision points

The Legislature should consider the following questions regarding plan elements prior to enacting legislation. These decisions will impact both the cost of implementing a plan to preserve federal benefits as well as the implementation timeline.

- **Which federal benefit programs fall under the plan's scope?** There are numerous federal benefit programs for which a child may be eligible, and each program's eligibility criteria, representative payee and reporting requirements, and approved use of funds may differ. Without this clarification, there is a risk that funds are improperly or inconsistently preserved across the state. For example, "federal cash benefits" could be interpreted to include federal benefits and resources paid on behalf of a child, but that are not directly accessible by children or their caregivers (such as Title IV-E reimbursement).
- **Should federal benefits be preserved for children and youth of a certain age range, or for all children and youth in foster care regardless of age?** The Legislature should determine whether counties should establish preservation accounts[7] for all or a portion of children and youth in foster care who are eligible for federal cash benefits. For example, the Legislature could require preservation accounts for children who are eligible for independent living and transition to adulthood services, similar to what has been done in other states. In Minnesota, between state fiscal years 2018 and 2022, approximately 25-28 percent of all children and youth in foster care for whom the county was financially responsible were at least 14 years or older and requiring independent living services.

[6] DCYF did not review the impact of the Uniform Transfers to Minors Act on this recommendation.

[7] For purposes of the Recommendations section of this report, the term "preservation account" encompasses interest-bearing savings accounts, investment accounts, and special needs trusts.

- **At what point should county agencies screen children and youth for possible eligibility?** A child or youth may come to the attention of a county agency prior to entering foster care (for example, referrals for prevention services, reports of maltreatment, children's mental health case management, etc.). Should county agencies screen a child or youth after a court orders out-of-home placement or a voluntary placement agreement is signed? Should county agencies offer screening to support placement prevention efforts?

- **Should there be multiple preservation account options?** Depending on which federal benefit programs fall under the plan's scope, there may be limitations regarding preservation account options. The Legislature should determine whether there should be different preservation account options based on the type of federal benefit received and if so, who determines which type of account should be used for each child and/or benefit received. The Legislature should consider risk to loss of principal and impact on eligibility for SSI or other public assistance programs. For example, should RSDI funds be saved in interest-bearing bank accounts? Should some or all SSI payments be saved in a special needs trust? Should the county agency, parent or guardian, or someone else make that decision?

- **Who should have access to preserved funds, and how and under what circumstances?** The Legislature should determine how and under what circumstances children and youth should have access to their preserved funds while in foster care, including whether directly or through their temporary or permanent caregiver. In making this decision, the Legislature should consider how access to preserved funds may impact access to, eligibility for, and use of other benefits and supports available to children and youth in foster care, such as the foster care maintenance payment and STAY/Chafee funds. Legislative determinations should include basic standards for who determines when access is allowable and for what purposes funds may be used. For example, is a court order required for a child or youth under age 18 to access their preserved funds, or can county workers determine access? If counties are responsible for making those determinations, the Legislature should authorize DCYF to prepare guidance counties must follow when making access determinations.[8]

- **How will children and youth be made aware of these funds upon exiting foster care? How will funds be distributed if a child or youth cannot be located or has passed away?** The Legislature should establish requirements to ensure children and youth who will own their preserved funds have the information they need to manage their funds, and county agencies are able to successfully transition account management (if applicable). The Legislature should consider next steps should a county agency be unable to transition account ownership due to missing information, signatures, or contact information, or to the death of a child or youth. For example, should preservation accounts fall under the scope of the Minnesota Department of Commerce's [Unclaimed Property Division]? Should at least one beneficiary who is not the child or youth be required for every preservation account? The

[8] Special needs trusts will be managed by a trustee that will be responsible for determining if, how, and when a child might access preserved funds throughout the life of the trust.

Legislature should also determine whether financial coaching or other financial advice services should be mandatory for children and youth, whether prior to or as a condition of account ownership.

- **What happens to preserved funds following reunification or other permanency disposition?** The Legislature should specify the disposition of funds saved for children and youth in foster care if they are reunified with caregivers or achieve permanency through adoption or a transfer of permanent legal and physical custody (or Tribal equivalent). What entity or person should have control of funds at permanency? Should the county agency continue to be responsible for preservation accounts and if so, under what circumstances? (If funds are preserved in a pooled special needs trust, control of the funds will remain with the trustee.)

- **Who should conduct regular audits?** The Legislature should determine if there is a public entity with expertise in conducting program audits that can do this work in Minnesota, or if auditing functions should be performed by contracted external agencies with expertise in the area. The selected entity will dictate the appropriation needed.

3. State contract management and legislative appropriations are necessary to support local and state implementation.

DCYF recommends the Legislature require DCYF to establish and manage contracts with banking or other institutions for county agencies to use to establish preservation accounts and provide financial advising and other fiscal management as needed, such as tax filings. As participants expressed concern about the fiscal impact should this plan be implemented, DCYF also recommends the Legislature appropriate funding to support state and county agency implementation. Appropriating funding for both DCYF and county agencies, as well as requiring contract management at the state agency level, will reduce the fiscal impact on county agencies while supporting statewide consistency and access to institutions that can establish, manage, and advise on preservation accounts.

Funding for county agencies should be appropriated to replace lost funds. County agencies that currently rely on federal cash benefits to defray their foster care costs should receive state funding to offset their loss of revenue. Funding could be allocated through a formula determined by DCYF. Counties that do not currently use federal cash benefits to offset costs of care should be considered separately in any appropriation formula.

Funding for county agencies to recruit and retain staff is needed. The Legislature should appropriate funding to county agencies to defray, to the extent possible, costs for additional staff needed to screen and apply for benefits for an expanded population of youth, and to open, manage, and audit preservation accounts.

Funding for DCYF is needed to hire staff for contract establishment and management. The Legislature should appropriate funding to DCYF to establish and manage contracts with banking and other institutions and entities for preservation account management, provision of financial guidance and referrals to tax and other financial advising, and support that are consistent with state procurement requirements; provide technical assistance and consultation services to county agencies and other stakeholders; and develop guidance and policies to support implementation.

Other funding should be appropriated as applicable. Several recommendations in this report include funding considerations, should the Legislature move forward with them. This includes funding for regular program audits, support for older youth exiting foster care such as through the STAY program, fees, and Initiative Tribes.

Decision points

- **How much funding is needed for county agencies to implement this plan?**[9] The Legislature will need to determine the appropriation amount for county agency implementation, based on multiple factors including county recommendations and a formula that considers the total number of children and youth in foster care for whom a county agency is financially responsible, the total number of children and youth in foster care receiving federal cash benefits in each county, and each county's proportional share of all children in foster care.

- **Who receives financial guidance and for how long?** This may differ depending on whether a child or youth is in foster care or extended foster care, the age of the child or youth, the type of preservation account, and how the child or youth leaves foster care (such as through reunification, permanency, or reaching age of majority). The Legislature should determine who receives financial guidance and for how long.

4. Fees, taxes, and tax preparation costs should be paid from a child's income and resources while in foster care.

DCYF recommends the Legislature enact legislation requiring that while a child or youth is in foster care, any fees incurred by preservation accounts, taxes, and costs for federal and state income tax form preparation and submission must be paid from income and resources of the child or youth. This is consistent with preservation account management practice in other states and counties that have implemented plans to preserve federal cash benefits.

Decision point

- **Another option would be to require public funds be used to pay fees and other costs incurred.** However, the data needed for DCYF to make a recommendation on an appropriation amount does not exist, as it will vary based on the type and number of preservation accounts, the amount of funds invested, the fees that will be charged, and the potential taxes owed. Accordingly, DCYF is unable to make a recommendation on an appropriation amount should the Legislature determine the state is responsible for these costs.

[9] Costs for the state would be determined based on proposed legislation and completion of a fiscal note.

5. The Legislature should encourage SSI regulation changes at the federal level to allow greater flexibility for use and saving of SSI.

DCYF recommends state legislators and other elected officials encourage the federal government to change federal regulations governing SSI to allow more flexible savings opportunities for children and youth in foster care who receive SSI payments. Because SSI eligibility includes income and assets of a child or youth receiving SSI, the ability to preserve these funds for later use is extremely limited and could impact their continued SSI eligibility should their preservation account exceed what is allowable.

6. Tribal impacts and options should be considered.

DCYF recommends the Legislature consider options to preserve federal cash benefits for children and youth in foster care when a Tribe is financially responsible (i.e., when a Tribal Nation is participating in the American Indian Child Welfare Initiative[10]), as well as potential policy implications related to family preservation and reunification for Tribes working with American Indian children and youth in foster care, including when a Tribal court has legal jurisdiction and the county is financially responsible for a child's placement.

Decision point

- **How should Initiative Tribes be eligible to receive funding to offset lost revenue and hire staff, should they wish to participate in this plan?** A Tribal Nation participating in the American Indian Child Welfare Initiative may wish to participate in a plan to preserve funds on behalf of children and youth in foster care for whom the Tribe is financially responsible. Like county agencies, Initiative Tribes may need funding to offset lost revenue and hire staff. How should this be determined?

Background

Minnesota operates a state-supervised, county-administered human services system, with the Child Safety and Permanency (CSP) Division overseeing foster care at the state level.[11]

Children and youth in foster care may receive federal benefits administered by the Social Security Administration (SSA) and other federal agencies, including Supplemental Security Income (SSI); Social Security Disability Insurance (SSDI); Retirement, Survivors, and Disability Insurance (RSDI); veterans benefits; and railroad

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[10] Authorized under Minn. Stat. § 142A.03, subd. 9, the American Indian Child Welfare Initiative is a Minnesota child welfare reform effort to improve child welfare outcomes for American Indian children. Initiative Tribes, rather than county agencies, deliver child welfare services to children and families living on their reservations. As of the date of this report, the Initiative Tribes are White Earth Nation, Leech Lake Band of Ojibwe, and Red Lake Nation.

[11] In 2024, CSP transitioned out of DHS to the newly established DCYF and is currently an administration in DCYF.

retirement benefits. They may be eligible for these federal benefits, for example, if they are a surviving child of a deceased parent who paid into Social Security or was eligible for veterans benefits or railroad retirement benefits, or if they have a qualifying disability. RSDI benefits for children under age 18 are intended to provide necessities for eligible family members and help make it possible for these children to complete school.[12] SSI payments help families care for their children with disabilities and help pay for basic necessities.[13]

The SSA appoints a representative payee for children and youth receiving federal cash benefits while a minor to manage and responsibly use federal benefits to meet their needs, such as food, housing, clothing, and medical care.[14] Examples of individual representative payees include legal parents, legal guardians, relatives, or close friends of the beneficiary of federal funds. State and local agencies frequently become the representative payee for a child or youth in foster care to use federal cash benefit funds to defray the costs for a child's basic needs. In Minnesota, most counties serve as representative payee for some or all children and youth in foster care who receive federal cash benefits.

The 2023 Minnesota Legislature directed the then-Department of Human Services (DHS) to conduct engagement with a wide range of perspectives and to develop a plan to "preserve and make available the income and resources to a child in foster care to meet the best interests of the child" (*Appendix A: Legislation*). That task was assigned by the Commissioner to the Children and Families Administration, which is part of the recently established Department of Children, Youth, and Families (DCYF).[15] The agency contracted with Management Analysis and Development (MAD)[16] to conduct the required engagement and to draft sections of this report as DCYF develops the required plan. The legislation also required counties to provide specific information on income and resources for children in foster care. DCYF asked MAD to collect this required foster care data from counties as part of this project, and the data is included in this report for context.

Methodology

Overview

MAD used three approaches for engagement and data collection in this project, reaching over 250 individuals and organizations:

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[12] See the SSA brochure *Benefits for Children*.

[13] See *Supplemental Security Income for Children with Disabilities* from the SSA.

[14] See *Preferred Payee for Minor Children* in the SSA Program Operations Manual System (POMS) for federal preferences on representative payees.

[15] For clarity and simplicity, references to DCYF throughout this report include references to programs and individuals currently housed in DCYF, regardless of their original agency.

[16] MAD is the State of Minnesota's management consulting practice.

- Interviews and guided group conversations, focused on the perspectives required for DCYF's planning.
- Surveys of youth with lived foster care experience and counties to augment qualitative information and gather additional input.
- A survey of counties to collect data required under other sections of the legislation.

This report uses the term *participants* to encompass all individuals who provided input through any participation method other than a survey, in which case the term *respondents* is used. MAD staff aggregated the information provided through interviews, group conversations, and the survey of youth formerly in foster care and summarized these within the engagement results, considerations, and conclusions sections.

Some groups recommended for engagement were unavailable, and some individuals or groups who were invited to participate in interviews or surveys did not respond.

For the engagement process, MAD convened a design team of members recommended by DCYF partners, including representatives from advocacy organizations, the Office of the Foster Youth Ombudsperson, Minnesota counties, a parent and family support organization, and DCYF staff. Design team members suggested edits to engagement questions and recommended individuals and organizations to participate in the various engagements. Several members also participated in an engagement session to offer their subject matter expertise.

Engagement with legislatively required perspectives

MAD gathered input through one-on-one interviews and guided group conversations with individuals representing different entities specified for consultation and engagement by the Legislature (*Appendix A: Legislation*). Participants included officials in Minnesota and individuals in other states, youth formerly in foster care, and advocacy groups. Perspectives included:

- Financial institutions or programs with experience managing trusts and investment, expertise in providing tax advice, and individuals or entities with expertise in preserving assets to avoid any negative impact on public assistance eligibility
- Other relevant state agencies
- Tribal social services agencies
- Minnesota counties
- The Children's Justice Initiative
- Organizations that serve and advocate for children and families in the child protection system
- Parents, legal custodians, foster families, and kinship caregivers
- People who were in out-of-home placement as children or youth
- Other relevant community partners, such as those undertaking this work in other states.

A full list of participating entities can be found in *Appendix B: Interview and guided group conversation participants*. Information on the number of participants is included in the appendix summarizing each engagement (Appendices C-Q).

Many of the individuals interviewed currently or previously had experience with different aspects of the foster care system and represented multiple points of view. For example, a participant representing an advocacy group may be a foster parent, a state employee may have had a long career working with youth in foster care in a former role with a Minnesota county, or a representative from the Minnesota court system may be a former foster youth themselves.

Additionally, MAD surveyed adults with lived foster care experience who had received federal benefits while in foster care in Minnesota to learn more about their experience and their opinions on the preservation and future use of these federal benefits for children and youth in foster care in Minnesota.

MAD developed the survey in collaboration with organizations that work with youth in Minnesota foster care and distributed the survey through their contacts.

A detailed summary of the youth formerly in foster care survey methods and results can be found in *Appendix M: Youth formerly in foster care survey*.

County surveys

MAD conducted two surveys with Minnesota counties as part of this project. One survey was part of the legislative directive for engagement for DCYF's planning process, and it focused on gathering further insight into county policies and practices. The other survey collected data required in a related section of the legislation, including questions about the amounts of federal benefit dollars received, and demographic information of eligible children and youth in foster care. This data is included in this report reference, but respondents are not counted as part of the engagement (to avoid double counting counties). Methodology, findings, and results from these two surveys can be found in *Appendix P: County policy and practice survey* and *Appendix Q: County data survey*.

County survey results

Results from the county surveys provide valuable context for understanding engagement results and considerations suggested in this report.

The County Data Survey (*Appendix Q: County data survey*) results showed most, but not all, counties can provide counts of children and youth in foster care receiving federal benefits whether or not the county had applied to be the representative payee. The survey also yielded wide-ranging county-level counts of children and youth in foster care receiving federal benefits over the past five years. In 2022, the most recent year for which data was collected, the number of children and youth in foster care receiving federal benefits per county ranged from 1 to 137. In the same year, counties received an estimated collective total of $2,791,130, ranging between $432 and $444,502 received in a given county in cumulative federal benefits as representative payees, with a median of

$27,591. Of that, counties applied a median of $21,086 toward the cost of care.[17] See Table 7 in Appendix Q for more details.

According to the County Policy and Practice Survey (*Appendix P: County policy and practice survey*), most counties apply for SSI and RSDI eligibility determinations for children entering out-of-home placement at least sometimes, but the majority of counties say they never apply for veterans benefits or railroad retirement benefits. For SSI and RSDI benefits, 28 percent of counties said they always apply to be the representative payee, though 76 percent of counties said they have left federal benefits with the family of origin to support family reunification.

Engagement results

The following results summarize the input from engagement participants and survey respondents. These perspectives may not represent all people involved in the preservation of federal benefits for eligible children and youth in foster care. The results are grouped into two categories: support for preserving funds for children and youth in foster care and areas of concern or risks.

Support for the preservation of funds for children and youth in foster care

Participants expressed support for the preservation of federal benefits for eligible children and youth in foster care.

Preservation of federal benefits is a matter of equity

A central issue raised by participants is the fairness or morality in using federal benefits towards the cost of care. Several participants described retaining federal benefits for future use by eligible children and youth in foster care as the “right thing to do.” Participants noted only children and youth in foster care eligible for federal benefits are expected to financially contribute towards the cost of their care, while it is their understanding there is no such expectation of other youth or children in foster care.[18]

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[17] MAD used the term "estimated total" because not all counties were able to provide these figures for some or all of the years. These trends should be interpreted with caution.

[18] There are several statutes governing costs of care for children in out-of-home placement in Minnesota. For example, Minn. Stat. § 252.27, subd. 2b requires parents and guardians to use their children’s total income and resources to reimburse counties for costs of their children’s care. Compare this to Minn. Stat. § 260B.331, subd. 1 (b) and Minn. Stat. § 260C.331, subd. 1 (b), both of which *allow* (but do not require) courts to order and counties to require parents and custodians to use their children’s total income and resources to reimburse counties for their children’s costs of care. In each

Several participants highlighted their personal beliefs that these federal benefits are intended to support the future well-being and success of eligible children and youth in foster care, not to offset the immediate costs of their care. They noted retaining federal benefits would promote fairness and uphold what they felt was the intent of the benefits, ultimately contributing to the well-being and successful transition into adulthood for youth in foster care receiving federal benefits.

Preservation of federal benefits could help youth in foster care meet future needs and successfully transition out of the foster care system

Eligible youth in foster care could use federal benefits as they transition out of the foster care system and into adulthood, noted participants. Several participants said they have seen many youth formerly in foster care become homeless after they exit foster care and stressed having access to these funds could help provide stability at a difficult time.

Engagement participants described that preserving these federal benefits could provide financial stability, support for basic needs, enhanced educational opportunities, facilitation of family and cultural connections, and improved mental and emotional well-being as youth transition out of foster care.

Knowledge of the preservation of these federal benefits, along with related training and education, may encourage eligible children and youth in foster care to prepare and plan for the future

Participants suggested financial literacy and other training, such as independent living skills, be strongly recommended or even required before youth may access these funds after they transition out of foster care. They mentioned that knowledge of the availability of these benefits could encourage children and youth in foster care to think about and plan for their future goals and needs and support their independence. By maintaining access to these federal benefits, children and youth in foster care can better prepare for their futures and achieve greater independence as they transition to adulthood.

Allowing limited use of preserved federal benefits by children and youth while in foster care could enhance support to meet needs and improve wellbeing

Participants indicated existing funding, including grants for certain expenses, should be available to meet most needs of children and youth that are not currently covered while they are in foster care. However, they noted

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of these sections, a child's income and resources includes, but not is limited to, federal benefits such as those outlined in this report, child support, Northstar Adoption Assistance, Northstar Kinship Assistance, and other benefits attributable to the child. However, § 260C.331 alone specifically excludes certain income and resources when a child is over age 18 and in foster care, or when such income and resources are needed to complete an independent living plan while in foster care.

there are some unmet needs of children and youth in foster care that could be addressed through the provision of limited access to these federal benefits.

Use of the federal benefits for children and youth while in foster care could improve their wellbeing. Several child advocate participants supported this use and shared that they hope everyone in the state's foster care system has the same access to opportunities and outcomes as their peers who are not in foster care. They shared the term "pro-normalcy," which emphasizes helping children and youth in foster care maintain a similar life to their peers. They recommended all funding opportunities should be exhausted for the cost-of-care needs and other basic needs of a child or youth in foster care before their federal benefits are used.

Potential appropriate uses of funds while in foster care described by participants include:

- To facilitate family and cultural connections, such as support for travel to participate in cultural events to help children and youth in foster care maintain connections with their families and communities
- To purchase clothing or pay for other costs to attend and participate in events of cultural and social significance, such as a powwow, or other milestone events such as a high school prom
- To pay for fees and necessary equipment and supplies to participate in sports or other extracurricular activities with their peers
- The purchase of culturally specific items, such as hair products.

Development of policy and practices to preserve these federal benefits for children and youth in foster care may mitigate risk for the State of Minnesota and counties in Minnesota

According to participants, current policy and practice increase the risk of litigation for the State of Minnesota and counties. Several participants from other states described litigation or the risk of litigation as either a principal driver or a major contributing factor in the adoption or consideration of legislation on the preservation of federal benefits for eligible children and youth in foster care.

Participants described increased advocacy at national and local levels both to increase awareness that federal benefits of eligible children and youth in foster care are being used for their cost of care (often without the knowledge of the child or youth in foster care) and in support of the adoption of specific legislation.

Participants also noted these increases in advocacy and the consideration and passage of legislation had contributed to increased attention and reporting of this issue by the national and local media.

Areas of concern and risks

Participants expressed concern and identified risks around several areas related to the potential preservation of federal benefits for eligible children and youth in foster care.

Youth in foster care were often unaware of their eligibility for federal benefits and how their representative payee used these federal benefits

Youth in foster care were often unaware of their eligibility for federal benefits and how their representative payee used these funds while they were in care. Only 35 percent of respondents to the youth formerly in foster care survey indicated they had known whether they had been eligible for federal benefits while under 18, and just under half of respondents said they were aware of how their representative payee used their federal benefits.

When asked how federal benefits should be managed on behalf of children and youth who are eligible for these benefits, the most common response in the youth survey was ensuring that the child or youth in foster care know they have benefits in the first place (over one third of respondents).

Minnesota recently enacted legislation that went into effect July 1, 2024, mandating counties implement certain requirements that should help improve awareness of these federal benefits among eligible youth in foster care.[19] The legislation requires the financially responsible agency provide notice when they receive or apply to be the representative payee for a child or youth in foster care who is receiving federal cash benefits. The notice is required to be provided by certified mail to the eligible child if they are over thirteen years of age and include a written receipt request, with the legally responsible agency and guardian ad litem disclosing the information in person and in a way that helps the child understand the information.

Further investigation is needed to determine appropriate account types and financial institutions to hold federal benefits and avoid exceeding asset and income limits

Children and youth with disabilities in foster care are eligible to use Achieving a Better Life Experience (ABLE) accounts, special needs trusts, or other accounts to hold funds. There are several challenges with these types of accounts, such as limits on eligibility, the amount of funds the account can hold, and the need for a trustee, conservatorship, or other designated person or entity to manage the account on behalf of the child or youth. Participants highlighted challenges with using traditional financial institutions to hold federal funds, including high administrative costs and length of time for the institution to break even.

Additional investigation into appropriate account types for children and youth in foster care is recommended to avoid unintended consequences when preserving federal benefits. Examples of unintended consequences include exceeding asset and income limits for other current or future benefits or becoming ineligible for other benefits and services, such as financial aid for post-secondary education.

[19] Laws of Minnesota 2024, chapter 115, article 12, sections 2-3 and 11.

Participants warn of potential misuse of federal benefits and exploitation by others

Participants cautioned that funds could be misused by children and youth in foster care, particularly if provided in a lump sum to the youth upon reaching 18 years of age. Despite these reservations, participants expressed their belief that these funds belong to and should be provided to youth, and even mismanagement of personal resources may often be a valuable learning experience for many youth.

Participants also cautioned children and youth in foster care are more likely to have suffered some form of exploitation in the past and there will be some people who look to exploit them once they become aware that the youth will have access to funds.

Counties voiced concerns over changes to the roles of their staff, increased staffing needs, and increased costs

Most participating counties expressed concerns about staff capacity, training needs, and insufficient funds to cover implementation if federal benefits are preserved for children and youth in foster care. Participating counties expressed concerns about whether existing staff need to take on financial responsibilities they may not be prepared for or comfortable with, that having existing county staff holding access to funds could damage their relationship with children and youth in foster care, and that there would be additional costs to counties to hire additional staff with financial expertise and to track, oversee, and report on these funds.

Participating counties pointed out a program to preserve funds would require an audit function at the state level, and preparing for that audit would be another cost to counties. Many participating counties expressed that without funding from the state, the burden to pay program costs would fall on their residents via an increased county levy or decreases elsewhere in their budgets.

Other results

Minnesota has taken proactive steps on this issue, including seeking engagement and input

Several participants described Minnesota as ahead of most other states in studying and implementing changes related to the federal benefits of children and youth in foster care. This was most frequently expressed by participants from other states, several of whom expressed that their state or agency had not yet explored or considered those areas of inquiry. A couple of participants indicated legislation had been passed in their states in response to actual or imminent litigation, but they wished they would have had the opportunity for more inquiry and planning before implementation.

As previously noted, Minnesota recently enacted legislation that mandates counties to follow required limitations on the use of federal benefits, as well as to track data and meet annual reporting requirements beginning July 1, 2025.[20] The annual data required is similar to that found in the survey in *Appendix Q: County data survey*.

The legislative requirement that prompted this report is also an example of proactive efforts. DCYF is required to develop a plan to "preserve and make available the income and resources attributable to a child in foster care to meet the best interests of the child" (*Appendix A: Legislation*).

Considerations

Based on the engagement results, MAD offers the following considerations for DCYF to help inform their plan recommendations for the preservation of federal benefits for eligible children and youth in foster care. The legislation requires the plan include recommendations on:

1. policies for youth and caregiver access to preserved federal cash assistance benefit payments;
2. representative payees for children in voluntary foster care for treatment pursuant to Minnesota Statutes, chapter 260D; and
3. family preservation and reunification.

The considerations below are grouped loosely based on these areas, though there is interconnection and overlap.

Determine whether federal benefits preservation will be applied to all children and youth in foster care or will be age-based

The legislature will need to determine whether all federal funds will be preserved for eligible children and youth in foster care. Participating advocates for children in the child welfare system recommended that federal benefits should always be preserved regardless of the age of the child or youth in foster care, and most participants supported this.

County survey data shows the ages of children and youth in foster care are distributed across a wide range. Minnesota could use an approach used in at least one state: a percentage-based approach, in which an increasing percentage of funds is retained for those approaching 18 years of age.

Allow limited use of federal benefits while the child or youth is in care

Guidance would need to be provided on allowable uses of preserved funds while children and youth are in foster care. Based on engagement feedback, DCYF should consider including in their plan allowing limited access to funds to promote the "pro-normalcy" of the child or youth. These activities could include facilitating family

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[20] Laws of Minnesota 2024, chapter 115, article 12, sections 2-3 and 11.

and cultural connections and paying fees to participate with their peers in extracurricular activities. Limits on the amounts or percentages of federal funds allowable for such activities would need to be determined to balance the need for youth to have funds available when they exit foster care.

If this consideration is included in a plan to preserve federal benefits, the plan should also address engagement with county and community partners to develop and refine policy guidelines and guidance on allowable uses of preserved funds while the child or youth is in foster care.

Allow full disbursement of preserved federal benefits once the youth turns 18 and develop a plan to support their responsible management and use by youth

The legislature will need to determine whether all funds would immediately be made available in a lump sum to youth when they turn 18, whether disbursements could be given over an extended period, or some combination of these options. Providing disbursements over time would require more administration and oversight and could require the use of more complicated financial instruments, such as trusts.

Participants underscored the importance of financial literacy education and training for all children and youth in foster care, particularly those who may have access to these federal funds upon exiting foster care. They shared concerns over the youth being prepared and able to manage the preserved federal benefits once they age out of foster care.

Based on participant input, policymakers should consider an approach where all preserved funds be made available to youth once they turn 18, and financial literacy and independent living skills training be strongly encouraged before youth receive these funds. In addition to learning these skills, participants suggested continued mentorship beyond training or classes as youth in foster care enter adulthood. Based on direction on this approach, DCYF could develop recommendations for what this training should include, how it could be funded, who delivers the training, and who manages the process to ensure the training is completed before the youth exits foster care.

An optional supervisory period for youth exiting foster care could also help meet this need. Regardless of whether they are in extended foster care or not, youth between the ages of 18 to 21 could be guided on managing federal benefits and their appropriate use (such as through a provision of an acceptable list of items for which to use funds).

Establish clear guidelines to ensure consistency in program implementation across the state

Many participants described the need for clear guidelines and guidance from the state to ensure consistency in program implementation. County participants expressed that uniform policies and practices would need to be put in place across the state for a federal benefit preservation program to reduce inaccuracies and administrative burden, and to ensure the program's effectiveness.

DCYF should engage county and community partners to develop and refine policy guidelines and guidance around the preservation of federal benefit funds for children and youth in foster care before program implementation.

Develop a state-led audit or oversight function

Participants pointed to the need for oversight from the State of Minnesota if counties were to manage personal financial accounts for children and youth in foster care. Participants raised concerns about entrusting the county or a third party to manage accounts on behalf of children and youth in foster care and highlighted the need for accountability that the funds are managed appropriately.

Policymakers should consider establishing a state-led audit or oversight function to ensure consistent investigation and auditing of accounts used to preserve funds, the amounts and uses of preserved funds, and appropriate record-keeping and management of the funds.

Assess different account types that may best meet the needs of different children and youth in foster care

Participants highlighted ABLE accounts as a promising option to store federal benefits for children and youth in foster care who meet eligibility requirements tied to disability due to their comparative ease of access and use.

Participants also mentioned pooled trusts as an option. Pooled trusts are established and managed by a nonprofit—individual beneficiaries create subaccounts within a larger trust as a way for beneficiaries to avoid exceeding the income and asset limits that would otherwise disqualify them from certain benefits. Participants did not suggest similar options for children and youth without disabilities.

Different account types may best meet the needs of different children and youth in foster care based on their individual circumstances. Additional analysis and research will likely be necessary on this issue.

Determine requirements for financial institutions to partner on these accounts

In the experience of participants, local, regional, and smaller banks have been more open to participating in accounts for the benefit of children and youth in foster care when there is not an immediate return to the financial institution. Credit unions are another institution to consider as they often seek to establish relationships with unbanked and underbanked populations rather than generate an immediate return on invested funds. According to participants, these types of financial institutions may be more open to partnering to hold these funds as a service to the community and a positive marketing opportunity rather than an immediate revenue-generating program.

Based on the experiences shared by participants, when developing requirements, policymakers should allow for flexibility for counties to select and work with local financial institutions with whom they may have working relationships. This is especially important given branches of larger banks are not uniformly available across the state.

Address county cost concerns related to county oversight and management of preserved federal benefits for children and youth in foster care

Counties came up most frequently in conversations about implementation, though several participants highlighted advantages to state-, nonprofit-, or other third-party-run entities to preserve and manage federal benefit funds for children and youth in foster care.

For example, participants representing parent and child advocates expressed that counties are the best entities to administer the federal benefits process as they have high levels of involvement and information related to the cases of children and youth in foster care. Parent advocates also acknowledged children and youth may not have strong relationships with their caseworkers, and suggested an uninvolved caseworker or a nonprofit may be appropriate.

A few counties expressed their support for this approach, but counties were far more likely to suggest the state should establish and manage the accounts. County participants most frequently cited concerns related to staffing, training, and increased costs if counties were tasked with oversight and management of the accounts. These cost-related concerns included:

- A general need for increased staffing
- Hiring additional specialized staff with a financial background to administer this program for their county
- Replacing the funds from federal benefits currently used to cover cost of care for eligible children and youth in foster care
- Needing to meet additional oversight, tracking, reporting, and audit requirements
- Anticipated recurring county costs to implement the program would need to be met through county tax levy funding.

Tribal Nations echoed the counties' concerns about staff capacity and also voiced concerns about ensuring children and youth in foster care or who are exiting foster care are adequately supported in accessing and using their federal benefits.

MAD suggests additional analysis to estimate the level of funding needed by counties to meet this need and how this need has historically been distributed and is anticipated to be distributed amongst counties.

Allow some flexibility in the preservation of federal benefits, especially for family preservation and reunification; develop guidance

While participants stressed the importance of consistency in federal benefit preservation program processes, they also highlighted that every child and youth in foster care is unique. Flexibility can be particularly important in cases where family preservation and reunification are the goals. Participants indicated if reunification is the goal, leaving a portion of the federal benefits with the parents or guardians is often beneficial.

They further indicated that pausing payments to the parents or guardians while reunification is still being determined may be harmful to the child or youth in foster care if the parent or guardian uses those federal benefits for housing and other basic needs. However, participants suggested that the parent or guardian access to federal benefits should be determined on a case-by-case basis and correspond to the needs of the children and youth in foster care after an assessment is completed.

If this consideration is included in a plan or legislation to preserve benefits, policymakers should engage with community partners to develop guidance around the circumstances in which alternatives to the preservation of federal funds for children and youth in foster care may be appropriate.

Conclusion

A central theme expressed by participants is the perceived lack of equity in using federal benefits towards the cost of care for eligible children and youth in foster care, particularly when it is not clear if other children and youth in foster care who do not receive federal benefits are also required to contribute similarly to their care expenses. Additionally, many participants underscored their personal beliefs that the primary purpose of these federal funds is to provide for the future of the individual in foster care, such as following the death of a parent or guardian, rather than addressing immediate needs.

Participants raised a variety of concerns about the details and mechanics of what a funds preservation policy would contain, how it would be implemented, how the funds would be preserved and managed, who would manage the funds and the overall process, and how it would be funded. They were concerned about the timing of access to the funds by a child or youth in foster care and who, if anyone, would guide them when accessing the funds. Despite these reservations, and often directly after sharing them, most participants repeatedly voiced support for the concept that these funds should be saved and used for the benefit of the child or youth.

Participants expressed a need for further consultation before making policy decisions, particularly with youth formerly in foster care or youth currently in extended foster care and with tribal agencies and representatives. Despite extensive planning, efforts, and the inclusion of additional engagement components, both groups were not as fully represented in this project as was originally intended. MAD recommends ongoing engagement with child protection workers, caseworkers, tribal agencies, advocacy groups, foster care workers, and counties as the Legislature considers next steps.

Appendix A: Legislation

Laws of Minnesota 2023, chapter 70, article 14, section 37

Sec. 37. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FOSTER CARE FEDERAL CASH ASSISTANCE BENEFITS PRESERVATION.

(a) The commissioner of human services must develop a plan to preserve and make available the income and resources attributable to a child in foster care to meet the best interests of the child. The plan must include recommendations on:

(1) policies for youth and caregiver access to preserved federal cash assistance benefit payments;

(2) representative payees for children in voluntary foster care for treatment pursuant to Minnesota Statutes, chapter 260D; and

(3) family preservation and reunification.

(b) For purposes of this section, "income and resources attributed to a child" means all benefits from programs administered by the Social Security Administration, including but not limited to retirement, survivors benefits, disability insurance programs, Supplemental Security Income, veterans benefits, and railroad retirement benefits.

(c) When developing the plan under this section, the commissioner shall consult or engage with:

(1) individuals or entities with experience in managing trusts and investment;

(2) individuals or entities with expertise in providing tax advice;

(3) individuals or entities with expertise in preserving assets to avoid any negative impact on public assistance eligibility;

(4) other relevant state agencies;

(5) Tribal social services agencies;

(6) counties;

(7) the Children's Justice Initiative;

(8) organizations that serve and advocate for children and families in the child protection system;

(9) parents, legal custodians, foster families, and kinship caregivers, to the extent possible;

(10) youth who have been or are currently in out-of-home placement; and

(11) other relevant stakeholders.

(d) By December 15, 2023, each county shall provide the following data for fiscal years 2018 to 2022 to the commissioner or the commissioner's designee in a form prescribed by the commissioner:

(1) the nonduplicated number of children in foster care in the county who received income and resources attributable to a child as defined in paragraph (b);

(2) the nonduplicated number of children for whom the county was the representative payee for income and resources attributable to a child;

(3) the amount of money that the county received from income and resources attributable to children in out-of-home placement for whom the county served as the representative payee;

(4) the county's policies and standards regarding collection and use of this money, including but not limited to:

(i) how long after a child enters out-of-home placement does the county agency become the representative payee;

(ii) the disposition of income and resources attributable to a child that exceeds the costs for out-of-home placement for a child;

(iii) how the county complies with federal reporting requirements related to the use of income and resources attributable to a child;

(iv) whether the county uses income and resources attributable to a child for out-of-home placement costs for other children who do not receive federal cash assistance benefit payments; and

(v) whether the county seeks repayment of federal income and resources attributable to a child from the child's parents, who may have received such payments or resources while the child is in out-of-home placement, and the ratio of requests for repayment to money collected on an annual basis;

(5) to the extent available, demographic information on the children in out-of-home placement for whom the county serves as the representative payee; and

(6) other information as determined by the commissioner.

(e) By January 15, 2025, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services and child welfare outlining the plan developed under this section. The report must include a projected timeline for implementing the plan, estimated implementation costs, and any legislative actions that may be required to implement the plan. The report must also include data provided by counties related to the requirements for the parent or custodian of a child to reimburse a county for the cost of care, examination, or treatment in subdivision (f), and a list of counties that failed to provide complete information and data to the commissioner or the commissioner's designee as required under paragraph (d).(f) By December 15, 2023, every county shall provide the commissioner of human services with the following data from fiscal years 2018 to 2022 in a form prescribed by the commissioner:(1) the nonduplicated number of cases in which the county charged parental fees to the parents or custodians of a child to reimburse the cost of care, examination, or treatment; and(2) the nonduplicated number of cases in which the county received parental fee payments from a parent or custodian of a child to reimburse the cost of care, examination, or treatment, and the total amount collected in those cases.

(g) The commissioner may contract with an individual or entity to collect and analyze financial data reported by counties in paragraphs (d) and (f).

Appendix B: Interview and guided group conversation participants

The individuals, organizations, and representatives listed below participated in engagements between June 2023 and August 2024.

Financial institution interviews

The organizations below provided background information regarding financial procedures and account types. Interviews with these organizations occurred between June 2023 and the spring of 2024.

- City of St. Paul
- U.S. Bank
- The ARC Minnesota
- Lutheran Social Service of Minnesota (LSS)

Minnesota context

Minnesota state agencies

Note: “DHS” includes programs and staff that were in DHS at the time engagement occurred, but that may now be in DCYF.

- State agency participants provided information regarding the following programs and policy perspectives: DHS Adolescent services (Education and Training Voucher/Extended Foster Care/types of accounts)
- DHS Court conservatorship-guardianship program
- DHS Disability Services
- DHS guardianship policy with disability services
- DHS income management for children and youth with disabilities in foster care
- DHS Medical Assistance
- DHS Minnesota Family Investment Program (MFIP)
- DHS Permanency Support
- DHS representatives regarding youth in foster care under voluntary placement
- DHS representatives representing the interaction between Social Security Administration and Title IV-E
- DHS Successful Transition to Adulthood for Youth (STAY) program, Independent Living Program
- DHS Third-Party Liability Medical Assistance
- Office of Higher Education, Fostering Independence Higher Education Grants (FIG) program

Other Minnesota background: Social Security Administration interactions

A Minnesota Management and Budget (MMB), Budget and Information System representative provided background information on how the state of Minnesota interacts with the Social Security Administration (SSA). The information provided in this interview provided context for the engagements.

In the spring of 2024, MAD met with representatives from the SSA to understand their current reporting relationship with the state of Minnesota and to allow MAD to better understand which federal benefits were being discussed during this engagement project.

Tribal Nations and tribal representatives

The following Tribal Nations and tribal representatives participated in engagement sessions that took place during the spring and summer of 2024:

- Representatives from the Indian Child Welfare Advisory Council (ICWA)
- Lower Sioux Indian Community
- Red Lake Nation
- White Earth Nation.

Counties

Minnesota Association of County Social Service Administrators (MACSSA) assisted MAD in identifying county participants, who were then categorized into regions. Representatives from each region were invited to participate in the engagement sessions. All but five counties, from ten of the eleven regions, participated in engagement sessions. All engagement sessions were conducted in 2024.

Children's Justice Initiative

Several judges, state and county attorneys, court staff, and representatives from the guardianship program provided their insights related to the preservation of federal benefit funds during engagement sessions in the spring of 2024.

Community support organizations

The community support organizations listed below participated in engagement sessions held during the spring and summer of 2024. The organizations below represent and support families, parents whose children were placed in foster care (including support for families who have children with disabilities or children who are in voluntary placements), adoptive parents, relatives, and kinship caregivers. Kinship caregivers includes relatives who are providing foster care and foster parents who are unrelated to the child and youth they are caring for.

- 180 Degrees

- American Indian Family and Children's Services
- Aspire
- Children's Defense Fund
- Children's Home Society of MN
- Children's Law Center
- Connections to Independence
- Court Appointed Special Advocates for Children (CASA Minnesota)
- Family Alternatives
- FamilyWise
- Foster Advocates
- Healing Spirit Foster Care
- Minnesota Indian Women's Resource Center
- Indigenous Visioning
- Institute to Transform Child Protection (ITCP)
- MYVoice
- National Alliance on Mental Illness (NAMI)
- North Homes Children and Family Services
- Public Private Permanency Collaboration (PPPC)/Public Private Adoption Initiative (PPAI)
- Quality Parenting Initiative (QPI)
- Safe Haven
- Village Arms

Other states

- Arizona
- California (and Los Angeles County)
- Colorado
- Connecticut
- Maryland
- Ohio
- Pennsylvania

People with lived experiences

- Adoptive parents
- Families of children in the child welfare system
- Foster parents
- Guardians and kinship care providers
- Youth formerly in foster care

Appendix C: Informational interviews

Introduction

MAD conducted informational interviews and group conversations from March through July 2024 with various government agencies and programs involved with the foster care system. Through these interviews, MAD sought to learn the role of these programs and agencies in foster care and how their programs may be tied to federal benefits. A list of all agencies and programs with which MAD engaged is in *Appendix B: Interview and guided group conversation participants*.

In addition, MAD conducted several informational interviews and group conversations with financial institutions and the City of St. Paul during the spring of 2024. Through these engagements, MAD explored potential financial options if federal benefits were retained for eligible children in foster care, such as what account types could be used, and how to that minimize the risk of principal loss for those retained funds. Below is the summary of these interviews.

Account information

ABLE accounts

An ABLE account is a plan used to store funds that can be used for qualified disability expenses without losing eligibility for assistance programs like SSI and Medicaid. The accounts have broad guidelines on how the money can be deposited and taken out, so long as it is disability related. There are checking and investing options that allow for more flexible allocations of funds.

ABLE accounts have fewer restrictions than special needs trusts. Unlike special needs trusts, they do not require an attorney to set up, have fewer fees (the annual fee is $58), and do not have fees for low balances. ABLE accounts have annual IRS contribution limits ($18,000 for 2024) and an individual asset limit of $100,000 in their ABLE accounts before affecting SSI program eligibility.

A drawback to this account is that it can be challenging to set up for a minor or someone under guardianship. Changes passed in 2024 (Laws of Minnesota 2024, chapter 123, article 15, section 10) allows guardians to help open an ABLE account for someone with a disability, but requires conservatorship. Wells Fargo currently works with ABLE accounts in a variety of states. U.S. Bank indicated that they currently do not but may be moving to work with this account type.

Pooled trusts and special needs trusts

Interviewees described two types of trusts: a special needs trust and a pooled trust. A special needs trust allows someone to preserve assets without losing eligibility for certain benefits. It is a tool that can be set up to supplement, rather than replace, the basic support that programs like Medicaid and SSI provide. Generally, trustees are a friend, sibling, parent, or other family member. Interviewees reported that ABLE accounts are becoming more popular than special needs trusts based on the ease in access and ease in opening the account as they do not require an attorney to do so, unlike a special needs trust.

A pooled trust is a specific type of special needs trust established and managed by a nonprofit, in which individual beneficiaries create subaccounts within a larger trust. Pooled trusts have a joiner agreement fee, which varies based on use.

These accounts allow an individual who receives money to retain access to some funds via the pooled trust while not jeopardizing their eligibility for federal benefits.

The City of Saint Paul created CollegeBound Saint Paul, a college savings program for children born on or after January 1, 2020, who are either a Saint Paul resident at birth or become a Saint Paul resident before their sixth birthday. This program intends to connect families and their children to early childhood resources and financial education tools and resources. The program automatically enrolls children born in Saint Paul who opt to make their birth record public at the time of birth. Those who are not enrolled automatically at birth or who become Saint Paul residents prior to their child's sixth birthday can enroll online by providing the child's name, date of birth, primary and secondary parent/guardian information, and address.

Funds are held by the city in a master custodial account and each participant has a designated sub-account. The master account and contributions made by the families can earn interest. Though some funds are used for administration of the master and designated account, the families do not pay fees individually. As of 2024, disbursement accounts have not been used as the oldest children have not yet reached the post-secondary school level. According to interviewees, these accounts do not impact any benefits that families are receiving.

As of 2024, Saint Paul was using Sunrise and Bremer Bank to manage these accounts. Interviewees noted that the administrative costs for financial institutions were high for these types of programs and that they would take several years to break even. They noted that more local or small banks had been more open to participating in this program more as a service to the community and positive marketing opportunity, as it is not a revenue-generating program.

Foster care related questions

Counties may seek reimbursement for meeting cost of care needs for a child or youth in foster care. The reimbursement may first come from the individual's funds, then from the family/parent funds, and often requires calculating what parents can contribute through the child support program. In cases of a family that is separated, with one parent having custody of the child and the other paying child support, funds would be redirected away from the parent with custody for the time period that the child was in temporary placement. These temporary placements may include voluntary placement requested by the parent or guardian, such as to access residential treatment for a child's physical health, mental health, or chemical dependency.

MAD heard mixed responses around providing a family access to a child or youth in foster care's federal SSA benefits. Funds being used to allow for visits with family could have a positive impact on their lives. Children and youth in foster care are also vulnerable to exploitation and may be taken advantage of if the funds are available to family. Providing funds to allow for visits with family may be most appropriate on a case-by-case basis.

MAD asked what the most pressing needs for youth who were aging out of foster care who have not achieved permanency. The most common needs mentioned included housing, transportation costs, and technology. Other issues raised were focused on relationships. Mentoring, making connections with family, community, cultural connections, sex education framed around healthy relationships, and other relationships were noted as positive forces for youth. Interviewees at the STAY Program mentioned that skills can be taught, and resources can be provided but without relationships, youth may not always be successful.

Needs for youth who recently aged out of foster care versus those who are about to age out may differ and should be kept in mind. An interviewee noted that some Tribal Nations establish trusts for disabled children to prevent exploitation and to avoid triggering asset limits.

MAD heard several different perspectives on the preservation of funds for children and youth in foster care. DHS Permanency Support suggested that funds should not be used by the local agency to pay for foster care placement, and that if the child or youth is not reunifying with their parents or guardians, the money should be saved and put into an account the youth can access when they turn 18. There are mixed opinions on the type of account in which the funds should be preserved. Some suggested different types of trust accounts, a savings account, or an account that could be used for specific uses such as housing, transportation, and education. Several interviewees expressed concern around lump sum disbursement as it may leave youth vulnerable to exploitation when aging out of foster care, and that it can be spent quickly with no guardrails.

When considering options for managing federal benefits, it may be helpful for the adoptive parent or relative custodian to be able to manage this money. However, there is also the risk of potential financial exploitation where the guardian can access these funds and spends them before the youth turns 18.

Considerations

Participants cautioned that there is a potential for retaining federal benefits to impact other programs and benefits which may be affected if the youth receive benefits in a lump sum. Some programs have an asset limit. For example, the STAY program (federal Chafee program) has an asset limit of $10,000. SNAP benefits also could be impacted based on an asset limit. Other programs have age-based eligibility requirements. Youth need to be in placement after 14 years of age for STAY eligibility, and there are federal eligibility impacts if they are adopted prior to turning 16 as well.

Participants explained that some programs are not subject to assets limits. All children in foster care are eligible for MA, regardless of income, but income can impact eligibility upon leaving foster care before age 18. A foster care youth may lose eligibility for some benefits and programs if they were to receive retained federal funds in a lump sum or through an account that would count towards the youth’s assets. This can be applied while a youth is still in foster care as well as when they enter extended foster care or age out and apply for funding for college.

There is a lack of clarity behind assessing parental fees now that the law says “may” instead of “shall.” The statute should also make it mandatory rather than discretionary (i.e., “shall”) for a wide array of benefits, not just limit it to RSDI or SSI benefits. Arizona, for example, mentioned that centralizing benefits at the state rather than county level can make reform easier. It may not be possible from a policy standpoint to hold off on youth receiving payouts until they have used up the Education and Training Voucher (ETV) and Fostering Independence Higher Education Grant (FIG). Another option may be to set aside federal funds to be deferred to something like a retirement account.

Setting aside funds in a lump sum can leave a youth open to exploitation. There was an emphasis across interviews for other methods besides a lump sum, such as several payment distributions, keeping federal benefits it in a trust that can be accessed for specific needs, putting it into an account that would not affect asset limits for other benefits the youth is eligible for, or for their immediate circumstances, like housing. An account like a Health Savings Account (HSA) that can go towards specific needs was supported (also an ABLE account and special needs trust as neither would count towards asset limits). There is also a concern over what is considered too much monitoring for the state when distributing funds that technically belong to the youth, especially when they turn 18.

Appendix D: Minnesota state agencies

Introduction

Between February and April of 2024, MAD interviewed 26 state agency staff about their roles and the impact that a federal benefit fund preservation program for children and youth in foster care could have on their work and the people they serve. DHS staff and the design team identified interviewees. Most interviews summarized in this appendix were conducted before programs transferred to the new DCYF—agency identification may be out-of-date.

DHS: Youth in foster care under voluntary placement

The Child Safety and Permanency Division oversees family support and placement services in several areas. The first area is Title IV-E eligibility and policy, which includes ensuring there is placement authority and working within the federal policy guidelines of the Family First Prevention Services Act of 2018.[21] Other areas they assist with are permanency and case planning, adolescent programming, and the Chafee or STAY program, which helps youth in foster care with their transition to adulthood.

Participants explained that youth may enter foster care in one of two ways: The first is when the child is being abused or neglected, is considered a truant or a runaway, or otherwise needs protection and services. In this case, the process includes removal from their home and a Child in Need of Protection or Services (CHIPS) petition through a court order. The second is a voluntary placement, in which the child or youth is placed in a residential treatment facility, group home or other licensed setting because they require specialized care that cannot be met at home. They said that children or youth in this situation may have developmental needs, such as autism, substance use disorder, or mental health needs that cannot be addressed at home. Participants noted that several other states do not have individuals with disabilities as part of their foster care system and said it was important to keep this in mind when making decisions about persevering federal benefits for children and youth with disabilities in foster care.

Participants said that youth in voluntary placement may stay in their placement until they age out of foster care, and about 30 percent of children and youth in foster care transition to adult services for individuals with a disability or mental health. They said that in voluntary placement situations, counties in Minnesota are more likely to become the representative payee as reunification with their families may not be possible due to the child's developmental or mental health needs. Participants noted that when possible and when needed the county engages with the family and relatives to determine who is able to help make decisions on the child's or youth's behalf. Participants emphasized the need to pay attention to the voluntary placement population in

[21] Congressional Research Services, *Family First Preventions Services Act (FFPSA)*.

discussions and decision-making regarding the preservation of federal benefits to avoid any negative impact on future benefits they may be eligible for if they were to receive a large sum of money when turning 18.

Participants were also concerned about how receiving the funds in a lump sum at age 18 could affect their housing-related assistance. They also expressed concern over children and youth in foster care receiving their federal benefits in a lump sum, since this population is particularly susceptible to exploitation and trafficking, especially in Indigenous communities. They said that many former children and youth in foster care return to their abusive homes at age 18, which makes them even more vulnerable to exploitation.

Participants said that federal benefits should not be used to cover the cost of care for children and youth in foster care who are eligible to receive these funds, and pointed out that the state is not asking other children and youth in foster care who are not eligible for federal benefits to pay for their cost of care. They liked the idea of using federal benefits to connect with familial support to help create and maintain healthy and safe families and other relationships.

They suggested using an assessment to determine the need for youth to have access to their funds and to ensure they are using the funds for appropriate purposes. Participants did have concerns over who would do the assessment and who would manage this process. They noted that whoever would be managing this process would need to balance the need to preserve familial support and to ensure the child is not at risk.

Participants did not have specific recommendations about types of accounts, other than that the account should be an individual account specific to the child or youth in foster care. They urged that whenever possible children and youth in foster care should be included in discussions about their accounts and that there should be extra support to guard against taking advantage of children and youth with disabilities in foster care.

DHS: Medical Assistance

Staff from DHS's MA program discussed the impact that preserving federal benefits could have on children and youth in foster care who have MA, particularly those they help with kinship assistance and adoption assistance. They said that youth in foster care may be affected by kinship or adoption placement at some point, regardless of whether they are in care for a short or long time, or if they are working towards reunification or are aging out of foster care. They pointed out that:

- Children and youth in foster care are automatically eligible for MA, and no income or asset limitations would affect their MA eligibility.
- Children and youth in foster care qualify for MA until age 26.
- The SUPPORT Act prohibits states from terminating MA eligibility for an individual under age 21 or terminating MA for youth formerly in foster care up to age 26 while incarcerated.

Participants noted that parents may pay for the cost of care, but the courts no longer require them to do so. If the court does require that parents cover the cost of care, they may also be asked to pay for MA coverage. Regardless of whether the parents help to pay for the cost of care or MA, this does not make a child or youth in foster care ineligible for MA. Participants said that if a child or youth in foster care had Third Party Liability coverage, that would be applied before MA, as MA is considered a payer of last resort. All other payment or coverage options would be used before MA.

When asked about possible accounts that should be used for preserving federal benefits for children and youth in foster care, participants suggested that in appropriate circumstances a special needs trust could protect the child or youth in foster care's benefits, so that the funds are not used to pay for the cost of care. Participants said that income and asset limits for programs such as MA should be considered when determining how to preserve federal benefits for children and youth in foster care. They also said that under IRS rules typically trusts are not considered taxable income. If children and youth in foster care would take distributions from these accounts, they would have to record gains on their taxes, and those funds could be considered taxable income. Participants noted that the Modified Adjusted Gross Income (MAGI) is an individual's adjusted gross income after considering certain allowable deductions and tax penalties and that no asset tests or asset limits are applied with MAGI. Participants also suggested that ABLE accounts could be used, but that restrictions exist for who qualifies for an ABLE account and how the funds are used.

Participants suggested that federal benefits payments could be spread out over a year or given to the children and youth in foster care in an annual disbursement. They noted that for children and youth with disabilities in foster care, getting funds in one lump sum would be beneficial because it only counts as income in the month that they receive it. They said children and youth with disabilities in foster care are often dependent on other income to ensure they receive the care they need and suggested that these youth should have access to their federal benefits when they need them and be able to use the funds for whatever needs they have. They urged that decision-makers keep in mind the needs of families covered by the federal Tax Equity and Fiscal Responsibility Act (TEFRA) when determining the federal benefits preservation program. (TEFRA allows MA eligibility for children with disabilities in families with incomes too high to qualify for MA and for employed people with disabilities.)

Participants noted that MA requires asset and income tests, which differ depending on the program the individual is in. They suggested that income and assets belonging to children and youth in foster care be exempt from these limits.

Some Tribal Nations in Minnesota, such as the Red Lake and White Earth Nations, operate their own MA programs with the same eligibility components, and participants noted that these Tribal Nations should be included in a federal benefits preservation program.

DHS: Third-Party Liability-Medical Assistance (TPL-MA)

Staff working in the DHS Third-Party Liability-Medical Assistance (TPL-MA) area help manage the legal recovery of MA assets from lawsuits, settlements, and inheritances. They also help to manage the long-term assets of those with disabilities. Participants noted that any recovery of Medicaid assets from a trust is largely an automated process for the TPL-MA group. These staff noted that all third-party coverage must be used before Medicaid funding is used. They said that this does not come up for most of the children or youth in foster care receiving federal benefits. Children and youth with disabilities in foster care often have funds in a trust as part of a structured settlement, they said, with the trust set up by a lawyer to be compliant with income and asset limits. They noted that the biggest problem they have observed is when guardians are overcharging, and the trust gets depleted too quickly.

Participants noted that MA would pay first if a child or youth in foster care were injured. They said that DHS would take a portion of the funds to pay for past medical bills, and the rest would go into the trust. They said that if a child or youth in foster care is under 18, they ensure that all their funds are not spent. However, they noted that attorneys typically take a $1,000 fee to set up a trust, so at times youth's funds may fall under the asset limit of $2,000.

The staff said that they do try to recoup MA funds from children and youth in foster care in some situations, including accidents, legal settlements, and legal malpractice. Participants said that they may need to recoup funds after the death of a child or youth in foster care who had a special needs trust. They also noted instances where the designee of the trust is the parent of the child or youth in foster care and the parent dies, social services get involved to get the funds to the child or youth.

Participants said that a special needs trust or an ABLE account should be used when a child or youth has a permanent physical disability or intellectual disability, and possibly would not be able to manage their finances. They said that ABLE accounts should be used whenever possible for children and youth in foster care because they are easy to use, low-cost, and function similarly to a savings account. In rare instances, they said a Spendthrift Trust can be set up if there is a large inheritance. They noted that a Spendthrift Trust limits a beneficiary's access to the money and protects the money from creditors. The trustee would have full authority over the trust's assets, and the beneficiary could not sell or give away their interest in the trust. Participants' only concern about account types for the preservation of federal benefit funds was that there be protection against the child or youth in foster care's family members or others who may want to use the funds for their own purposes.

Overall, participants said that trusts can be complicated but can help to get around any income and asset limits. They noted that a trust should not be used if the child or youth is not subject to income and asset limits and has a small amount of assets so that the cost of opening and maintaining a trust does not deplete their assets too quickly. However, they noted instances with tribal children and youth in foster care where a trust is used instead of the child or youth with a disability becoming the representative payee when they reach adulthood.

Participants said it is critically important to understand why the child or youth in foster care is receiving federal benefits, to ensure they are being offered the correct advice and have access to the right benefits and services. They said that structuring long-term trusts to maintain assets should be a consideration when deciding about preserving federal benefits. They said that someone at DHS should review how the assets are being preserved and ensure the assets are being protected. For example, they said that if an MA-related error is made, they can typically find a workaround, but if an error is with social security, they are not as easy to work around. They noted that at times no one has applied for social security benefits for the youth, so the youth have trouble accessing those benefits when they turn 18.

DHS: Disability Services

Staff from DHS Disability Services work with disability waivers, policies, and Achieving a Better Life Experience (ABLE) accounts. They noted that ABLE accounts were created at the federal level to provide tax-free savings accounts for individuals with disabilities if the individual obtained their disability before the age of twenty-six. Minnesota passed a similar state-level law. Participants said that individuals with disabilities may put up to $14,000 per year into an ABLE account and that assets in these accounts do not count towards federal asset limits for MA. They noted that counties, Tribal Nations, and nonprofits in Minnesota stress the importance of ABLE accounts, but that if someone is eligible for MA, DHS does not send information about ABLE accounts. They thought that some counties in Minnesota may still be handing out ABLE account information when an individual is eligible for MA.

Participants said that for ABLE accounts to be used for preserving federal benefits, a vendor would be needed to monitor individual account totals and process fees. They pointed out that most other states use a treasury office within the state to manage ABLE accounts or similar accounts. Participants noted that Minnesota does not have a treasury office and would likely need DHS to help manage this process.

Participants said that ABLE accounts are relatively easy to open and easy to use because they do not require an attorney, as is needed for special needs trust accounts. However, they said that while opening an ABLE account for an adult with a disability is easy, individuals who are underage or under guardianship have encountered challenges. Participants said that counties are concerned with managing ABLE accounts. They said that a law requiring a guardian who wanted to open an ABLE account for someone with a disability required them to have a conservatorship for that youth. No other states have this conservatorship requirement, according to these staff.

DHS: Income management for youth with disabilities in foster care

Participants from the area of Interagency Collaboration and Community Connections work to promote employment for individuals with disabilities, which includes children and youth in foster care who are age 16 or older. They said that if an individual is eligible for an ABLE account, they encourage them to set one up. Special needs trusts are not commonly used any longer.

Participants said that when providing benefits planning for children and youth with disabilities in foster care, they first try to support decision-making and consider other income sources the child or youth in foster care may have. They also noted that Minnesota has the highest rate of guardianship across all states. Due to this, DHS developed the Informed Choice Toolkit to help caregivers for children and youth with disabilities to understand the needs they have, including the level of support needed. Participants said that they work to ensure children and youth in foster care are aware of their rights, specifically related to their work options.

Participants explained that a guardian and a representative payee are separate roles. A guardian helps the child or youth in foster care make decisions for all aspects of their life, while a representative payee is appointed by the SSA to manage benefit payments for the youth or child. County eligibility workers are responsible for determining eligibility and income sources. They also help children and youth in foster care with disabilities determine if they qualify for a waiver program, which allows the child or youth in foster care to access many resources and activities that they may not be eligible for otherwise.

Participants said that age is the biggest restriction with ABLE accounts, and the IRS also sets an annual contribution limit for ABLE accounts. The benefit of having an ABLE account, according to participants, is that youth can retain their funds while also retaining eligibility for benefits. They added that financial education and planning for how to navigate and manage their finances are critical for children and youth in foster care, especially those aging out of care.

DHS: SSI and IV-E interaction

Title IV-E federal reimbursement is available for counties and Tribes participating in the American Indian Child Welfare Initiative[22] for a portion of the cost of providing foster care to eligible children and youth up to the age of 21.

Participants said that their role with DHS is to train and provide guidance about federal Title IV-E eligibility. Participants noted that one of the criteria to claim Title IV-E federal reimbursement for a child in foster care is applying eligibility criteria according to the former 1996 federal Aid to Families with Dependent Children (AFDC) program. When describing the interaction between Title IV-E foster care and Supplemental Security Income (SSI), participants said that the Title IV-E foster care eligibility determination includes consideration of income and assets at the time of removal, and that types of income can include social security benefits and other income from the parents. The AFDC regulations at 45 CFR 233.20 (a)(1)(ii) and 45 CFR 233.20 (a)(3)(x) exclude the needs, income, and resources of individuals receiving benefits under SSI (Title XVI of the Social Security Act) in determining the need for and amount of an AFDC payment. They said that these exclusions apply to SSI-eligible children who are under the care and responsibility of the county or Tribal social services agency and otherwise eligible for Title IV-E.

They said that if a child receives social security benefits prior to foster care placement, it is considered unearned income to the household in making the Title IV-E eligibility determination. They explained that if a child is receiving SSI and receives at least one dollar of SSI in an eligibility month, they automatically meet the financial requirements for income and assets. This means that for Title IV-E eligibility, the removal home does not need to meet the Title IV-E income and asset tests, although they do need to meet other Title IV-E eligibility requirements.

Participants noted that foster care maintenance payments provided to foster parents or youth in extended foster care often exceed the amount of the SSI benefit, so the SSI payment is set to zero dollars for that period. They said that historically if the foster care maintenance payment was meeting the child’s needs, the SSA had reduced the federal benefit by the amount of the foster care maintenance payment.

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[22] See Minn. Stat. § 142A.03, subd. 9

Participants said preserving federal benefits for children and youth in foster care may affect their Title IV-E eligibility and therefore, the county's ability to receive Title IV-E federal reimbursement for foster care maintenance payments made on behalf of children and youth. They noted that there is a $10,000 AFDC asset limit, which only needs to be met in the first month of the foster care placement. If the federal benefits account were set up for the child or youth the month after they entered foster care, participants thought it would not affect eligibility for the time the child or youth remained in foster care. If the youth leaves foster care and returns later, they said that the preserved funds might be considered as assets for that next foster care placement episode. Participants noted that to be considered an asset for the asset limit of $10,000, the funds need to be available for the child or youth in foster care to access. If the funds cannot be accessed by the child or youth in foster care, then those funds would not be considered an asset. They suggested that this policy may need to be reviewed.

Participants noted that some accounts can be set up so that the child or youth in foster care does not have access to them while in care, such as the trusts that can be established for children and youth in foster care with disabilities, where the individual cannot access the account until they reach a certain age. Participants did not want to see children and youth in foster care become ineligible for other benefits and services if federal funds were preserved for them and suggested that the Legislature ensure that the children and youth in foster care in this situation not be made ineligible for other benefits and services.

DHS: MFIP

Participants from DHS's Minnesota Family Investment Program (MFIP) help manage the policies and performance of the MFIP program as well as manage the Diversionary Work Program (DWP), which helps Minnesota caregivers find jobs. They described their goal as helping caregivers find work quickly. They also help manage the Temporary Assistance for Needy Families (TANF) program, which allows states to allocate resources for a broad array of services, and they supervise the Supplemental Nutrition Assistance Program (SNAP) program, which helps Minnesotans with low income get nutritious food.

Participants said that the MFIP program has federal requirements for TANF, and that most rules for SNAP are set at the federal level. They noted that families who get assistance from these programs must be pregnant or have a child, and if a child or youth enters foster care, the family may lose eligibility for MFIP. They were concerned that households from which children and youth move to foster care would become unstable in this situation. They said that when a placement is not Title IV-E-eligible and is expected to last less than six months, the state policy is that the family may continue to receive MFIP benefits during this period. Participants noted that this is rarely applied in practice since it can take up to 60 days to determine if the placement is Title IV-E-eligible.

Participants said that DHS usually assumes the child is eligible for Title IV-E and therefore removes MFIP funding from the family because the family would have to repay any overpayments if the placement is Title IV-E-eligible and they had not removed the MFIP funding. Participants suggested that the Legislature change this policy so that the family does not lose MFIP benefits, which could have consequences like families losing their housing and making reunification for children and youth in foster care more difficult.

Participants noted that Family Assets for Independence in Minnesota (FAIM) funds, an asset building program for households with less than $10,000, can be used to save for education or related expenses at an accredited post-secondary institution, purchase a home or vehicle, build emergency savings or to start or expand a small business. Participants noted that FAIM is Minnesota's version of an Individual Development Account (IDA), and that state programs may match an individual's contributions to the account. A FAIM applicant must be 18 or older, be and remain a Minnesota resident, have earned income to deposit monthly, and have an additional gross annual income below 200 percent of the Federal Poverty Guidelines (FPG). Participants said that with FAIM, ABLE, and special needs trusts there is no household cap for MFIP eligibility.

Participants noted that a regular trust would count towards the MFIP asset limit of $10,000, but that ABLE and special needs trust accounts are not counted as assets for MFIP or SNAP. Furthermore, participants said that tax refunds or child tax credits also do not count toward asset or income limits.

DHS: Adolescent services

Education and Training Voucher (ETV) program

Some of the staff interviewed work to coordinate the Education and Training Voucher (ETV) program, part of the federally funded John H. Chafee Foster Care Transition to Adulthood (Chafee) program. Youth are eligible for this program if they experienced one of the following:

- In foster care for 30 consecutive days at age 17
- Adopted from foster care at age 16 or older
- Had a court-ordered transfer of permanent legal and physical custody to a relative from foster care at age 16 or older
- In extended foster care or left foster care at age 18 or older.

With the ETV program, the school determines the cost of attendance, food, housing, tuition, books, fees, and financial aid. The ETV program cannot award funding above the cost of attendance.

Participants said that other grants, including state and federal grants, are also available to children and youth in foster care. State grants for education are administered by the Minnesota Office of Higher Education (OHE), which has a data-sharing agreement with the ETV program. This allows the ETV program to get Free Application for Federal Student Aid (FAFSA) information and award ETVs, which is now an automated process. The Fostering Independence Grant Program (FIG) administered by the OHE helps students with foster care experience go to a post-secondary school. Eligible students can receive both FIG and ETV grants.

Participants said that youth who are age 13 or older and in foster care for any length of time may receive independent status and do not have to name their parent's income on the FAFSA, even if they have been adopted or reunified with family.

Extended Foster Care program

Interview participants providing oversight for the extended foster care program (a Title IV-E program for eligible youth between the ages of 18 and 21) said that they mostly work with Tribal Nations and county agency staff administering the program. Participants said that with extended foster care, a youth is eligible for foster care maintenance payments including a basic rate and an assessed supplemental rate. They also said that for youth living in an unlicensed supervised independent living setting, such as a dorm room or apartment, the county or Tribal Nation may pay part or all the foster care maintenance payment directly to the youth. Preserving federal benefits for children and youth in foster care could affect youth in the extended foster care program, they said, because the youth may not have as much need for assistance. Participants added that youth are not allowed to hold remaining federal benefit funds in a separate account while in extended foster care.

Types of accounts to use and ways to retain funds

Participants said that counties should receive the federal benefits as the representative payee, and then send the funds to DHS for them to hold in a pooled trust that DHS would manage and operate. They said that the youth would receive a lump sum at age 18, which could affect the ETV program because the student would need to report these funds on the FAFSA. This could reduce their financial aid amount as the student would be expected to use that money for their schooling.

DHS: Successful Transition to Adulthood for Youth (STAY) program and independent living

The Successful Transition to Adulthood for Youth (STAY) program is Minnesota’s version of the federal Chafee Successful Transition to Adulthood program for youth in foster care. Staff in this area manage grants to fund skill services for eligible youth. They work with all counties, Tribal Nations, and some community agencies to support youth in foster care having access to life skills, transportation, and employment services, and access available funding to support cultural and age-appropriate activities. Participants said that youth eligible for the program must be in foster care after age 14, with at least 30 consecutive days in placement. Youth who are adopted or have a transfer of legal custody to a relative before age 16 lose eligibility for program services. Otherwise, youth remain eligible for STAY program services until age 23. Participants noted that this is a federal program, which requires a state funds match.

Participants said that mentoring is key for youth aging out of foster care to help them make connections with family and community and have other healthy relationships, including sex education, and cultural connections. They said that teaching independent living skills and providing resources is helpful, but the most important success factor for youth aging out of care is healthy relationships.

The next biggest need for youth as they are aging out of care is housing, according to these staff. They noted that the STAY program may use a limited amount of the federal Chafee funds to pay for housing for youth after they are 18. Participants said that the STAY program can spend up to 30 percent of their grant funding towards housing, but that typically they use closer to 15 percent. The STAY program services can provide short-term rental subsidies to help with the first and last month's rent and a damage deposit, but they are unable to help with a down payment for a home purchase.

Participants said that preserving federal benefits for children and youth in foster care could potentially affect their eligibility for the STAY program. They noted that at the federal level, the Chafee program has an asset limit of $10,000 and that if the child or youth in foster care gets a large lump sum, their eligibility for the program may be affected. However, they also said that there is never too much funding for children and youth in foster care, so putting their money in a trust that they can access as needed would be helpful. Participants said that using the federal benefits to help the child or youth in foster care connect with family or determine other familial supports, such as traveling to be with other family members, could be a good thing. Overall, participants had concerns about preserving and using federal benefit funds only for children and youth in foster care who are eligible, that these are not inclusive practices for all children and youth in foster care.

DHS: Permanency support

Staff in the area of permanency support work on policies and legislation that might affect permanency, transfer of permanent legal and physical custody (TPLPC), adoption, or children and youth under guardianship of the commissioner, and process adoption placement agreements, Northstar kinship assistance and Northstar adoption assistance applications, and support adoptive and kinship families receiving benefits in those programs. They also assist children and youth in foster care whose parents are deceased or where parental rights are terminated.

Participants noted that it would be difficult for the state to manage the funds and accounts for around 5,000 children and youth in foster care in Minnesota. However, they suggested that DHS should be the representative payee, and the funds preserved until the youth is 18. They noted that federal benefits are different than disability payments needed to access specialized care and should be treated differently when it comes to preservation and youth having access.

Participants said that if an adoptive parent or relative custodian receives adoption or kinship assistance payments on behalf of a child, those payments are used to cover the child or youth’s cost of care should they be placed in foster care. They noted that if a child or youth in foster care is being reunified with their family, the court would not transfer guardianship to the commissioner or permanent legal and physical custody to a relative, and the parent would become the representative payee for the federal benefits. Previously, adoption assistance could be offset or reduced by the amount of the federal benefits, participants said, but federal rules changed, and DHS is no longer able to reduce adoption assistance payments by what the child or youth receives in federal benefit payments.

Federal benefits should not be transferred until reunification is ruled out, whether the permanency plan is TPLPC or adoption, these staff said. They added that it may be helpful for the adoptive parent or relative custodian to be able to manage the federal benefit funds on behalf of the child or youth. However, they did have concerns about the possibility of caregivers accessing and using the funds inappropriately, and spending down the funds before the child or youth is 18. They noted that federal benefits should not be used for food or clothing, which is what the adoption and kinship assistance payments are for.

Participants mentioned that federal benefits can be critical for families to ensure stability, and to have the option of reunification. They pointed out that federal benefits are not able to be paid directly to the child or youth in foster care. One participant said that it was reasonable for some of the funds to be given to the county to offset the cost of care for children and youth in foster care who receive federal benefits. However, another participant said that federal benefits not based on disability should be preserved differently than federal benefits based on disability that are for the daily cost of care to ensure children and youth in foster care have access to the services they need. This participant added that the county should not have access to certain funds, especially death benefits, and that these benefits should be preserved for when youth age out of foster care.

Participants called for language in the statute prohibiting counties from using any federal benefits to cover the cost of care for children and youth in foster care. They said that if the child or youth in foster care does not return to their family of origin, then the funds should be saved in an account for the youth to access when they turn 18 to pay for post-secondary education or other needs.

While several participants agreed that the federal benefit funds should be preserved until youth are 18, they had concerns about the youth receiving a lump sum disbursement of the federal benefit funds. One participant suggested that the funds be disbursed gradually or be allocated for specific needs, such as a down payment on a house, car payments, or other transportation needs. They said that children and youth in foster care are removed from their homes through no fault of their own, so the funds they are due should be used to assist them with any independent living needs.

DHS and MN Judicial Branch: Court Conservatorship and Guardianship program

The staff interviewed hold various roles helping with internal audits related to policy and procedures and judiciary branch employees. They also perform audits on conservators and spending, and they review complaints. They oversee violations of the Minnesota Foster Care Bill of Rights and manage the software system and system compliance used by the courts and guardians, which allows conservators and others to upload documentation and track their spending.

Participants explained that under Minnesota law, conservators and guardians are appointed when an individual is unable to make personal decisions or is unable to meet their financial needs, even with appropriate technological assistance. They noted that a guardian takes care of a ward’s personal affairs, such as medical care, nutrition, clothing, shelter, and safety. A conservator manages a protected person’s financial affairs related to general finances, property, and real estate. Participants noted that a person may have both a conservator and a guardian if needed.

Participants noted that children and youth in foster care are rarely part of their program, but when the child or youth in foster care is part of a juvenile protection program, they would also need to be under guardianship.[23] They said these cases are more complicated because each case type is different, and each program has different requirements.

Participants said that when the court makes a ruling involving money if the amount is under $10,000, they encourage the courts to put the funds in a restricted account where a youth has access to the funds once they turn 18. They do not encourage using ABLE accounts because their auditors have had challenges related to tax implications, but they said that ABLE accounts might be appropriate for preserving federal benefits. They noted that the court would be notified if a pooled trust or a supplemental trust is used to save funds for a child or youth in foster care, but DHS manages these accounts. They do allow all 18-year-olds access to their funds all at once and said that allowing partial access to the funds or having a phased disbursement would require additional monitoring by the state.

Participants said that they are focused on determining whether youth will need a conservator or if their funds can go into an account until they turn 18. They mentioned that in cases where a parent is the conservator, such as when the child receives an inheritance, the parent has sometimes used the child or youth's money for personal reasons and participants thought this could also happen with the preservation of federal benefits for children and youth in foster care.

These participants said that they are trying to make it easier to be placed into guardianship or conservatorship, both in Minnesota and nationally, so they don't need to go to court each time the funds need to be accessed. They called for an easier administrative process for accessing the child or youth's funds while they are still in foster care.

DHS: Guardianship policy with disability services

Interview participants in the guardianship policy area said that they support planning for two areas. The first is Medicaid Home and Community Based Waivers (HCBS), which allow Minnesotans with disabilities or chronic illness who need certain levels of care to determine the best care facilities and options for them and may not normally be available under regular Medical Assistance.

The second area they manage is informed choice. They said that their connection to the preservation of federal benefit funds is public guardianship for a narrow population of individuals with developmental disabilities who are also in foster care. They noted that their program would help a child or youth in foster care who is approaching their 18th birthday and needs someone to make decisions on their behalf once they are an adult. They said they have fewer than 1,000 people in guardianship right now because people with disabilities have

[23] While this is what was stated by the participants, it should be noted that the term "guardianship" has a different meaning for children and youth in foster care. Guardianship of children and youth in foster care is governed by [Minn. Stat. § 260C.325](#).

access to more services than had historically been available, resulting in increased ability for self-advocacy. They estimated one new youth in foster care works with their program each year as they prepare to turn 18 and need a guardian.

They said that individuals who qualify for this program have been certified as having a disability either by the State Medical Review Team (SMRT) team or SSA. Participants said that if someone has been assessed for these services, their needs identified, and they have been certified as having a disability they would be included in this program. This can be complicated for children and youth in foster care, they said, because some foster care services under the waiver program are paid a certain way, and other foster care services are supported through the foster care program. Services can be paid by both groups to the same providers, but from different funding sources. They noted that many people have these waivers due to parent or guardian burnout, along with children and youth with disabilities in foster care needing a guardian.

Participants recommended a special needs trust or an ABLE account be used to preserve funds for children and youth with disabilities in foster care. They noted that under public guardianship, the guardian is not allowed to also manage the youth's money to avoid conflict of interest, so it could include a guardian and a conservator. They noted that a guardian can open a special needs trust on the child or youth in foster care's behalf, but it needs to be overseen by a conservator.

Participants noted that there can be income and asset limits that guardians would have to help navigate, but that it depends on the type of assets an individual has, the type of programs they are working with, the type of housing and other needs they have, and the type of accounts they have. They liked the idea of using a Health Savings Account, or an ABLE account that may be used for certain items as a way of making funds available to the youth. They said that using accounts like Health Savings Accounts would avoid problems with asset limits.

Participants said that children and youth in foster care need to have informed choice about the use of specific accounts and the use of their funds and did not want caregivers to be able to use the funds inappropriately. They cautioned legislators to consider whether the funds would count as income or assets so that individuals with disabilities would still be eligible for benefits and services, like health care or educational benefits.

Office of Higher Education: Fostering Independence Grant Program

The Office of Higher Education houses the Fostering Independence Grants (FIG) program, a financial aid program for Minnesotans who experienced foster care to overcome financial barriers to attending higher education. Interview participants who manage that program offered thoughts on the preservation of federal benefit funds for children and youth in foster care.

These staff said that youth are eligible for the FIG program if they were in foster care at least one day while age 13 and older and must have experienced foster care through the Minnesota foster care system. They noted that children and youth in foster care can be in the FIG program up to age 27. If they are 26 before September 1 of that year, they are eligible for the FIG program for the entire school year. They said that the FIG program allows students to have independent status on the FAFSA and does not require parent income and financial information, regardless of adoption or future guardians.

If children and youth in foster care were able to save federal benefits, participants said that those funds would likely be considered an asset, similar to the FAFSA. However, they said it would not be likely to affect their access to funds with the FIG program. Participants said that being part of the FIG program would not affect any foster care payments the youth would receive, but it could affect SNAP benefits. They noted that this practice varies across counties.

Participants said that with the data sharing agreement between OHE and DHS, a youth in extended foster care will still receive foster care maintenance payments, but those payments will be subtracted from the FIG amount, along with the amounts of any education waivers or other awards. They said that the FIG program is a last-dollar program, meaning that they consider all other federal and state grants, scholarships, and aid, then look at third-party awards, such as those from a college, the Rotary, or religious organizations, then foster care benefits, education, and training vouchers, waivers for housing, or other assistance, to determine FIG funding. They said that many students are not eligible for work-study or other loans because they get so much covered. However, students can appeal if they have additional needs, such as childcare or the cost of a service animal.

Appendix E: Tribal Nation and tribal representatives

Introduction

In August 2024, five representatives from three Tribal Nations joined in a conversation to share their thoughts and experiences about the preservation of federal benefits for children and youth in foster care. MAD consultants facilitated the discussion, which was focused on questions related to practical and technical considerations, preservation of federal funds and account management, impacts and outcomes of children and youth in foster care, and concluding thoughts and recommendations.

Impact of federal benefits preservation for children and youth in foster care

Two Tribal Nations reported that they are using federal benefits to cover the cost of care for children and youth in foster care. One of these Tribal Nations also serves as the representative payee. Another Tribal Nation said that while they work to determine if children and youth in foster care are eligible for benefits, the county is the representative payee. Participants were concerned about the ongoing capacity of the Tribal Nation's staff to help children and youth in foster care with the preservation of funds.

Participants pointed out that children and youth in foster care who are part of a Tribal Nation may live or be placed in different areas, sometimes outside of the reservation or tribal community, in both rural and urban areas. They said that it can be a challenge to ensure that children and youth in foster care are placed in appropriate long-term, safe, and stable housing. Moreover, the counties they live in may have different processes for preserving federal benefits for children and youth in foster care, and they recommended that consistent guidelines be developed across counties with the assistance of the tribes.

The tribal participants reported that they use grant funding differently from other funding sources for permanency to help children and youth in foster care receive tutoring, driver's licenses, furniture, and other basic needs. Participants said that families often reach out about additional expenses, such as braces after permanency has been established for children and youth in foster care. One Tribal Nation said that they have about forty workers assisting children and youth in foster care and helping to teach independent living skills. Another Tribal Nation said that through grant funding they can provide independent living skills training for 14- to 23-year-olds.

Considerations for management of federal benefits

Perspectives on county or third-party roles in preserving income and resources differed. One participant raised concerns about entrusting the county or a third party to manage accounts for children and youth in foster care, and about how individuals managing accounts for children and youth in foster care would be held accountable for managing the funds appropriately. Another participant said that they helped a guardian set up a checking and savings account with both the guardian's and the child's names on the account, but that the guardian did not use the federal benefits put into that account for food or housing. Once the child turned 18, the account was changed to only be in the child's name.

One participant expressed concerns about who would oversee the taxes associated with the account and highlighted the importance of having someone who would provide tax advice to children and youth in foster care or the individual managing the account. Participants also suggested that tribal members or county staff set up a special needs trust for children and youth with disabilities in foster care so that the federal benefits are not considered income, and the children or youth retain eligibility for other benefits.

Suggestions for ways children and youth in foster care receive their federal benefits

Tribal participants suggested that children and youth in foster care have a transition plan in place before they are 18 to help them determine when and how to use their federal benefits once they have access to them. One participant called for the federal benefits to be preserved until the youth in foster care is 18 and has been provided training and financial advice, so they are prepared to access their funds. Participants said that children and youth in foster care should be given the choice of receiving their federal benefits in one lump sum or through a stipend if they prefer the funds to be distributed over time.

Tribal participants noted that a variety of individuals could help children and youth in foster care with accessing their federal benefits, including caseworkers or a tribal cultural department that collaborates with caseworkers to ensure services are being provided to children and youth in foster care.

Tribal participants added that there is always an opportunity for children and youth in foster care to go to the Tribal Nation with any of their needs and that it can be difficult for children and youth in foster care who are working with a county to know where to go or whom to work with. They said that their biggest concern is the lack of resources for children and youth in foster care and that even if the county caseworkers know where to go to get help, they are not always able to locate housing, jobs, or vehicles in their community or Tribal Nation. They noted that children and youth in foster care often want to stay in the area with their community, but they may not be able to find opportunities and resources in their community.

Considerations for access to federal benefits

Participants said that children and youth in foster care should have access to their funds while in care if they need it. They said that children and youth in foster care may need the funds for school clothes, paying for a driver's license, driver's education, downpayment on a car or an apartment, and other needs. Additionally, they said that these funds should be available for children and youth in foster care to participate in cultural events, such as dances, powwows, or other ceremonies and events within the child or youth's community, where it is sometimes customary to bring gifts or have special attire. They specifically mentioned the need for personal items like makeup and hair products or paying for special activities in group homes.

Considerations for needs when aging out of foster care

Participants mentioned a variety of needs for youth aging out of foster care and said that federal benefits could be helpful for application fees for higher education or jobs, resume preparation, and other independent living needs. They noted that financial literacy is also an important need for youth exiting care.

Participants said that any sort of financial assistance for youth as they exit care would be beneficial for essential needs such as housing. One Tribal Nation said they are helping more individuals who exit foster care now, who are considered vulnerable adults, than they have in the past and that these individuals require specific certifications to ensure they have the appropriate funding and protection.

Appendix F: Counties

Introduction

The Minnesota Association of County Social Service Administrators (MACSSA) groups the 87 counties in Minnesota into 11 regions (Figure 1 and Table 1). MAD consultants contacted the director of each county region in early spring of 2024 to invite representatives from their region to participate in a guided conversation. These conversations provided a venue for counties to share their thoughts about the possible impacts of preserving and managing federal benefit funds for children and youth in foster care in Minnesota Counties.

Figure 1. Map of MACSSA regions

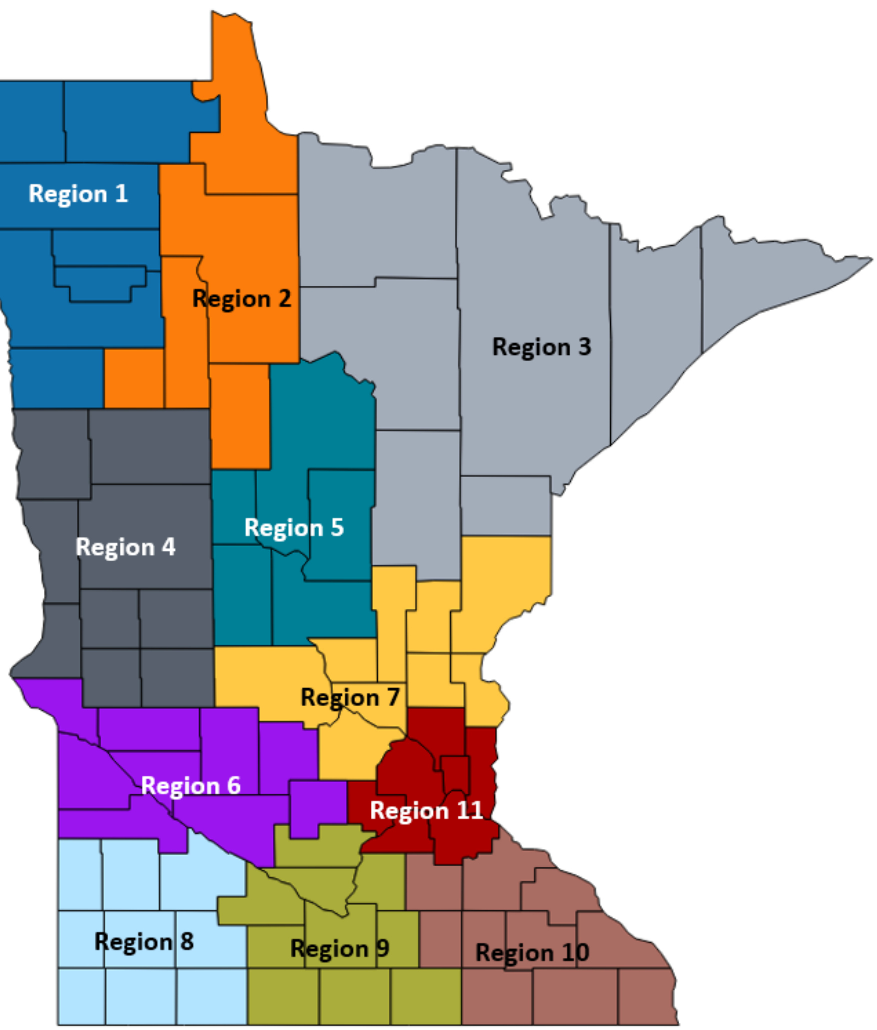

Table 1. MACSSA regions and the counties they serve

Region	Counties
Region 1	Kittson, Marshall, Norman, Pennington, Polk, Red Lake, Roseau
Region 2	Beltrami, Clearwater, Hubbard, Lake of the Woods, Mahnomen
Region 3	Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis
Region 4	Becker, Clay, Grant, Otter Tail, Pope, Stevens, Traverse, Wilkin
Region 5	Cass, Crow Wing, Morrison, Todd, Wadena
Region 6	Big Stone, Chippewa, Kandiyohi, Lac qui Parle, McLeod, Meeker, Renville, Meeker, Swift, Yellow Medicine
Region 7	Benton, Chisago, Isanti, Kanabec, Mille Lacs, Pine, Sherburne, Stearns, Wright
Region 8	Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, Rock
Region 9	Blue Earth, Brown, Faribault, Freeborn, Le Sueur, Martin, Nicollet, Sibley, Waseca, Watonwan
Region 10	Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona
Region 11	Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington

Representatives from 10 of the 11 county regions joined in these guided conversations during the spring of 2024. Many of these participants were county social services directors joined by a smaller number of financial staff. This section summarizes the responses of participating counties but is not necessarily representative of the opinions of all counties in the state.

Considerations for the potential preservation of federal benefit funds for children and youth in foster care

County participants tended to agree on several considerations for legislators to keep in mind when considering policy changes about the preservation of federal benefit funds:

- **State rather than county-level responsibility:** The preservation and management of federal benefit funds should not be the responsibility of counties, but the state should be doing this work. This is a complicated process, and the passing of legislation would not in and of itself address all the complexities, such as the possibility of children and youth in foster care with preserved funds becoming ineligible for federal and other benefits. Additionally, it may not be realistic to use county funds to cover the cost of care for children and youth in foster care if federal benefit funds were preserved for children and youth in foster care.
- **Professional financial management:** This program should include both private accounting and financial entities rather than the counties to manage this program.

- **Funding for cost of care and other needs:** Participants said that all federal benefit funds are currently used in most Minnesota counties for basic needs, for the cost of care, and especially for any medical needs. The counties following this process said that federal benefit funds do not cover the full cost of care for the child or youth.
- **Impacts on existing county capacity:** Keep in mind the potential impact on staffing, accounting, and capacity for other work, as well as the impact on county audit procedures.
- **Consistent standards:** If given this responsibility counties will need consistent standards regarding their role in making determinations for this program, while still having the flexibility to make the best determination for the child or youth and their family.
- **Creating a trust for funds:** The use of a trust or a similar process for the preservation of the federal benefit funds would help ensure proper management. It would also be helpful to have a similar program for children and youth in foster care who are not eligible for federal benefits to help set them up for success as adults.
- **Different needs of rural and metro counties:** The needs of rural counties should be considered differently than metro counties, as they have differences related to available resources, existing processes, and staffing.
- **Potential liability:** It will be important to pay attention to the potential liability for counties related to negligence or mismanagement of the benefit funds or process.
- **Consultation about program changes:** Children and youth formerly in foster care or youth currently in extended foster care should be consulted about decisions regarding this program, as well as child protection, caseworkers, tribal agencies, advocacy groups, and foster care licensors. Counties should also be consulted before the Legislature makes any decisions on retention of federal benefits for children and youth in foster care and could even collaborate to help determine the best process for handling federal benefit funds. Some counties have discussed creating a collaborative financial workgroup, which could work together to create consistent processes across counties. The SSA should also be consulted before any decisions about this program are made.
- **Special situations:** Make sure that the needs of children and youth with disabilities in foster care are considered when decisions are made. Out-of-home placement costs should be factored in because children and youth with disabilities in foster care typically have more cost-of-care needs. The needs of children and youth in foster care with criminal backgrounds should also be considered when designing the process for the preservation of federal benefit funds.
- **Management responsibility:** Counties suggested charging the Office of the Ombudsperson for Foster Youth with managing the preservation of federal benefit funds for children and youth in foster care.

Interviews with county representatives also produced several other considerations to keep in mind when considering policy changes about the preservation of federal benefit funds:

1. **Impact on county and child or youth/family relationship:** A few county participants said that using an individual's federal benefit funds to cover their cost of care and potentially denying the child or youth in foster care immediate access to federal benefit funds they are eligible for could damage the county's relationship with the child and family.

2. **Asset limit considerations:** Setting an asset limit for the federal benefit funds by managing the different financial options and using appropriate accounts would help ensure that children and youth in foster care would remain eligible for other benefits.
3. **Preparation for independent living:** Participants said that there have been recent reductions in funding for the state's independent living skills program. They noted that funding should be restored for the Successful Transition to Adulthood for Youth (STAY) program, which helps youth transition from foster care to independent living, to ensure youth are adequately prepared for a successful transition. Participants further noted that a significant number of youths do not have a place to live once they have aged out of foster care or extended foster care, leading to higher numbers of homelessness in youth who have recently left foster care.
4. **Distribution of federal benefit funds:** Any federal benefit funds should be distributed in a way that does not have a negative impact on the children and youth in foster care, such as not having access to benefits and services. New statutes and rules may need to be created to ensure children can be reimbursed and stay with their families when possible.
5. **Possible mistreatment of children and youth in foster care:** Counties shared concerns that it is possible that children and youth in foster care could be mistreated because of their access to their federal benefit funds. Individuals may try to access the funds from the children and youth in foster care.

Impacts to counties

Preservation of federal benefits

Staffing and training concerns

County participants also noted that they lack financial management skills, as county finances are typically centralized and not managed in the social services area. One county that is working towards starting a federal benefit funds preservation program said they plan to use their social services accountant to help manage this process. To add this work to the social services area, they said additional training or shifting of staff responsibilities may be needed. County participants had concerns over the cost of both the training staff and implementing a new preservation process and said that counties would likely require additional funding and program support.

Cost concerns

County participants mentioned the administrative cost of implementing a federal benefit preservation program more than any other concern. In particular, they discussed the anticipated financial burden, increased administrative burden, and the staff capacity and skillset needed to implement and maintain a new program for preserving and managing federal benefit funds for children and youth in foster care. On this last point, they raised concerns about not having enough staff, about the capacity of existing staff to add work, and a possible lack of knowledge to manage new responsibilities, such as financial management or disbursement of funds. County participants were also concerned about where the funds to cover costs would come from and whether funds would need to be redirected from other county programs, with possible negative impacts on those programs.

Risk concerns

Additionally, county participants discussed concerns about the potential liability around managing federal benefit funds, especially if the counties lacked funding for sufficient staff to do the work or the training to manage the program successfully. Most of the counties said that they would prefer to be removed from any management of funds if the federal benefit funds could not be used to offset the cost of care associated with caring for a child or youth while they are in foster care.

System capacity

County participants also wondered how they would track the federal benefit funds. They said that current technology would need to be enhanced, which would likely include an additional cost to purchase, implement, and maintain a new or enhanced system.

Consistent process

County participants said that uniform policies and practices would need to be put in place across the state for a federal benefit fund preservation program to be effective. They said that working with children and youth placements outside of their own counties could lead to inaccuracies and increased administrative burden if instructions, training, and policies were not standardized across counties.

Impact on children and families

Participants said that providing children and youth in foster care access to their federal benefit funds would allow families, especially Native families, a greater chance at reunification because they would have the means to support their child or youth. They also noted the need to monitor income limits so that children and youth in foster care can remain eligible for all benefits and services they might need. One county participant said that their county focuses the majority of their work on child protection cases, and that while reunification is still possible, even with access to federal benefit funds, families may not have enough to cover all the needs of the children and their families, which could prevent reunification.

Equity considerations

One participant pointed out that some children and youth in foster care are not eligible for federal benefit funds and have their cost of care covered by the county. They noted that this is an equity issue between populations of youth in foster care and said that all cost of care needs for children and youth in foster care should be covered by the county.

Representative payee role

Representative payee role

The SSA defines a representative payee as a person, agency, organization, or institution that is selected to manage the benefits of an individual who is unable to manage their benefits themselves.[24] One participant described the role of the representative payee as getting the federal benefit funds needed out of the bank and making any necessary payments. Representative payees work in collaboration with a case manager to make decisions on how to best use the money on behalf of the child or youth in foster care. Most county participants said that their decision to apply to be the representative payee is case-specific and that they would only apply if it were in the best interest of the child or youth in foster care. The decision to apply often depends on the individual circumstances of the case, including the length and complexity of the placement.

Cost concerns

Several county participants said that if there were a mandate that federal benefit funds for children and youth in foster care be preserved, they would likely not automatically apply to be the representative payee unless required, because there would be no financial incentive to the county as federal benefit funds would not be able to be used for cost of care. Additionally, they voiced concerns about staffing and capacity, as not all counties have dedicated financial and accounting staff in their agencies to complete a financial reconciliation process each month. One participant mentioned that the county currently charges a monthly fee to cover the cost of being the representative payee, which they would like to continue if they were required to apply to be the representative payee. One county suggested that DCYF work with federal partners to establish a way to manage this process and remove the responsibility of managing individual money from the county.

Implementation example

One Twin Cities metro county reported that around sixty children and youth in foster care in their county are typically eligible for federal benefit funds at any given time. They said that managing a program for this number of children and youth in foster care could be a part-time duty for one county staff person, and that that person could do more in their financial management role than only helping with the preservation of funds for children and youth in foster care. They noted that staff in the revenue unit would continue doing this work as they are already managing the federal benefit funds for children and youth in foster care to cover the cost of care.

Exceptions to the county applying to be the representative payee

County participants noted that in certain circumstances the county applying to be the representative payee could place a hardship on some families, such as when the family is working toward reunification and the county elects to keep the family as the representative payee. Specifically in short-term placement situations, where

[24] Social Security Administration, *Representative Payee Program*.

reunification is the primary permanency goal, counties may choose not to apply to become the representative payee. They also said that to prevent damaging a good relationship with a family that is cooperating, the county may opt not to apply to become the representative payee. Some participants mentioned that they would likely not apply to become the representative payee when the youth in foster care is almost age 18 or close to exiting foster care.

Separation of financial roles

A county participant said they would need to have a separation of duties between staff that determine eligibility for federal benefits and staff that manage the funds. One county noted other county programs that follow a similar process. For example, for nursing homes that are run by the county, the nursing home financial staff help to manage these funds for each resident outside of the county general fund. Each nursing home resident has a separate bank account, and a caseworker helps to ensure the money is being used appropriately.

Eligibility screening and application for federal benefits

County participants expressed many concerns about the possibility of being required to screen and apply for federal benefits on behalf of all children and youth in foster care, including whether they would have staffing capacity to complete the lengthy process for all. A few counties said that if the process were required, it would eliminate the need for unique case management in certain circumstances. One Twin Cities metro county noted that they have been completing the application process for eligibility for each child and youth in foster care for some time and that they plan to continue this practice.

DCYF staff indicated that counties would not be responsible for determining eligibility but would be responsible for compiling information and initiating the application to the Social Security Administration.

Many county participants said that requiring counties to apply for federal benefits could reduce their ability to make decisions based on the needs of each child or youth in foster care. For example, in some circumstances the amount a child or youth in foster care receives through federal benefits may be lower than they might receive through other benefits or programs.

County participants also questioned how they could staff this work if it were required. They noted that the federal benefit applications processes are complex, often requiring additional records to be obtained or additional duties to be completed, which requires more time.

Tracking and managing savings or investment accounts for children and youth in foster care

County participants listed several considerations related to a possible requirement to manage savings or investment accounts for children and youth in foster care.

Staffing needs

Additional staff training would be needed to make appropriate decisions about managing savings or investment accounts for children and youth in foster care, and for tracking and monitoring information about this process.

Assisting children and youth in foster care with questions related to managing their funds would take additional staff time. Counties may need to hire external financial advisors or additional internal financial or accounting staff if this work is required. Managing this would affect the county's budget and would require additional coordination and personnel.

Accountability

Participants had concerns over who would ensure the process was being managed appropriately, and how the administration of the program would be paid for. Participating counties expressed concern that the county may be held liable for decisions that were made on behalf of the child or youth in foster care and held responsible for decisions related to managing investment accounts that could negatively affect the child or youth.

Standardization

The process would need to be standardized. It could be difficult to standardize the process, due to permanency timelines being variable for each child and youth in foster care. A standard reconciliation process would be needed to ensure that the funds of each child and youth in foster care could be linked to them and saved appropriately. Some counties already have a specific system for their county to manage funds, which could need to be changed if they were charged with preserving and managing federal benefit funds.

Changes after permanency

County participants voiced a need to determine who would be responsible for managing these accounts once permanency was established. Once permanency is established and the foster care placement ends, the county would likely no longer be involved in this process.

Use of federal benefit funds to promote reunification

Promoting reunification success

Most county participants said that families should be able to continue to receive federal benefit funds on behalf of their children and youth in foster care to help support them during reunification if the family is actively engaged and making positive efforts toward reunification. This means that the family is making their best effort to follow their reunification plan. Several county participants said that it is easier for the county to keep the federal benefit funds with the family to help the family maintain and keep their home, including helping to cover expenses for the youth, rather than the county becoming the representative payee.

Many county participants also noted that each family situation is unique and that the county tries to make the best decision for the child and youth in foster care and the family while prioritizing reunification when appropriate. For example, one participant noted that if a family is aware that the county is working toward applying for and managing federal benefit funds on behalf of a children or youth in foster care, the family might be more motivated to work toward reunification.

Kinship caregiver access to funds

One county participant said that the child or youth's relatives, including any kinship caregivers, deserve to have access to these resources while caring for the child or youth to aid in the child or youth in foster care's reunification with their family of origin. They also said that relatives who are providing care for children and youth in foster care should also have access to these funds if they are working with the county toward permanent placement of the child or youth in foster care.

Temporary placements

Participants noted that with short-term placements where children and youth are temporarily placed outside of their home, the county will often keep federal benefit funds with the family to support reunification. However, some participants said that the cost of placement far exceeds any federal benefit funds coming into the county for the youth. One participant also noted that they have no assurance that federal benefit funds would be used to support the youth.

Determining a representative payee

Several county participants said that the money should follow the child unless the funds are necessary to maintain a household to which the child could return. In all cases, county participants said that they would work to make the best decision on behalf of the youth.

Account creation and management

Account types

Staffing and training concerns

Participants noted that managing these funds would require oversight and reporting, which would also require auditing, therefore adding work and staffing needs.

Most county participants expressed uncertainty and a lack of appropriate knowledge on the account types that should be used to preserve federal benefit funds for children and youth in foster care. They said it would be helpful to consult with county fiscal experts, attorneys, state auditors, and people with expertise in asset waivers, before making a final determination about account types.

Determining account types

Participants wondered whether the age of the child or youth in foster care would determine the type of account needed. Additionally, participants wondered whether a specific individual in the county would have to be named on the account and recommended that if they had to establish and manage these accounts, the county itself be listed as the account manager, rather than a specific individual from the county.

Implementation ideas

One recommendation was to set up accounts in local banks like a Children's Welfare Fund account, also called the Social Welfare Fund. Counties could be authorized signers or delegates and work with the banks to manage these funds. Another county suggested that the county, serving as the representative payee, could have a collective checking account and use QuickBooks or a similar program to separate and manage payments for each child or youth in foster care.

Establishment of accounts

Staffing and training concerns

Participants noted that for counties to do this work, it could take away from their human services role, and highlighted the lack of financial advisors and the appropriate financial knowledge in counties in managing individual financial accounts. They also noted that there could be additional costs for hiring attorneys to establish trust accounts, and other needs, including additional staff or training. They said that working with financial institutions could be a challenge when trying to manage these accounts as this would be an additional process to determine.

Transparency and consistency

County participants pointed out that there is not a set process for how the county would establish and maintain federal benefit funds accounts and saw a need for consistency across counties in the process of establishing and maintaining accounts. They mentioned concerns about the liability counties could face in establishing and managing these accounts, and the lack of local access to appropriate financial institutions in all Minnesota counties. Participants pointed to the need for regulatory oversight and transparency if the county were to manage personal financial accounts for children and youth in foster care.

Account management responsibility

Several counties suggested that the state should establish and manage the accounts, which would help ensure a consistent process across the state and reduce the need for additional oversight or tracking within the counties.

However, several counties said that it made the most sense for counties to be responsible for establishing and managing the accounts. One participant said that there may be too many processes and unclear systems if a third party were to establish and manage these accounts. Furthermore, they pointed out that each county has different needs, and access to third-party attorneys and financial and tax services may be a challenge. One Twin Cities metro county that is working to establish a program for preserving federal funds said that their financial staff would help the child or youth establish a bank account, and someone from the county’s revenue team would be the representative payee to ensure the funds are being managed appropriately, including a reconciliation process.

Selecting a financial institution

Process for selecting a financial institution

Several county participants said that the state should set parameters for choosing a financial institution for managing federal benefit funds for children and youth in foster care and determining the types of accounts and rules regarding the accounts, including the fees that could be incurred with a specific account type. They wondered how the state would determine which financial institution or institutions to use and whether there would be a formal process to determine which or organization would be used to manage the accounts.

County role in working with financial institutions

Some counties had questions about their working relationship with the bank if the county were to serve as the representative payee and manage these accounts. A small number of counties already have relationships with financial institutions for holding federal benefits for children and youth in foster care and wondered if those relationships would be allowed to continue. Some counties were concerned that if each county were working with a different financial institution, they might have to have county-specific processes or different processes based on the specific institution. They wondered if fees could be waived or if other agreements could be made to reduce any unnecessary costs or fees. Additionally, county participants had concerns about the county's ability to make financial decisions, including those related to targeted returns and types of investments.

Federal benefit funds preservation

Differing practices among counties

County participants raised concerns about county management of federal benefit funds for children and youth in foster care who move between placement settings and locations, including placements in other counties or even to out-of-state locations. Some counties said that the level of service and access to services across counties can differ and there is concern that a child or youth may not receive the same level of management assistance from every county.

Staffing and training concerns

County participants noted that transferring representative payee status can be a long and complicated process. They said that counties do not have the workforce, training, expertise, or ability to do the work of managing these funds. Participants also raised concerns about the county having to ensure each child and youth in foster care remains within asset and income limits for benefit programs, especially when limits are federally determined.

Insufficient funding

Participants said that all federal benefit funds are currently used in most Minnesota counties for basic needs, for the cost of care, and especially for any medical needs. The counties following this process said that federal benefit funds do not cover the full cost of care for the child or youth.

Ways to grow and manage preserved funds

Several participants suggested that it would be helpful to preserve the federal benefit funds for children while they are in foster care so they can access the funds once they exit foster care without permanency at age 18 or older. They noted that these funds could help youth exiting foster care pay for essential items like rent and other basic living expenses.

One county suggested that these funds be preserved in a way that helps the funds to grow, including accumulating interest, but they would want to minimize the risk of a loss of principal through risky investments, fees, taxes, or mismanagement. They also had questions about the idea of setting up a trust for most children and youth in foster care, as federal benefit funds are often small amounts of money and it may require a significant percentage, in some cases more than what is in the account, to establish and manage. However, they suggested that the state of Minnesota could act like a trust and manage these funds on behalf of the child or youth in foster care to overcome these challenges. This would also allow the counties to maintain positive relationships with the families they are working with, specifically, those families working towards reunification. They also suggested that community and advocacy organizations could assist with the management of these funds and take the county and state out of some parts of the process.

A few counties said that it would be relatively easy to keep the federal benefit funds in their county general fund and track any funds coming in for the children and youth in foster care, as many counties are already doing this when managing and using the funds to cover the cost of care. Several counties noted that they have fiscal service specialists or someone in a similar role who could help manage these funds.

Equity concerns

Some county participants advised keeping rural communities in mind since not every county has banks or access to financial services. They said that whatever happens with the preservation of federal benefit funds for children and youth in foster care, the rules and processes should be consistent and equitable for each managing entity, including processes related to fund management responsibilities and reporting requirements.

One participant noted the need for equity in making decisions about preserving federal benefit funds, specifically when and how children and youth in foster care can access these funds and what the funds can be used for. They noted that there can be a lot of processes and protocols when children and youth in foster care are trying to access their funds, specifically in the tribal nations. This participant said that at times tribal nations require specific work or education requirements to be met before a child or youth in foster care can access any funds. They noted that children and youth in foster care should be able to use federal benefit funds to attend ceremonies, culturally based events, or other community events.

Finally, participants recommended that county representatives be included in the decision-making process before any legislation about federal benefit funds preservation is finalized.

Responsibility for providing financial and tax services

Tax advice and oversight

Staff and training concerns

Most participants said that counties do not have the personnel, expertise, or capacity to assist with providing tax advice or managing taxes for federal benefit funds accounts. Some county participants noted that, regardless of the entity managing these accounts, the county would likely need to consult a tax expert or other third party to be responsible for managing anything related to taxes from a liability perspective. However, one Twin Cities metro county said that they have financial staff that would work with the state to figure out any tax-related questions if needed and that they have contracted with a third party in the past to help with this. Some county participants raised a concern about the perception of impropriety if they are managing the accounts and providing tax-related services.

Costs and equity

Participants also wondered who would cover the cost of using a tax expert. Some Minnesota counties that are smaller in size or located in Greater Minnesota had concerns about access and equity, specifically around having fewer available nonprofits or tax experts in their areas. One county suggested that the state should provide tax-related services or funding for counties to pay for these services. Another county participant suggested that putting this responsibility on the county could hurt the child or youth in foster care in the end, since counties do not have the appropriate knowledge to manage these funds and tax-related issues.

Responsibility for providing financial advice to children and youth in foster care

County participants suggested that comprehensive education regarding financial literacy should be provided to eligible children and youth in foster care for whom federal benefits are retained, like the independent living education that many children and youth in foster care take in preparation for living on their own. Most county participants said that the person responsible for providing financial advice should be someone who has specific expertise in that space, not someone from the county. Suggestions included CPAs, financial planners, the child or youth’s guardians, or another trusted adult in the child or youth’s life.

Several county participants said that any financial advice should be provided by the state or a state-appointed representative, such as a contracted agency or community organization. However, other county participants noted that Guardians ad Litem, independent living workers, and caseworkers would be appropriate representatives to offer financial advice. Some counties said that they are already providing financial literacy education, assisting children and youth in foster care with opening checking accounts, applying for vouchers, and helping them make the transition to independent living.

Federal benefits access and use

Accessing federal benefit funds in a lump sum

Parameters and guidance needed

Most county participants had questions about the idea of children and youth in foster care having access to federal benefit funds as a large lump sum. Several county participants said that there should be parameters on how the federal benefit funds may be spent. Many participants also raised a concern about protecting children and youth in foster care and young adults from financial predators. They suggested that training should be completed before the child or youth can access their benefits to help with basic needs, job training, transportation, skills related to employment, and independent living skills. Generally, county participants wanted to ensure that the federal benefit funds were being used to meet the "needs" of children and youth in foster care rather than "wants." Many county participants said that the funds belong to the child or youth in foster care and that the youth, not the county, should determine how their money is used.

Risk concerns

County participants raised concerns about counties' liability, especially if there is a negative outcome or perceived improper use of the funds. Many county participants also said that children and youth in foster care may decide to not stay in extended foster care if they have access to a large amount of funds, and then the support that extended foster care offers would not be available to them.

Trust account as safeguard

Several county participants suggested that trust accounts, which would allow children and youth in foster care access to the federal benefit funds at certain age milestones, could be an appropriate solution, allowing children and youth in foster care gradual access to the funds. They also suggested a structure like a health savings account where the federal benefit funds would cover clearly defined essentials and include a process for reimbursement. With this suggestion, they noted the potential cost of managing a trust account and concerns about who would manage the accounts and pay for account management. They did not want the youth to have to pay to manage their funds, as that would undermine the goal of preserving the funds.

Need for fund management expertise

County participants noted that if they were managing the federal benefit funds, they would like guidance from the state on how to manage the funds, and what authority they have in making decisions about the funds. One Twin Cities metro county said that its accounts receivable team would help distribute the funds to child or youth in foster care, especially if they were disbursed via cash. This disbursement could only happen two times per week, and it could take two to three weeks for youth to receive the funds. Counties would need to work with the banks to determine a funds management process, to ensure funds were being disbursed and accounted for appropriately. One county participant gave an example of the way one Tribal Nation distributed funds: A youth in foster care could get 60-70 percent of their funds as a lump sum when they turned 18 and the rest would be disbursed when they turned 21.

Differing needs among children and youth in foster care

County participants said that each child or youth in foster care has unique needs for the use of federal benefit funds and noted a difference between children or youth who are in foster care long-term versus children and youth who are in and out of care or only in care for a short time. They said that there should be guidelines on which children and youth to include in this program based on their status within the foster care system. One participant suggested that the entity managing the trusts should determine the guidelines for the appropriate use of these funds. County participants said that all decisions should include the SSA to ensure any program would not violate any SSA rules. They also questioned whether the federal benefit funds would be considered income and if the child would be taxed twice.

Transfer of federal benefit funds to the child's parent or custodian

Considerations for family access to funds

County participants suggested that funds should go to the parents or custodians when the child is too young to participate in financial decision-making. Some county participants raised a concern that, at times, parents or custodians may not always have the child's best interest in mind, especially while still working towards reunification. They noted that during the reunification process, families are still receiving the children or youth's federal benefit funds, and some families may misuse the children or youth's funds. They were concerned that the idea of preserving federal benefit funds might make an already vulnerable population more vulnerable. County participants said that the county should no longer be involved in managing the benefit funds once a child has achieved permanency and that all funds should be transferred to the child's permanent caregiver after the SSA has been notified of the change.

Priority on children or youth's needs

Several county participants said that the question of who should have access to federal benefit funds should be determined on a case-by-case basis and the county can help to determine what is best for the children or youth in foster care. They said that regardless of the parental or custodial caregiver, all federal benefit funds should follow the youth and be preserved for the youth.

Accessibility of federal benefit funds to the children and youth while in foster care

Support for needs of children and youth in foster care

County participants said that they currently apply federal benefit funds toward the needs of the child or youth to cover any needs they can and to improve their quality of life. Examples of appropriate uses of the funds they listed included helping children and youth in foster care move into independent living, contributing towards large purchases like a car, or meeting daily needs not currently covered. One county participant said that children and youth in foster care, regardless of age, should pay for their cost of care using their federal benefit funds and that the current system should not change. Several participants raised questions about who would create and determine the guidelines about how much of the funds the children and youth in foster care would have access to and for which items funds could be used.

Involvement of children and youth in foster care in decision-making

One participant said that children and youth in foster care should be included in conversations around the use and disbursement of funds. They said that education about financial literacy should be provided if children and youth in foster care were to have access to federal benefit funds.

Impacts and considerations for children and youth in foster care if federal benefit funds are preserved

Positive impacts for children and youth in foster care

Several county participants said that preserving federal benefit funds could have a positive impact on children and youth in foster care. A few county participants said that if done well it could help the children and youth transition out of foster care and into adulthood by helping to provide for critical needs, such as housing and transportation. One county participant said that anything that can be done to reduce barriers that children and youth in foster care currently face would be helpful.

Additionally, participants noted that the needs of children and youth in foster care vary based on age and any special needs or circumstances, and all these factors need to be considered when determining when children and youth in foster care should have access to federal benefit funds. Some county participants brought up unmet needs for children and youth in foster care, including cultural needs. They questioned the advantage of preserving federal benefit funds until after the youth exits foster care, rather than being accessible to meet their needs while in foster care. A few county participants said that they have concerns about the possibility of exploitation whenever a person who is in a vulnerable position gets access to a large amount of money.

Eligibility for other benefits

County participants noted that each benefits program has its own rules, and any impact from preservation of federal benefit funds on program eligibility would depend on the individual needs of each child and youth. Participants generally were more concerned about the impact on federal rather than state benefits.

County participants said that they are already doing a Title IV-E foster care assessment[25] for all children and youth in foster care. County participants said they would determine when it would be appropriate to apply for Title IV-E foster care benefits on behalf of the child or youth or if applying for their federal benefit funds would be a better option since children and youth are not able to receive both Title IV-E foster care benefits along with other federal benefits.[26]

Participants said some benefits could be affected by preserving federal benefit funds, such as household Minnesota Family Investment Program (MFIP) eligibility, housing assistance, Medical Assistance, healthcare, long-term care, home and community-based Medicaid waiver programs, food support, Supplemental Nutrition Assistance Program (SNAP), and student loans for college-based federal grants, such as Pell Grants. Many county participants also said that preserving federal benefit funds might have an impact on income and asset limits, which could affect other benefits the youth is receiving. They said that regardless of which account type was determined to be the best option for the preservation of funds, ensuring that children and youth in foster care retain their eligibility for other benefits, services, and programs would be essential.

Needs for youth aging out or exiting foster care who have not achieved permanency

Preparing to exit foster care

Many county participants said that children and youth in foster care need to be provided financial literacy education before exiting foster care, to prepare them for independent living. Several counties said they provide employment assistance, such as preparation for job interviews. They said that basic needs like housing, rent, food, transportation, gas, car insurance, utilities, a phone, health insurance, medical care, clothing, or other needs related to a job, general household needs, and other daily necessities are critical for youth when exiting care.

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[25] According to Minnesota DHS, Title IV-E provides federal reimbursement for certain costs associated with eligible children who are in substitute care or at risk of placement. Reimbursable costs include out of home maintenance for eligible children; administration and training related to placement; services to prevent placement; reunification efforts; and permanency planning. Eligible children and youth do not have direct access to federal Title IV-E reimbursement funds.

[26] While this is what county participants reported, question 1, section 8.4D of the federal Child Welfare Policy Manual states: "There is no prohibition in title IV-E against claiming Federal financial participation (FFP) for foster care maintenance payments or adoption assistance payments made on behalf of a child who is receiving SSI benefits… Although eligibility for title IV-E foster care is tied to eligibility for Aid to Families with Dependent Children (AFDC) as was in effect on July 16, 1996 and AFDC precluded concurrent eligibility for payments from AFDC and title XVI (section 402 (a)(24) of the Social Security Act), this preclusion rule is not transferable to title IV-E for the purposes of foster care maintenance payment eligibility determinations. A child, if eligible, may receive benefits from both programs simultaneously."

Prioritizing needs while still in foster care

One county participant said they did not see the reason to preserve money for the youth as they transition out of foster care if their needs are not met when they are younger. They said that the funds should be used to meet their needs while in foster care, if possible, instead of waiting until they are out of foster care. One county participant noted that when a child or youth is in extended foster care, they still receive foster care maintenance payments outside of any preserved federal benefit funds and that they should be able to use their federal benefit funds however they want.

Special considerations for individuals or groups

Unique circumstances

County participants said that many situations do not follow a typical foster care path. County participants said that when children and youth in foster care have unique needs, having access to funds for items such as transportation and to provide care for their children. Examples of unique needs include circumstances where children or youth in foster care:

- Are in out-of-state placements
- Have a disability or other special needs, including mental health or other medical conditions
- Are in a juvenile corrections center or a residential facility
- Are unhoused
- Are in extended foster care
- Do not have a plan for reunification.

Additionally, county participants noted that unique circumstances, like those mentioned above, should be considered related to when a child or youth's permanency plan is transfer of permanent legal and physical custody or adoption, including for relatives who would like to provide permanent care for the child or youth. Several county participants noted that becoming a representative payee is a complicated process and that the representative payee should not be someone offering temporary care for children and youth, to not contribute to the potential for children and youth to be taken advantage of in a temporary care situation.

Out-of-state placements

County participants raised concerns about county management of federal benefit funds for children and youth who move between placement settings and locations, including placements in other counties or even to out-of-state locations. Some counties said that the level of service and access to services across counties can differ and there is concern that a child or youth may not receive the same level of management assistance from every county.

ICWA considerations

County participants raised questions about children and youth whose care is subject to provisions with the Indian Child Welfare Act (ICWA), whether the rules for these individuals would differ, and what impact and power the courts might have in determining whether children and youth can access their funds while in foster care and how they can use the funds.

Substance use disorders

County participants questioned whether children and youth with substance use disorders would have full access to their federal benefit funds.

Guidelines needed

County participants suggested that a specific plan for how best to use federal benefit funds would be needed for each child and youth in foster care eligible for those funds. They noted that specific guidelines would be needed to determine whether children and youth in these situations would be able to access and use their federal benefit funds to help pay for any additional out-of-home placement needs. However, county participants said there should be flexibility and allowances for any unique needs or considerations for children and youth in foster care and these allowances should be determined based on the individual’s needs.

Appendix G: Legal professionals

MAD interviewed legal professionals that specialize in child support and placement for children and youth who have experienced abuse and neglect, including representatives from Children's Justice Initiative. Participants included a juvenile court judge from Greater Minnesota, a district judge from a Twin Cities metro county, a district judge from Greater Minnesota within Red Lake Nation, two attorneys, a state court administration analyst, two child support magistrates, and a representative from the Minnesota Association for Court Management, who assists with court operations and administration. One participant also had experience related to out-of-home placement costs, and another had personal experience as a foster and adoptive parent. Engagements took place in May of 2024. The thoughts from these representatives are shared below.

Participant recommendations for preserving federal benefits

Participants indicated that whatever decisions are made should be done statewide, possibly by DCYF, and not county-specific, for consistency. They suggested that there needs to be consideration for long-term options versus using the federal benefits to cover the cost of care. Participants shared concern that if people do not understand the programs and systems in place, it could do a disservice to permanency options.

Judicial participants indicated that while they are sympathetic to the child and their interest in the preservation of federal benefits, this should be more of a legal question that is left up to the state, as they have concerns over the misuse of the funds. They further noted that these decisions are not within the judicial purview and that their job as judges is to make sure the law is followed and to ensure the child's safety.

Reasonable or active efforts by an agency to assist children and youth in foster care and prevent out-of-home placements

When a child has been removed from a parent or guardian and is under the care and protection of the county or Tribal agency, the agency must make reasonable or active efforts toward finalizing a permanency plan, which includes reunification, for the child. Participants shared that all judges in Minnesota take "Reasonable Efforts Training" to understand the federal and state requirements related to preservation or reunification decisions for families. As explained by the participants, there is no specific definition for the court to determine whether an agency has provided reasonable efforts to support reunification with a child's parent or guardian; this is typically determined by what is reasonable for each family. Judges have discretion over what they consider to be reasonable efforts.

Participants noted that each case and its particulars differ and should be reviewed independently with the best interests of the child or youth in mind. They noted that although some cases can stay active for several years, their primary goal is always reunification. Participants stated that they review whether the family is taking steps or actions to make arrangements to receive services or actively taking a child or youth to receive services if appropriate and if those services are included in a child or youth's out-of-home placement plan.

Participants noted that the court will determine if the agency has made active or reasonable efforts. They said that reasonable efforts include ensuring families are aware of resources and services. Participants stated that if reunification with a child's parents, legal guardian, or custodian is not possible, they always try to look for potential family outside of the immediate family structure before pursuing a non-relative out-of-home placement for a child or youth. They shared that during hearings, they review what has been done prior and work to develop an appropriate permanency plan.

Impact on placement decisions

Participants noted that when looking at reasonable or active efforts toward reunification, child welfare agency staff are helping families arrange appointments and transportation and do anything that can help families on their path to reunification. Participants said they are solely focused on the child or youth's safety, and federal benefits eligibility plays no role in their decision-making for child or youth placement. Some participants indicated that while they may ask if a child or youth is eligible for federal benefits and if a child or youth has access to those federal benefits, this is not factored into any authorization of removal and typically does not impact their decision. One participant stated that poverty is not a child protection issue, and they are not reviewing the parent, child or youth's financial situation.

Impact on federal benefit funds with reunification versus out-of-home placement

Participants noted that if a child is receiving federal benefits from the SSA and is removed from their home, they will continue to receive benefits, and the funds would follow the child. Participants pointed out that housing is a huge challenge and that if a child is removed from a family that has Section 8 or other affordable housing options, the family might lose their home if they are no longer eligible for family-based benefits, such as MFIP because there are no children in the home. They indicated that this could lead to a lengthier out-of-home placement for the child or youth in foster care and could impact reunification.

Another participant echoed these thoughts and indicated that if the family had access to the child or youth's federal benefits there would be less financial stress on the family and this could help reduce mental health issues, physical abuse of the children, and chemical dependency. Participants and local welfare agencies indicated that they do not want to do anything that would negatively impact the housing situation of the child or youth, or the parents or guardians, which also may negatively impact the goal of reunification.

One participant noted that the topic of cost of care is rarely on the radar of the judges or others making placement decisions for children and youth. They stated that the goal is always reunification and that neither local welfare agencies nor the county attorney's offices are trying to take away resources from families.

The court's role in determining responsibility for cost of care

Participants shared that the cost of care statutes that were updated in 2022 indicate that counties must consider the effects of reunification when redirecting funds to the cost of care. Before the statute changed, courts were required to issue these orders. Participants indicated that district courts were not aware of the use of Appendix A (a form used in Family Court) being required on orders and that counties may add language to this appendix or add appendices to the court orders and indicate that all income attributed to the child should be redirected for the cost of care for the child. Participants stated that the court is not required to have orders regarding the cost of care; however, the judge could state that the redirection of cost of care funds could be discretionary, and not mandatory, and then the local agencies and counties would determine if funds would be redirected.

Awareness of statutory language change in 2022 to allow for agencies/counties to determine whether to become representative payee of a child or youth's federal benefits

Several participants, including a county attorney's office, stated they were not familiar with the language change and were unclear that this was specifically for federal benefits.[27] They indicated an interest in learning more about this statute if it could impact their decision-making. Several judges indicated that they do not look to see if a child or youth has access to federal benefits when determining their placement. They stated that they were not asked to be part of that decision. The judges also indicated that there is such a small percentage of children and youth who have access to federal benefits that it is not often known or pursued when determining placement.

However, most participants were aware that currently, federal benefits can go toward the cost of care or offset what a parent must pay. Participants pointed out that the language change allows for counties to exercise discretion and not pull money away from families who need it for housing or other basic needs. Participants shared concern over the updated statutory language and allowing too much variation in county application of the statute. Participants noted that they feel that the money belongs to the child and that their federal benefits should be preserved for the child or youth's use.

Use of funds to support children and youth during care

Participants shared that they think each child or youth in foster care has unique circumstances and needs to be considered individually.

Participants indicated they do not support giving all federal benefits to child or youth in foster care at once. Instead, participants suggested that the federal benefits be held in a trust and that children and youth in foster care would be provided guidance, suggesting that possibly a probate court or a guardian could help them

[27] The 2022 law changes required agencies to consider whether requiring parents to reimburse agencies for costs of care, redirecting child support payments, or becoming representative payee of Social Security benefits would impact parents' reunification efforts, caring for their child following reunification, and/or ability to maintain financial stability for their child.

manage these funds. Judicial participants said that if the agencies are aware of a child or youth having eligibility for federal benefits this should be flagged for the judge, especially if the agency feels like it may impact the judge's decision-making.

One participant noted that they are also a foster parent and would have access to a child or youth's federal benefit funds, but that once they adopted the youth, they no longer would have access to the funds, and it would be difficult to financially cover the needs of the youth.[28] This participant said that it is the role of the state to fund the care for children and youth in foster care.

Most participants indicated that they felt the preservation of funds should be determined on a case-by-case basis, but they generally agreed with the idea of preserving federal benefits for children and youth in foster care, and that they had mixed feelings regarding the federal benefits being used to cover the cost of care.

One of the participants with an attorney perspective said they feel using federal benefits for children and youth in foster care to offset the cost of care, especially when the youth is entering independent life, is wrong and negatively impacts the financial safety of the children and youth. They also shared concerns about litigation regarding this topic and believe that all federal benefit funds should be preserved for children and youth in foster care. The participant expressed that keeping as much of the federal funds in the family of origin or temporary placement home as possible helps contribute to their future success. When there is a guardian, the participant voiced concerns about a guardian misusing the federal funds of a child or youth in foster care and also acknowledged the importance of those funds for a caregiver who may not otherwise have the resources to properly care for the child or youth.

Management of federal benefits

Participants shared that there are benefits to both DCYF and counties managing the federal benefits on behalf of the child or youth in foster care but think there should be some specific guidance for the counties if they are to preserve and manage the federal benefits. They also suggested that other parties, such as an attorney or a caseworker, could help determine the guidance for counties on managing these funds. One participant noted that managing the federal benefit funds at the county level is appropriate and that the counties should consider using the federal benefit funds for children and youth in foster care to pay for any fees associated with managing and preserving their funds.

Participants offered that there is never enough money in the county's budget to do everything it needs to do and that their goal is to meet the immediate needs of the children, youth, and families they help. Participants

[28] Note: Adoptive parents of children (including foster parents who adopt children in their care) are their legal parents and therefore able to serve as representative payee of their children's federal benefits. Children and youth adopted from foster care are also often eligible for adoption assistance. If they receive adoption assistance payments on behalf of children or youth who receive federal benefits, this generally must be reported to the entity administering the federal benefits. Federal benefits may be reduced based on the amount received through adoption assistance payments.

stated that there should not be a cost to the county to manage the federal benefit funds, suggesting instead that the state should cover the cost of care for the children and youth in foster care and cover the cost of the counties managing the federal benefit funds preservation process. Participants further indicated that the county is already a part of an overworked system, and they have concerns that this would add more work to a system that cannot take it on. However, they did not identify a different or better entity to manage these funds besides the counties.

Additional considerations for DCYF or legislators

Participants suggested that county and Tribal Nation agency financial and adoption workers have a good understanding of which benefits and services work best for each case and ensure counties can weigh in on this process and potential program.

Judicial participants shared that they could be more involved in this process or have more awareness if caseworkers were required to present this information when the judge is making a ruling. However, the judicial participants also indicated that adding another requirement or item to review could lengthen the review process and add to an already full capacity.

Appendix H: Advocates for children and parents in the child welfare system

Introduction

MAD held a series of engagements with individuals and organizations representing advocates for children and parents in the child welfare system. This section includes input from child advocates, parent advocates, Guardians ad Litem, and three Ombuds offices: Office of the Foster Youth Ombudsperson, The Office of Ombudsperson for Families, Office of Ombudsperson for American Indian Families, and Office of Ombudsman for Mental Health and Developmental Disabilities.

MAD asked engagement participants to share their experiences and views on several topics, which are organized by theme below. Responses are presented in order of child advocates, parent advocates, and the Ombuds offices of Minnesota.

Impact of leaving federal benefit funds with the family of origin

Child advocate perspective

Participants representing child advocates noted that if reunification is the goal, leaving a portion of the federal benefit funds with the parents is often beneficial. They further noted that pausing payments to the parents or guardians while reunification is still being determined may be harmful to the child or youth if the parent or guardian uses those federal benefit funds for housing and other basic needs. However, participants suggested that the funds should be determined on a case-by-case basis and correlate to the needs of the child or youth after an assessment is completed.

In addition, participants representing child advocates noted that they felt the best entities to manage the federal benefit funds process would be counties because they have more information than Guardians ad Litem or others involved with the child or youth's case. They further noted that if the case is moving toward removing the child or youth from their parents or guardians, there should be a planning process that includes specific timelines for when the funds would need to be preserved and what should happen to unused funds. Participants said some concerns about who would decide where the funds would be preserved and who would manage the funds, including if the county, advocacy organizations, the court system, or a new entity would be tasked with managing this process.

Parent advocate perspective

Parent advocates suggested that federal benefit funds should be preserved for youth aging out of foster care. However, they noted that if funds are preserved this could create a hardship for families if they were using the federal benefit funds for basic needs. Parent advocates who have also been foster or adoptive parents noted that they receive more financial support as foster or adoptive parents than other caregivers not involved in the child welfare system. They felt that a process for making direct payments or having funds available to children and youth in foster care for specific needs held the most promise.

Office of Ombuds perspectives

Similar to participating child advocates, Office of Ombuds participants suggested that if reunification is the permanency goal, a portion of the funds should be left with the family of origin to help with the reunification process and that all needs should be determined on a case-by-case basis.

Ombuds participants also suggested that a needs assessment for the parent or guardian should be completed to determine if housing, clothing, medical, or other types of support are needed, which would further indicate that federal benefit funds should be left with the family of origin.

Impact on federal benefit funds with reunification versus out-of-home placement

Child advocate perspective

Participating child advocates suggested that a trust fund should be established for 100 percent of the federal benefit funds for the child or youth in foster care and should remain with the child or youth. Participants recommended that a supervised representative, possibly a conservator, a legal guardian, or Guardian ad Litem, along with a financial advisor, could serve as that trusted representative. They described the role of this representative as someone who can help manage the funds and make appropriate financial decisions along with child or youth in foster care or on their behalf. Participants felt strongly that temporary caregivers, such as foster parents, should not have access to the child or youth's federal benefit funds.

The child advocate participants noted concerns regarding how the preservation of federal benefit funds would be managed, specifically if it would cost the state more money to create a new agency or entity to manage this process. However, participants noted that one of the biggest barriers to the current systems is the paperwork and administrative burdens.

Parent advocate perspective

Participating parent advocates reiterated that any needs should be determined for the child or youth on a case-by-case basis and when possible, the funds should be used toward reunification purposes. They further noted that if all avenues of reunification with the parent or guardian have been exhausted, and a permanent relative caregiver is determined to be the best permanency option for the youth, participants were comfortable with the funds going to the permanent relative caregiver once permanency was established to assist the child or youth with their needs. However, the parent advocates reiterated that non-relative foster parents should not receive any of the child or youth's federal benefit funds, unless they become the legal custodian or adoptive parent. They noted that no federal benefit funds payments should be stopped while a placement decision is being made and that SSA needs to act more quickly to adjust the payments to the appropriate representative payee so that the federal benefit funds can follow the child.

One parent advocacy organization suggested that federal benefit funds should be preserved regardless of the age of the child or youth and regardless of their placement status. For example, they noted that often teens who are adopted or reunified are not included in this process and do not qualify for resources and benefits because they technically did not age out of foster care. Sometimes a family is in a custody situation in which one parent is collecting benefits and the other is not. Participants suggested that the federal benefit funds should always follow the child and ideally be preserved for support when the youth ages out of foster care or becomes a legal adult, to help them meet needs around housing, education, and other areas.

Parent advocate participants noted that regardless of the preservation process that is determined, there should be transparency surrounding this process to ensure the funds are going toward the cost of care for the child or youth or a process put in place to track the child or youth's funds to ensure they are being managed appropriately.

Office of Ombuds perspectives

Office of Ombuds participants noted that 100 percent of the federal benefit funds should be preserved for the child or youth, including interest, and should not go to the county. Similar to participating child advocates, they expressed that a trust fund should be established for children and youth and only an approved, supervised representative, such as a legal guardian, conservator, or other representative could assist with the account. Participants further suggested that a financial advisor should be included in the process of managing the federal benefit funds on behalf of the children and youth.

Impact of representative payee options

Child advocate perspective

Child advocates noted that some counties are not helping children and youth apply for federal benefits and were concerned with the idea of the county as the representative payee when the child enters the foster care system. They also recognized that this process is lengthy and can be a burden to the counties. Participants suggested that there be a determination process while reunification is still happening to ensure the county is the appropriate representative payee in that child's case, as there may be other relative foster parents the child could be placed with, and that individual could become the representative payee.

Guardian ad Litem participants stated they felt it would be a conflict of interest for Guardians ad Litem to be the representative payee and make any decisions or even manage the child's federal benefit funds, while also making recommendations in the best interest of the child.

Participating child advocates said they supported the federal benefit funds being used to pay for financial literacy classes for youth before they age out of care and receive funds, likely at age 16 and older. They also said concerns regarding where the federal benefit funds would be stored when a child or youth is adopted, and how and when the youth would gain access to the federal benefit funds.

Parent advocate perspective

Parent advocates say they support the county being the representative payee but do not agree with the county using the federal benefit funds to cover the child or youth's cost of care. They suggested several other entities that could manage the federal benefit funds, such as the state, an independent organization, or a trustee who would be separate from the caseworker, Guardian ad Litem, or another individual who is already deeply connected to the child or youth while they are in care.

One parental advocate suggested the use of a custodial account, such as an UTMA, or Uniform Transfers to Minors Act, account to save and invest money on behalf of a child until the child reaches the age of 18, at which point the account would be transferred to the child.[29]

Office of Ombuds perspectives

Participants from the Ombuds offices agreed that the scope and impact of becoming the representative payee for children and youth in foster care can be a significant amount of work to manage. Participants said that they do not think a foster parent or other temporary guardian should be the representative payee. However, regardless of who the representative payees are determined to be, the Ombuds office representatives said that they encourage clarity about whether representative payees can pay themselves for their work, or if they can determine how and under what circumstances the federal benefit funds they are helping manage would be used.

Use of federal benefit funds to support the cost of care

Child advocate perspective

Participating child advocates noted that federal benefit funds should not be used to support the cost of care for children and youth in foster care because funding is already available. Child advocates expressed that just because some children and youth in foster care may be eligible to receive federal benefit funds, they should not have to use these funds to pay for their cost of care. One participating child advocate stated that using federal benefit funds to offset the cost of care takes away benefit funds from eligible children and youth. Participating child advocates expressed that in their opinion counties should receive funding to manage a federal benefit funds preservation program and to ensure that children and youth in foster care have all their needs covered.

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[29] Money put into this type of account is an irrevocable gift to the child. Depending on the state, the legal control of the account must be turned over to the named child between the ages of 18 and twenty-five. The money from a custodial account can then be used for whatever purpose the child chooses. For more information, see SI 011.20.205, SSA POMS.

Child advocate participants had concerns over the children and youth being prepared and able to manage the federal benefit funds once they age out of foster care. They proposed that a trust should be established where certain amounts of money would be disbursed to the youth as needed and with the consent of a trustee. One participant suggested that a nonprofit organization might be the best entity to help manage the federal benefit funds for children and youth in foster care but mentioned concerns about the cost of this process to taxpayers. Another participant suggested that there be one large statewide trust, with a ledger to track the funds for each child and youth in foster care.

Parent advocate perspective

Participating parent advocates echoed child advocates in stating that federal benefit funds should not be used to support the cost of care. They also expressed that funds should be preserved for the youth until they are 18 or older.

Office of Ombuds perspectives

Office of Ombuds participants voiced liability concerns if the preservation of the federal benefit funds program were to determine when children and youth in foster care could receive their benefit funds. Other participants noted that there may need to be some written documentation, such as language added to a trust or will, that indicates when funds should be distributed to child or youth and at what age. They also said a consideration should be made for youth with developmental concerns, so they do not get taken advantage of and have similar rights to their federal benefit funds.

Use of federal benefit funds to support youth after foster care

Child advocate perspective

Child advocates describe the term “pro-normalcy,” which they describe as a concept that emphasizes helping children and youth in foster care maintain a similar life to their peers. They expressed that all funding opportunities should be exhausted for the cost-of-care needs and other basic needs of a child or youth in foster care before the child or youth’s federal benefit funds are used. Participants further stated that the child or youth should be involved in determining how they would like to reasonably access and use their funds. One participant suggested that providing an allowance for a child or youth in foster care may be a good idea, but they also said that those funds would need to be monitored out of concern about others using those funds inappropriately.

Several child advocate participants noted that there are organizations that provide grants for children and youth in foster care, specifically to help purchase items that cost-of-care funds do not cover, such as cell phones, dresses, and tuxes for prom, camps, and sports or other activity fees. There are additional funding and grant opportunities for youth aging out of foster care and extended foster care. Participants called out the fact that the funds the state provides do not cover all the extra needs for children and youth in foster care, especially when the youth is in extended foster care or aging out of extended foster care. There are additional needs, such as transportation, childcare, and housing that youth formerly in foster care still often need assistance to obtain.

Child advocate participants also noted that youth in foster care should be provided appropriate independent living skills education, including financial literacy, from the time they are fourteen. One advocacy organization said that they are concerned that even though counties are supposed to be providing independent living and skills training, many counties are not providing this education to youth transitioning out of foster care.

One child advocacy organization suggested that their ideal process management for preserving federal benefit funds would be for the counties to manage the funds until the youth is 18, in an account with the child or youth's name on it. Then the Ombuds Office for Foster Youth would oversee the disbursement. This organization felt that one disbursement of the funds after aging out of foster care would be ideal. They said that they liked the idea of the Ombuds office being a neutral third party that would help eliminate any potential harm or misuse of the funds. This organization also felt strongly that although youth may make mistakes when receiving their federal benefit funds, this was to be expected and part of the growth process and should be "embraced as a learning experience" for the youth.

Child advocates pointed out that often when youth age out of care, they do not want to have additional interactions with their caseworker or anyone they were involved with while in foster care. This is one large reason why the child advocates noted that the youth in foster care should be receiving appropriate independent living skills education and ensure counties are held accountable for providing this training to youth in foster care. Participants suggested that additional language be added to any possible upcoming legislation to ensure that independent living skills education is provided to all youth in foster care.

Parent advocate perspective

Parent advocates suggested that federal benefit funds should be set aside in a trust and a process should be determined for how the youth would access and use the funds. One participant noted that they are struggling with the idea of restricting children and youth's access to their federal benefit funds at any time. They noted that children and youth in foster care should be able to use their funds whenever they want to, without restrictions. They further noted that anything that supports the child's development seems to be an appropriate use of the federal benefit funds. In addition to using federal benefit funds to help children and youth in foster care access academic and creative pursuits, participants discussed the need for culturally appropriate uses of the federal benefit funds. For example, one participant said that a youth in foster care needed specific hair products and there had been restrictions placed on what they were allowed to use their funds for, which did not allow them the ability to obtain the products they needed.

Several participating parent advocates noted that the idea of discretionary disbursements of funds would be a preferential process. They noted that this would allow the children and youth in foster care to access the funds when they needed them and use them for whichever needs they would like. They noted that there are several individuals already assisting the children and youth in foster care with making decisions, such as their caseworker, Guardian ad Litem, the county, a mentor, or an attorney, who could help them determine appropriate uses of their federal benefit funds.

However, several parent advocates suggested that there should be a consideration for waiting until the youth is 18 to access the funds, so they could use them for an investment account or a larger need, such as a down payment on a house. Several parent advocates suggested that youth in foster care take a financial literacy assessment and then be given education around this topic to ensure they are prepared to receive the federal benefit funds. One participant suggested that there be a supervisory period between the ages of 18 to 21 where the youth formerly in foster care, regardless of whether they are in extended foster care or not, could be provided some guidance on managing federal benefit funds and their appropriate use. The participant suggested that there would need to be an opt-out option, so individuals would have the choice of whether to use this assistance.

Although some participating parent advocates felt there should be no restrictions on what the child, youth, or young adult uses their federal benefit funds for, some participants felt that having some criteria or guidelines about what the child, youth, or young adult is using the federal benefit funds for may be advantageous. One parent advocate gave an example where the county was too restrictive and required the youth to live in a specific county and placed restrictions requiring that they only spend money in that same county. Overall, participating parent advocates said that they wanted to ensure any federal benefit funds were being used to assist the youth and provide stability.

One parent advocate said they felt the government had already misused the federal benefit funds and therefore should not be the entity in charge of managing these same funds going forward. They recommended that a community organization should help manage these funds.

Office of Ombuds perspectives

Ombuds office participants noted that preserving funds for youth as they exit foster care can help youth maintain stability. Some Ombuds office participants noted that they wanted greater clarity regarding how much of the federal benefit funds are being used by the counties for the cost of care. Additionally, participants felt it would be helpful to know what is included in the cost of care. Additional concerns included what happens to the interest on the federal benefit funds' accounts and that in some counties the federal benefit funds are pooled and not all counties are tracking the funds for each child or youth in foster care.

Additional thoughts from advocates

Participants shared additional thoughts that did not fall under the engagement themes above. Interview participants also mentioned some of these topics organically throughout the conversation.

Child advocate perspective

Child advocates said that their main goal for the preservation of federal benefit funds for children and youth in foster care is to ensure that a process is developed and managed ethically. They noted that they are open to the best approach for the type of accounts that should be used and who would manage accounts for children and youth in foster care. They said having insights from financial, legal, and tax experts would be beneficial to ensure the program is managed appropriately, including ensuring any long-term gains and losses are managed appropriately for children and youth in foster care.

Participating child advocates expressed uncertainty about how counties started to have access to the federal benefit funds for children and youth in foster care but want to ensure counties are adequately funded to appropriately support all children and youth in foster care regardless of their eligibility for federal benefit funds. Participants said the county may struggle with what their role is in the preservation and management of the federal benefit funds. They suggested that the county could be funded for this program by being provided with payments calculated similarly to the formula used to determine child support. Participants noted that it would be valuable to have conversations with counties about this process and their plans to manage the federal benefit funds and to ensure any unintended consequences are properly assessed and mitigated.

The Guardian ad Litem participants noted that they felt someone in a Guardian ad Litem role could work with the court to ensure the federal benefit funds for children and youth in foster care are being used and managed appropriately. They also felt comfortable providing advice to children and youth in foster care and the courts about what would be in their best interest but felt strongly that Guardian ad Litem representatives should not manage any funds.

Parent advocate perspective

Participating parent advocates said that parents and families have a general lack of trust in working with the government. Parent advocates stated that parents are not given enough information about whether their child is eligible for federal benefit funds, and that there needs to be more communication about the options and eligibility process.

Parent advocates said that the parents they work with are not given guidance on how to apply for federal benefit funds on their child's behalf. One participant suggested that the child or youth have an application to access their funds, so they can indicate how they would like to use them. Participants also stated that there should be more transparency and accountability if funds are used or moved before youth age out of care. They felt that at a minimum, youth in foster care should know that they are eligible for federal benefit funds and be able to know where their money is, and how it is being used.

Parent advocates suggested that it would be beneficial to determine a preservation process that uses pre-existing systems and processes. One suggestion was to identify a specific individual, like a caseworker, who does not have a relationship with the child, youth, or family yet and have that individual help manage the funds on behalf of the county for the child or youth in foster care. Another participant said they would prefer the individual helping with this process was from a nonprofit community organization not directly tied to the county or another agency that may have previously caused harm to the child or youth in foster care. One participant mentioned that youth working with a support organization could be a service they opt out of.

One participant expressed that communities of color have been disproportionally impacted by counties using federal benefit funds to cover the cost of care for children and youth in foster care. Several participants noted that regardless of the process determined to preserve federal benefit funds, there should be training focused on equity for the entity that is managing the funds and for individuals helping the child or youth in foster care determine when and how to use their funds, ensuring that these practices are in the best interest of the child or youth and the community. An additional recommendation is to partner with community organizations to provide support to youth.

Parent advocates suggested that with so many counties there needs to be clear direction provided on guidelines and processes to follow. Additionally, participants recommend that consistent investigations and auditing need to happen to ensure appropriate record-keeping and management of the funds and to ensure counties are following the proper processes. Participants further identified that non-relative foster parents should be monitored and guided if they are supposed to help manage a child or youth’s federal benefit funds.

Office of Ombuds perspectives

Office of Ombuds participants said that they do not want extreme situations to define the law. They suggested that any laws or programs made from this process be flexible enough to be applied on a case-by-case basis to ensure the needs of each child or youth in foster care are met. Participants also suggested that guidelines need to be clear. One participant acknowledged county concerns about the potential loss of funds to counties and the possibility of increased costs to counties related to program implementation and tracking. The participant recognized the concern some counties have around how to be “made whole,” but the participant wants to ensure that this need from the counties does not define the way this program is determined. They noted that the focus should be on what is right for the child or youth in foster care. Participants further suggested that the perspective of children and youth in foster care, including children and youth formerly in foster care, and the perspective of the Tribal Nations in Minnesota should also be considered.

Appendix I: General advocates

Introduction

In the late spring and summer of 2024, five representatives of local advocacy organizations participated in guided conversations about the preservation of federal benefits for children and youth in foster care. Participants represented community organizations that work to strengthen families and support the well-being of children and a local chapter of a national organization that works with family foster parents and youth protection professionals to enhance parent-caregiver partnerships with the foster care system. The organizations included also work to address the specific needs of Minnesota's children, youth, and families through advocacy, research, community engagement, and youth development. A representative from the State Council for Minnesotans of African Heritage also participated. One community organization participant was also a foster parent and shared their personal experiences.

MAD asked participants about their experiences and views on a series of questions, and their responses are summarized below.

Impact of leaving federal benefit funds with the family of origin

Participants reported many experiences, both personal and professional, in which foster parents who are supporting children and youth in foster care struggle to pay for the child or youth's needs. They said that relatives caring for youth outside of the foster care system will often give up their Delegation of Parental Authority (DOPA) and their caregiving authority over the child or youth due to financial hardship. The participants agreed that federal benefit funds should be preserved for children and youth in foster care to assist those individuals helping with caregiving for children and youth while they are working towards reunification, though some participants preferred that the funds be allocated to the child or youth and caregivers would not have access to the child or youth's funds. However, others said that having access to federal benefits could help parents work toward reunification and ensure their housing stability.

One participant said they have seen many youth formerly in foster care become homeless after they exit foster care, and that providing youth access to federal benefit funds when they exit foster care could address this risk. Other participants agreed that the federal benefit funds should be preserved, but in a trust account that allows the youth access to their funds for whatever needs they have. They suggested that federal benefit funds be placed in a trust that accrues interest, from which the youth in foster care could pull funds for specific purposes, and that a trustee or a board of trustees be consulted about how to draw from the trust.

Impact on federal benefit funds with reunification versus out-of-home placement

One participant agreed with preserving federal benefit funds for children and youth in foster care until they are an adult but said that relative foster parents should be given access to the federal benefit funds while the youth is in their temporary care and still a minor, to help the children and youth with their basic needs. One participant referred to children and youth being cared for by kinship caregivers outside of the foster care system as the most vulnerable to changes in practices due to the lack of resources currently available to them. They said that kinship caregivers are more likely to struggle because they may not have access to the same resources and benefits that a foster parent would and urged that the kinship caregiver group providing temporary or permanent care outside of the child welfare system is not overlooked when determining the plan for preserving federal benefit funds.

One participant said that there seems to be more pressure on foster parents to adopt older youth in foster care. This participant said that access to federal benefit funds could help the foster parents provide for older youth.

Impact of representative payee options

Participants generally agreed that children and youth in foster care should have a representative payee to manage their federal benefit funds, but they had a variety of opinions on who that person or entity should be. Some participants said that no one related to the child or youth should be able to manage the funds, while others suggested that relative foster parents could serve as the representative payee in some circumstances. Participants noted that some foster families or other individuals may not have the child or youth's best interests in mind, but that there are several viable options for other individuals or entities that could serve as representative payees.

Participants said that counties and Tribal Nations could be dependable options to ensure the proper management of federal benefit funds for children and youth in foster care. One participant suggested that if a community or advocacy organization serving children and youth in foster care were to manage the federal benefit funds, they may not know the children and youth and their needs as well as people who are more familiar with them, their case, and their needs. They said that a court-appointed conservator might be a good solution. A few participants recommended creating a process or a checklist to determine who is best suited to manage the funds.

Participants also suggested that there should be a process to oversee the individuals managing the funds to ensure they are doing so appropriately. If there is not an appropriate person to manage the child or youth's federal benefit funds, they said the funds should be preserved until the youth age out of the foster care system.

One participant, who was also a foster parent, said that it was important to them to treat children and youth in foster care the same as their biological children, and that if they had to request funds every time their children or youth in foster care needed or wanted something it would be cumbersome and possibly affect their relationship with the child or youth.

Impact of federal benefits to support cost of care

Participants mentioned various advantages and disadvantages to using federal benefits to support the cost of care. One participant said it would be helpful for children and youth in foster care to be able to access their federal benefit funds while still a minor in care. Another said that if reunification is possible, the parents should have access to federal benefit funds to support the cost of care for the children and youth in foster care. If reunification with their parent is not possible, participants suggested that the funds should be preserved for the child or youth and managed by someone with financial management expertise who can work with the youth to access their funds when they need them. One participant suggested that the state lottery funds be used to help pay for the child or youth's cost of care.

Use of funds to support children and youth during care

Participants listed a variety of needs that the federal benefits could be used for, including medical and transportation needs. A foster parent said that access for some of the youth in her care would benefit greatly from having access to their federal benefit funds while in foster care to assist with paying for mental health care. One participant noted that having access to their federal benefit funds could help children and youth in foster care access cultural needs, like clothing, products, and events. Another participant suggested that children and youth in foster care should be able to use their federal benefit funds for anything that they need, including basic needs, and that the funds should be fully available once they turn 18.

Participants said that youth in foster care should receive education regarding independent living skills and financial literacy to ensure they understand how to manage their funds once they can access them after exiting foster care.

Participants said they did not think that receiving federal benefit funds in one lump sum would be in the best interest of the youth. As a preferred alternative, they cited the example of how some American Indian youth in foster care receive tribal funds in a monthly check or stipend.

For younger children in foster care, participants noted that a Guardian ad Litem, caseworker, or lawyer should be involved to help manage the federal benefits process, oversee the funds, and determine what the funds may be used for. Youth in foster care between the ages of 10 and 18 should be involved in the decision-making of how to best use the funds, they said.

Participants said that there should be a review process to oversee whoever is managing the federal benefit funds. They suggested that relevant state councils and ombuds offices should work with nonprofit and community organizations to help determine a process and that a state entity manage the process.

Involving community members in developing a process for preserving federal benefit funds for children and youth in foster care

Participants recommended speaking further with people in the community, including foster care workers, county staff, former children and youth in foster care, and American Indian families, including foster parents licensed by the American Indian Family and Children Services (AIFACS), and Tribal Nations. One participant suggested that there be a community education event where participants receive a gift card as an incentive to attend, to better understand the needs of former children and youth in foster care and their concerns or needs related to the preservation of federal benefit funds. Several participants noted that children and youth in foster care have a variety of different circumstances, such as youth in foster care who age out of foster care and urged that all situations be considered to ensure a comprehensive program and process for preserving federal benefit funds.

Suggestions to replace cost of care funds for counties

Participants said that preserving federal benefit funds would likely have a different impact on each county because foster care children and youth placement numbers vary and recovery of funds for counties would depend on the number of children and youth in care in each county. One participant suggested that the counties get a portion, possibly twenty percent, that could be split between children and youth in permanent custody to the agency and those who are reunified. The participants had no further suggestions on replacing the cost of care funds for counties.

Appendix J: Organizations for voluntary placement for youth with disabilities

Introduction

MAD conducted interviews with six organizations closely involved with voluntary placement for youth with disabilities to learn their role in foster care and how they may be tied to federal SSA benefits. Below is the summary of these interviews. A complete list of all organizations MAD engaged with can be found in *Appendix B: Interview and guided group conversation participants*.

Preserving funds or allowing funds to remain with the family of origin

The organizations interviewed emphasized reunification as a priority. They shared different opinions regarding preserving funds versus allowing the funds to remain with the child or youth's parent or guardian if reunification is not possible. One organization raised the concern that if funds were taken from the child or youth's family, they may not be replaced by something else. A different organization voiced concern over the difficulty for families to receive social security payments for a child or youth. Finally, another organization stated that funds should be saved for youth for when they age out of the foster care system with the funds going into a trust that generates interest.

Voluntary out-of-home placement for treatment needs

All organizations interviewed expressed concern over whether there should be a difference in preserving the funds versus allowing the funds to remain with the child or youth's family if the child or youth will remain in voluntary out-of-home placement for treatment needs and will not be reunified. The participants have found moving funds between homes and the child or youth can get complicated, especially if there are timelines placed on the program. Families can have extra expenses when a child or youth has a mental illness, and it may not make sense to move money back and forth in the process of a voluntary placement. Out-of-home placements can also mean many things depending on the child or youth and their situation. One participant stated regardless of what the placement ends up being, the payment for the care should not come from the child or youth.

Representative payee for those unable to be reunified

When asked who should become the representative payee if the child or youth was unable to be reunified, the participants first made a distinction between the groups of children and youth who cannot be reunified: those undergoing residential treatment for mental illness and children or youth removed from a home of abusive parents. Participants who noted that the child or youth should be the payee said that having foster parents be the representative payee could create the wrong dynamic, with people fostering children or youth for the money. They also said that funds are the child and youth’s inheritance and could be used to help with essentials.

Use of funds to support youth while in foster care and after exiting care

When asked how funds could be used to support children and youth while in foster care and after exiting care, two participants noted the funds would be out of the state’s purview as it would either be the family’s decision if the child or youth was reunified or more broadly their own money to use. One participant noted, however, that of all possible uses, housing would be the most important to support a youth after exiting foster care.

Process of reimbursing preserved funds

Participants expressed differing views when asked what the process should be to reimburse youth federal benefit funds if they were preserved during their time in foster care. Participants expressed concern over these funds from a county perspective: they would not want these funds mixed in with other county funds and noted that it would be difficult to track such a high number of funds across counties.

Most of the participants stated there should be some parameters that come with the funds being reimbursed such as providing a financial planner, accountant, or financial literacy classes to the youth in foster care or signing up with a bank or credit union before the youths age out of foster care. Financial literacy was highlighted above all else in these responses. Finally, participants noted that at the end of the day, it is difficult to tell someone what they can or cannot do with their money once they age out of foster care.

Appendix K: Families of children in the child welfare system

Introduction

MAD held a series of engagements with four individuals representing family members of children and youth in the child welfare system and eight individuals from several organizations in the summer of 2024. Participants included parents whose children had been placed in foster care, relative and kinship caregivers,[30] foster parents who were not related to the child, and adoptive parents who were not relatives or kin.

Preserving funds or allowing funds to remain with the family of origin

When asked their thoughts on saving federal benefits for children and youth in foster care, participants overwhelmingly were in support of preserving the funds while the children and youth were still in foster care until they aged out. Participants also supported using the funds for essentials like a driver's license or experiences like camps or music lessons for children and youth while they are still in foster care. Participants pointed out that some counties use these funds to pay for the cost of care for children and youth in foster care but acknowledge that it is due to a lack of funds for those counties and that these federal SSA benefits do not cover the entire cost of care.

Participants were then asked their thoughts on saving these funds versus allowing them to remain with the child or youth's family to facilitate reunification. Participants felt that while these funds can help families remain together, they emphasized having the funds follow the children and youth in foster care avoid issues of having their family receive payments when the children and youth are not with them.

Use of funds to support children and youth while in foster care and after exiting care

When thinking about saving the funds for the children and youth in foster care, participants had mixed thoughts and feelings about how disbursement should be handled. Participants worried that a lump sum may leave a child or youth vulnerable to abuse or have the funds go away quickly. Participants also noted that ultimately while there may be some hesitation at giving the children and youth in foster care a lump sum when they age out, they would not be interested in the creation of a program that is overly prescriptive and gatekeeping against people who may be experiencing poverty without these benefits. A few participants mentioned a

[30] Participants identified themselves as relative and kinship caregivers, which is the same as relative foster parents and permanent relative custodians.

caseworker or Guardian ad Litem helping manage fund disbursement, but other participants pointed out this could be problematic for a child or youth who has a strained sense of trust between their caseworker or guardian. They also pointed out a high level of turnover among caseworkers. One participant suggested DHS (now DCYF) should continue to vet case management organizations. Participants also suggested that children and youth should have access to a trust or savings account when they age out of foster care and that financial literacy education would be needed to access the funds. Despite some differences on specific issues, there was an overall theme that flexibility would be necessary to fit the needs and experiences of the children and youth in foster care. Participants were asked about how federal SSA benefits could be used to support children and youth both during and after foster care. Participants noted a lot of youth exiting foster care struggle with resources during this time, which includes housing, transportation, work clothing, insurance, and general funds to assist in achieving independence. Participants also noted that the federal benefits access gap makes things hard for current and former children and youth in foster care to plan for their future. When thinking of using the benefits to support the cost of care versus setting them aside in some sort of account, participants generally expressed a desire for the funds to go into an account that would grow either through interest or investments that would be made available after a certain age. There were no specific account types mentioned by participants, though they emphasized the importance of children and youth in foster care having access to continued support and resources to provide guidance and mentorship that would go beyond a one-time experience such as a financial literacy class.

Additional thoughts

When asked what state legislators should consider when evaluating the potential preservation of federal SSA funds for children and youth in foster care, participants primarily stated that these children and youth are in positions through no fault of their own and the state needs to ensure they are supported at a critical time in their lives. One participant noted that adults need to be reminded how they were when they were 18 and asked if they could have supported themselves. Participants also brought up that counties operate differently when it comes to handling these funds and may feel threatened with a lack of funds if they can no longer use them for the cost of care.

Appendix L: Other states

Introduction

MAD, along with staff from the Children and Family Services Administration and CSP, interviewed representatives from five states and one large county to understand how other states or counties have addressed this issue and to inform DCYF as it is considering recommendations. Two additional interviews with advocates from Arizona and state representatives from Pennsylvania were later interviewed in the spring of 2024. The summary of these additional interviews is at the end of this section.

Methods

DCYF and MAD determined a list of representatives from 14 states or counties. MAD contacted each state or county to request their assistance in this project. MAD conducted six interviews between June and July of 2023. Table 2 below shows information about the participants interviewed, their roles, and additional information about their state or county.

Table 2. Interview participant roles and state/county information

State/ County	Role/Title	Role description	Additional information about state/county
California	• California Ombuds for the Office of Foster Care • Branch Chief over Family Permanency Support Services	• Receives, reviews, and resolves complaints about care placement and services. Enforcement of the Foster Care Bill of Rights. Provides training on rights. • Determines policies for foster care in the state.	• State-supervised, county-administered foster care system. • State provides overall policy; implementation is done by county.
Colorado	• Permanency Manager • Marketing and Communications Manager	• Supports policies and legislative changes and manages the Guardianship Assistance Program (GAP).	• State-supervised, county-administered foster care system. • State on performance improvement plan to have completed 9/1/2023.

State/ County	Role/Title	Role description	Additional information about state/county
Connecticut	• Assistant chief • Assistant chief of fiscal services • Chief fiscal officer for the Department of Children and Families	• Manage voluntary services, including behavioral health mandate. • Help manage revenue enhancement and eligibility.	• State-administered system. No county government. • The state does not perform human services and uses contracted nonprofits to provide the services.
Los Angeles (LA) County	• Revenue Enhancement Chief • Senior Manager • First Line Manager • Eligibility Supervisor	• The department ensures that foster care payments are paid timely and accurately. • Provide support services to caseworkers. • The goal is to establish federal eligibility to assume funds to cover foster care costs.	• State-supervised, county-administered foster care system. • State provides overall policy; implementation is done by county.
Maryland	• Director of Permanency • Social Security Division, focus on older adolescents	• Managing youth in foster care related to permanency needs, i.e., adoption, guardianship, and reunification. • Extended foster care, independent living, and older youth in foster care.	• State-administered. • Local agencies who are state employees.
Ohio	• Bureau Chief • Director of Auditing	• Assist with adoption assistance, kinship assistance, and child welfare. • Supervises eligibility and SSI work.	• State-supervised, county-administered foster care system. • Some standalone child welfare agencies.

In total, 15 state or county representatives participated in one of the six interviews. There were 29 questions, several of which had additional follow-up questions for clarification. Not all participants were asked the same questions. Each interview was scheduled for 60 minutes. The sections below summarize the responses from the five states and one county interviewed.

Determination of how a child receives federal cash benefits

All states and LA County shared that the state is responsible for determining whether benefits are available at the time a child enters foster care. Both Connecticut and Ohio utilize a Social Security liaison, who is a state employee, to assist the state with determining a child's eligibility for benefits. Maryland creates a special needs trust account for all children regardless of disability status to ensure they can maintain their benefits.

Colorado participants indicated that the state has a rule that counties must check for eligibility when a child enters foster care. Participants shared examples of several requirements that all foster care children must meet when first under the state's care:

- A child under five years of age must undergo a developmental screening administered by Colorado's community partner boards within sixty days of coming into foster care. The community boards then work with the county that has custody to ensure the child gets their benefits.
- If the child is under five years of age, Colorado requires a Best Interest Determination (BID) meeting with the county and school district, who collectively decide whether to pursue getting the child access to the benefits they are qualified for. Additionally, participants stated that BID meetings must be completed within thirty days after the child is removed from their family of origin so that children do not miss any school. Most happen within seven days.
- Finally, participants said that notice to the counties is required if there is non-certified kinship care that might involve the county. They shared that in these cases, the county gives custody to kin versus keeping the custody with the county.

Participants stated that 49 percent of initial placements for children in foster care in Colorado are with kin. In these specific situations in which the child is in kinship custody, the county does not pursue SSI benefits. They also shared that if counties discover death benefits in a trust that family members could share, the county leaves any legal pursuit of those benefits to the family when the child is in kinship custody. They noted that there have been many instances when a monthly death benefit is going to a parent who does not currently have custody of the child. Participants said there are no current rules or statutes related to this circumstance and the county and state let the family pursue legal avenues as they deem appropriate.

Connecticut participants noted that the state reviews court records to see if a child's parent is deceased. If so, then they apply for benefits for the child, with the help of a Social Security liaison. Participants shared that they also review school-related needs, especially if special education resources are needed. Participants further indicated that there have been many discussions surrounding the ethics of using benefits to offset the cost of care and disbursement to the child once they are outside of the foster care system. Recent state legislation prohibits Connecticut from applying SSDI to the cost of care. Currently, they hold those funds in an account for foster care youth and cannot use SSA funds to help with the cost of care; however, any of the youth's income is used for their cost of care.

LA County participants indicated that at the time when a child is in the custody of the state, the child's case with the county is established, and the child's documents and eligibility are reviewed by the county. They shared that the state works with the parents to determine if there are SSI/SSA or survivor benefits the child is eligible for. Participants use the information to establish federal eligibility and check every few weeks to see if the child has been approved.

Maryland participants shared that for any SSI, SSDI, or other assets at or approaching $2,000, they create a special needs trust for the child. They said they do this process for all children regardless of disability status or survivor benefits. Participants noted that the state retains certain percentages of the benefits based on the ages of the youth:

- For children under age 14, the state gets 100 percent of the benefits.
- For children from 14 up to age 16, the state gets 60 percent of the benefits.
- For children aged 16 and 17, the state gets 20 percent of the benefits.
- For any youth over age 18 they do not get any benefits.

Participants shared that the state contracts with three separate financial institutions to help manage these accounts.

Ohio participants noted that they typically do not pursue veterans' benefits, but they will if they are made aware of them. They also shared that they have a Social Security liaison who manages the online automated application process. Participants indicated that they forward SSI benefits to relative caregivers and work to get them transferred to that relative when appropriate. Additionally, participants said they investigate which children are eligible for benefits and they process SSI applications, especially if the youth is reunified, is out of state custody, or is emancipated. Participants shared that this work helps with legalizing custody with relative caregivers.

Representative payee determination and application

California participants indicated that the agency does not apply to become the representative payee. The county, including LA County, determines if they would apply. The state provides counties with process letters to guide them in making that determination. All participants noted that they work as collaboratively as possible with all their state's foster care partners, such as caseworkers, to ensure that foster care youth receive the benefits they should and that they are managed appropriately and with the youth's best interest in mind.

Colorado, Connecticut, Ohio, and Maryland participants indicated that the state applies to be the representative payee. Colorado uses the funds to offset the cost of foster care, although typically the benefit amount does not cover those costs. Colorado participants indicated that counties may only take and hold a portion of the benefits in an account for the child until they are reunified, and the benefits are given to the parents, or they emancipate from the system, and the benefit funds are given to the child when they turn 18.

Connecticut participants noted that the state only applies to be the representative payee for Social Security benefits. They indicated that the state determines if it is more financially beneficial to take the SSA benefits for the child now or to defer them. Participants shared that, currently, if there are other non-Social Security benefits, they hold onto those funds for the child until they are discharged from foster care. Participants also noted that there are competing benefit reimbursement challenges, such as:

- If a child or youth is about to be discharged from care, they would not seek reimbursement of benefit funds. The state would rather the child take the benefits, making it easier for the family to apply to become the representative payee.
- If the state is claiming Title IV-E, which provides federal reimbursement for certain costs associated with eligible children in substitute care or at risk of placement, for the child, the state cannot collect benefit funds and manage the case. The state monitors when benefits may be ending, such as when a youth

becomes an adult or attains permanency to ensure that the benefits are getting to the family to support the youth.

Maryland participants indicated that their Title IV-E program reviews which children are eligible for benefits within thirty days of foster care placement, regardless of the possibility of a quick reunification. Participants noted that the entire eligibility process is electronic, and the state utilizes another company to help with the electronic paperwork system. Additionally, participants noted that within sixty days of the child being in foster care, adjudication and permanency planning are taking place. Then reunification, adoption, or other placement options are determined.

Ohio participants shared that after funds are used to offset costs, they use any additional funds to offset costs with the relative caregiver. They further noted that they hold the funds for three months when the child is not in custody but will send funds back to Social Security and then work with the caregiver or adoptive family and let them know they can apply for benefits. Participants indicated that there are no state statutes that dictate what to do with these funds and benefit management is left up to the counties. For example, participants said that counties forward child support payments to child caregivers as well and use those funds to offset placement costs, which can be collected for a long time after ending custody.

Representative payees outside state government

All participants indicated that each child's circumstances are different. California shared that they adjust their processes accordingly and utilize the best local county resources to help with individual determinations, but LA County added that they only recommend this when the SSI benefits are higher than foster care benefits. Colorado participants indicated that if a county does not have custody, then they prefer no one else apply to be the representative payee. Maryland participants noted that they determine if a relative can become the representative payee first.

Ohio participants stated that there are a lot of kinship programs where counties will help families become the representative payee and apply for benefits. They further indicated that about 95 percent of the time the county gets custody first, then the county pays kinship assistance and works to transfer legal custody over to the caregiver. Ohio shared that the amount of denied benefits has reduced since tasking an individual with managing the social security application process for the state. Connecticut participants did not provide information on this issue.

Use of the SSA's representative payee priority list

Colorado participants stated that they do not use the representative payee priority list. If the child is eligible, the county tries to be the representative payee. Regarding what the timeframe is for when a child enters out-of-home care, participants indicated that there is an immediate assessment if a child is eligible, then the county would apply to be the representative payee. Connecticut participants stated that they know about the priority list and always apply to be the representative payee as a matter of policy. LA County participants said that they always apply to be the representative payee, but that it is up to SSA if they grant the LA County to be the payee. California, Maryland, and Ohio participants did not provide information on this issue.

Policies regarding becoming a representative payee when the child is already receiving federal cash benefits

California does not apply to be the representative payee. While Colorado applies to be the representative payee, they only do so to help cover the costs of foster care fees, not for any administrative fees. LA County participants noted that they apply for benefits, but SSA decides who the representative payee will be. They said that when funds are saved or not used, or if the child is not eligible for federal funding, those funds can be used to offset the cost of foster care with any benefits found for the child. Connecticut, Maryland, and Ohio did not provide information on this issue.

Processes for the agency to apply to be the representative payee

California and Colorado participants shared that the local counties have instructions they must follow from the state or state representative group. Connecticut and LA County participants stated that they do not have a different mechanism they follow. Maryland participants noted that parents can pay child support, but the youth benefits may need to be transferred to the agency if there is no custody paperwork in order. They will let Social Security know that the state now has custody of that youth and work to become the representative payee on their behalf, and then work to establish appropriate accounts. Ohio did not provide information on this issue.

Use of funds if the agency is the representative payee

California participants shared that the state guides counties on how to use the funds. LA County, Colorado, and Maryland participants added that they use the benefits to offset the cost of care. Colorado participants also noted that they do not use these funds for any other costs, including administrative costs, as they have a general fund that provides resources for individuals, such as family therapy. All four respondents indicated that benefits often do not fully cover the cost of care. Connecticut and Ohio participants did not provide information on this issue.

Preserving funds or allowing funds to remain with the family of origin

California participants stated that they typically leave federal cash benefits with the child's family or removal home when the care, custody, and control is transitioned. LA County and Maryland noted that they do not give benefits to anyone other than the child or SSA. Connecticut participants indicated that they immediately apply to be the representative payee and that if the family still receives benefits it happens without the state's knowledge. Ohio participants shared that Social Security knows whether the county received those benefits and will remove the benefits, or provide retroactive benefits to the county, and then the county will pass them along to the family if needed.

Colorado participants indicated that if they knew that the child was going to be reunified quickly, regardless of the situation, such as the child receiving treatment, they would leave the benefits with the family. Additionally, Colorado has an expedited permanency statute that says for children under the age of six, there must be a hearing and the child must be moving, reunified, terminating their foster care status, or going to a relative who has gotten custody. If the child is being placed in an adoptive home, then that adoptive family would receive the benefits for the child. Colorado works with counties to get kinship care and provisional licenses for relatives. If the home study and background check are done, they can start receiving both federal and foster care payments.

Determination about the preservation of federal benefits

California participants indicated that, per state statute, if the child has any income, the county creates and manages an interest-bearing, cost-free trust account for each youth. They state that the cost of care is always determined per individual, but any funds are used for placement costs, case costs, and any additional costs of care. LA County further explained that any additional funds are put into an interest-bearing trust account, which is kept for as long as the county has custody of the youth. For example, if a child is receiving benefits due to the death of a parent, that money would be put into a savings account and monitored by the county to ensure there are no penalties.

Colorado participants indicated that in 2022 ABLE accounts were determined to best preserve the funds. These accounts freeze the Social Security benefits for a child, which is useful for children in this situation. When the child is no longer in foster care, the funds go to their caregiver. Participants shared that they do everything they can to ensure the child can claim their benefits. Participants further indicated that if a child receives disability benefits, the county could collect the benefits and place them in a trust fund, not an ABLE account. They noted that the counties are responsible for managing all accounts on behalf of the child.

Connecticut participants are exploring all options to set up accounts for children as the state does not want to hold the money on behalf of the child, but they do monitor account limits. Currently, participants noted that for SSDI accounts the state applies to be the representative payee and holds the trust accounts until the youth leaves the state's care. The state calculates the interest and then returns any interest to Social Security, as Connecticut's Department of Children and Families cannot hold any interest. They said that if the Department of Children and Families receives any monetary benefit for holding the funds for the child, they must zero out the account balance, and all interest gets paid back to SSA. Participants noted that there is no need to access the funds while a child is in foster care as all costs are covered through different state funding. Participants shared that any monthly maintenance payments, kinship caregiver payments, or other payments are covered by the state-funded stipend. They also noted that the parent can request funds through the caseworker if needed.

Maryland participants shared that each jurisdiction establishes an account for the youth. If the funds exceed $2,000, they will work to establish a special needs trust through various court processes, including working with banks and vendors, and funds from those accounts would go to the youth's family. Additionally, when a child starts in foster care each child receives a state-provided attorney, who must be notified when a youth's account is established. Ohio participants noted that due to several recent cases of identity theft, their county treasury keeps any account interest that the youth might earn and does not allow savings accounts for youth in foster care with benefit funds to be established.

Agencies currently implementing or that have implemented a method to preserve assets

Connecticut stated that they only preserve benefits for some foster care youth. California, Colorado, and LA County participants indicated that federal cash benefits are preserved for all children in foster care, regardless of age or time spent in care, and each case is reviewed. California and LA County further noted that they are mandated to screen children aged sixteen and a half and older to determine if they should apply for Social Security benefits. Colorado said the counties have a process for helping foster care youth transition, up until the age of 21. Maryland and Ohio participants did not provide information on this issue.

Policies or laws used to determine whether to preserve a child's federal cash benefits

Connecticut participants shared that they do not preserve federal cash benefits for all children in foster care, but conversations about the best practice of when youth should receive those funds are ongoing. Specifically, when youth in foster care are almost 18, they can choose which benefits to apply for. Participants shared that, currently, if the state were still holding funds and the youth aged out of foster care or could no longer continue in foster care, the benefits would be returned to SSA.

LA County participants noted that, based on Assembly Bill 1633, the county receives direction from the state's Department of Social Services. They explained that the state sends a letter to all counties about how to process and implement a program, but those counties can make their own decisions. Maryland participants noted that the current plan related to preserving a child's federal cash benefits was implemented due to advocacy and concerns that the state was taking children's money and using it for their care and the perception that the child left care with no money. California, Colorado, and Ohio did not provide information on this issue.

Policies or laws to determine the proportion of a child's federal cash benefits that should be preserved

California participants shared that there is no guarantee that all benefits are preserved for the child, each situation is different, and the determination is based on the individual child and their needs. LA County participants indicated that the cash benefits go into a trust account. Ohio participants noted that they only use the maintenance portion of the payment offset for non-custody children. They said that they do not use any Social Security funds for administrative or maintenance costs. Connecticut, Colorado, and Maryland participants did not provide information on this issue.

Determination on application to be a representative payee for the preservation of assets

California stated that only the county applies to be a representative payee, not the state. LA County participants indicated that they do apply for any benefits they can find, such as RSDI, retirement, and survivor benefits, but mostly SSI and SSA benefits. Colorado participants shared that they apply for SSI, RSDI, and any others that might be applicable. They said that oftentimes families do not think to pursue some of the additional benefits such as black lung or railroad retirement benefits. Maryland participants shared that they apply for benefits for SSI, SSDI, and occasionally others, but they are not familiar with seeking any railroad benefits. Connecticut and Ohio participants did not provide information on this issue.

Determination of preservation of federal cash benefits

California and Colorado participants indicated that every child's situation is different, and the county makes all determinations based on that individual. Ohio participants stated that they preserve benefits on behalf of the child unless it is before the state has custody. They shared that their eligibility staff uses a daily SSI per diem chart to show any cutoffs that may be appropriate in distributing the funds. LA County participants shared that the age for exiting foster care is 21, but youth can also leave once they turn 18, emancipate, or opt out of foster care. Once any of these options occur, the court terminates the jurisdiction of the youth, and any additional unused funds are returned to SSA and not given to the child. This process is a request from the Social Security office. Connecticut and Maryland participants did not provide information on this issue.

Benefit preservation methods

Colorado participants indicated that the state has personal trusts, not federal trusts, and ABLE accounts are used. They also shared that counties are directed to open a bank account, and once the account closes, for any reason, the account is given to the child or the legal custodian. Participants noted that there have been cases in which funds were kept in an account if they were not all used for foster care needs. The county can take back control of the funds until the youth is over 21 if it is not in the youth's best interest to receive any outstanding funds. California, Connecticut, LA County, Maryland, and Ohio participants did not provide information on this issue.

Agency determination on who manages savings accounts or trusts

California and LA County participants indicated that interest-bearing accounts are utilized for children in foster care to receive federal cash benefits. They have contracts with local banks, and the accounts are managed by the counties. Colorado participants said individual counties manage the funds and work with financial institutions connected with the counties. Connecticut participants indicated that SSDI benefits are only held in trust, and if the funds are not used, they are sent back to SSA. Maryland participants noted that the state works with contracted banks to establish trust accounts for the child, which they have access to immediately. The state continues as the representative payee until the youth is 18, at which time the money is conserved until the youth takes control of the money. If the youth is in extended foster care, the financial institution will continue to manage the funds in the trust account beyond the age of 18. Participants clarified that all youth are automatically enrolled in extended foster care unless they choose to opt out, and youth can come back into foster care and receive services up until the age of 21 if they wish. Ohio participants shared that counties manage the accounts and are the representative payee for all children in foster care. They noted that they use a tracking system to monitor all transactions and do an annual reconciliation for all children receiving benefits. Any overage funds are tracked and held by the county and then sent back to Social Security.

Agency determination on how taxes are paid on preserved assets

California participants shared that the counties help children in foster care spend any benefit money to avoid any tax-related issues. Colorado participants noted that counties pay the taxes as custodians out of those funds.

Connecticut participants indicated that SSDI trust accounts are managed and are not taxed. Maryland participants stated that taxes and fees would come directly from the youth's trust account. Ohio participants shared they have transition services for youth who are seventeen and older. For example, they said that if a youth has a job and needs to pay taxes, then they will refer them to local tax services. Participants indicated that the county pays or reimburses the service fees to those tax service providers. LA County participants did not provide information on this issue.

Agency tax advice to children in foster care

California and Ohio participants indicated that they do not provide any tax-related advice. LA County participants indicated that they did not know of anyone helping provide tax advice to children. They shared that youth in foster care are assigned a caseworker and are offered classes related to life skills and other essential needs. Colorado participants stated that they occasionally provide advice during emancipation situations or transition planning meetings, during which finances are discussed. Participants stated that the counties run credit checks on the children using their social security numbers, and counties are required to help with taxes. Connecticut and Maryland participants did not provide information on this issue.

Agency determination of paying and managing fees for trust or savings accounts

California participants shared that the county avoids paying fees by using a cost-free account. If the county chooses to enter into an account with fees, the child's benefit funds are not used to pay these fees. Colorado participants said any fees are paid through foster care funds. Maryland participants shared that legislation indicates that fees associated with the trust accounts for youth in foster care go directly to the financial institution holding the trust account. They noted many examples in which the amount the youth have in the trust account only pays for the fees associated with that account, and they end up not having any funds remaining. They further shared that the state is providing audits of this process and will continue to revise the process as needed. Connecticut and Ohio participants did not provide information on this issue.

Access to preserved assets for personal needs

California participants shared that the child does have access to their funds for personal and other care-appropriate needs. Colorado participants stated that occasionally counties are directed to use county funds to help children and youth in foster care if there is a personal need such as helping pay for a car, pre-college courses, or clothing. Connecticut, LA County, Maryland, and Ohio participants did not provide information on this issue.

Use of funds to support youth after exiting care

California participants stated that the county does not continue to manage the account after the child achieves permanency. Often the funds are transitioned to the permanent caregiver. Participants shared that since the funds are federal cash benefits the process happens as quickly as possible (sometimes as quickly as a week but can be up to six months). Colorado participants noted that the funds go to the legal custodian, which is determined by the court, or to the child if they are emancipated or have reached the age of 18. They indicated that if a child needs to stay in the system because of a disability or transition to an adult system once they are of age, there must be a court order.

Connecticut participants indicated that SSDI-preserved funds always go back to SSA, even when there is a sub-guardian or adoptive parent. They said that the parent could apply to be the representative payee and the regional offices would help with that process. LA County participants shared that whatever funds are left over goes to SSA regardless of any permanent caregiver. Maryland participants said they have options for interest-bearing or savings accounts for youth in foster care but continue to run into issues with all types of accounts and are trying to determine the best plan.

Transfer of funds to the control of the permanent caregiver

California participants indicated that the permanent caregiver is responsible for any fund management, including items related to taxes. Colorado participants stated that they do not provide specific tax advice to children or legal guardians due to the liability for counties to have caseworkers discussing tax-related items, but they will discuss managing funds. Connecticut, LA County, Maryland, and Ohio participants did not provide information on this issue.

Plans for preserved federal cash benefits when a child reaches 18 without achieving permanency

California participants stated that the individual, the county, caseworkers, representative payee, the families, and the transition team work together to review each case and determine the best decision for the youth. They evaluate the mental capabilities of each youth in foster care or determine if they are going to be the representative payee. California does have extended foster care until the age of 21. They indicated that most of the youth you do not achieve permanency before age 18 go in and out of foster care when needed. Colorado participants noted that all funds go to children in foster care. Ohio participants indicated that county custody goes until age 21. If the SSI benefits continue, then the child will continue to receive those funds, and all funds will be forwarded to the child's account for any personal spending needs. They also shared that caregivers could apply for funds, or if that child was emancipated, they could help the child get their benefits. Connecticut, LA County, and Maryland participants did not provide information on this issue.

Costs of implementing a federal cash benefits preservation plan

California participants shared that in 2010, California changed its process so that each child reaching age sixteen had to be assessed and apply for SSI benefits when appropriate. Participants shared that the goal for this change was to set the child up for a successful future and ensure they received any benefits they were entitled to. This change includes all children regardless of parental rights. They have not been tracking the cost of this process. LA County indicated that they do not know of any lost revenue due to their state's process. Colorado participants indicated that they do not currently have a process or system in place to track costs but noted that they would not want to follow any process that might negatively impact the child or make them ineligible for their benefits. Participants noted that counties are concerned about using county-only money to implement this type of benefits preservation system. Connecticut, Maryland, and Ohio participants did not provide information on this issue.

Litigation and controversy related to the use of federal cash benefits

California and LA County participants shared that there has been some legislation about proposed changes, but the proposals did not move forward; there is also a bill currently pending. Participants noted that there has been some litigation regarding foster care youth accounts in certain counties, but not the state. They further shared that at age 18, youth become adults and can make different decisions about their benefits, such as getting married and getting involved in other programs for individuals in foster care over age 18, all of which could impact their benefits eligibility. Colorado participants indicated that the biggest issues are the media stories and when families share in articles that they did not receive the benefits they felt they should.

Connecticut participants noted that they were unaware of any litigation in their state around the use of federal cash benefits for youth in foster care. Ohio participants noted that there has not been litigation, but there were some class-action lawsuits that went to the governor’s office related to how kinship caregivers and foster caregivers were not getting paid the same amount. They shared about a kinship guardianship program through which those caregivers could become foster parents and they would be paid the foster care payment amounts. Maryland participants did not provide information on this issue.

Additional thoughts

California participants shared that the state has tried to preserve youth benefits to ensure each child has what they need—SSI and SSA are the biggest needs. They also stated that the federal benefits processes could be improved, but other federal cash benefits, besides SSI and SSA, are not used as often. LA County shared about their work in implementing a state asset preservation program. Participants indicated that they must establish asset preservation accounts but have yet to determine when and how funds are given back to the child. They shared that they are working with SSA to determine the best solution, but the process has been difficult, as they request the county to return any unused funds to them. Participants noted that California and LA County want to give any unused benefits back to the youth, but they are still working to determine the best plan.

Colorado participants indicated that the legislative focus is on the child welfare system and placement issues for high acuity children. Previously, high acuity children in foster care were not sent out of state for placement services, but now the state is sending them to other providers outside of the state to ensure they have appropriate access to the services they need. Participants shared that the state used to have seven offices to help children in foster care, such as the Office of Early Childhood and Learning and the Office of Behavioral Health. Many of these offices are splitting and being reconfigured, leading to confusion about who is responsible for ensuring youth in foster care obtain access to the services they need. The state is building additional mental health facilities and has convened a task force to address these issues. Overall, participants indicated that there is a lack of resources, and the cost of living is very expensive in Colorado. Participants noted that they are working to raise foster care rates in Colorado—currently, they are $12 per day, which is too low.

Connecticut participants further shared that there is a dual mandate for child protection and children's behavioral health. Any child aged zero to 18 with a behavioral health issue is also served by the Department of Children and Families regardless of whether there is an open pending CPS concern or case. Participants noted that roughly eleven thousand kids are in care at any given time. They said that 3,200 employees are helping with case management, case welfare, and making determinations about what the child needs and how they will get it. Participants said they utilize nonprofit groups as case managers. Participants indicated that revenue enhancement is a separate division; claims for IV-E are a little over 200 million a year. They also shared that roughly half of that comes back to the state and to about 30 percent of the children in Connecticut's care. Participants noted that there is a group in the state that manages eligibility of children in foster care. They said about forty-five to sixty days after children enter foster care, the child's case gets reviewed by a specialist to determine their Title IV-E appropriateness, and then another team is responsible for the actual quarterly claiming of children. Finally, participants shared that children in foster care are also connected with state-funded medical care if needed.

Participants also indicated that state administration does not want to take benefits and apply them to the cost of care. They said that the state is still working to come to a consensus on the best approach with other agencies while keeping the state budget in mind. Participants feel that the best way to use the benefit funds is for youth when they are discharged from foster care.

Maryland participants noted that they have a Foster Care Youth Savings program, and they are still determining the best process for how to manage youth foster care funds. Ohio participants shared that due to the Protect Ohio Waiver, the counties can be creative in federal funding and waiver dollars for youth programming.

Additionally, participants indicated that if reunification is possible, the county tries not to intercept benefits, but there is no formal guidance on this process. They have considered moving toward tiered foster care payments, which would be a per diem based on age, gradually increasing as the youth got older.

Engagements with additional states

After initial engagements with other states in the summer of 2023, two additional engagements were held with Arizona and Pennsylvania in the spring of 2024.

Arizona

MAD consultants were unable to connect with the Arizona Department of Child Safety regarding this topic. However, MAD consultants were able to speak with representatives from the William E. Morris Institute for Justice. The Morris Institute for Justice is a nonprofit program dedicated to protecting the rights of Arizona's low-income and historically marginalized communities. This group was instrumental in bringing forth class action litigation in Arizona with the intent of ensuring children and youth in foster care had appropriate access to healthcare. This led to additional advocacy efforts for children and youth in foster care to keep and preserve their federal benefits and for the funds to not be used to cover the children and youth's cost of care.

The Morris Institute for Justice shared that in May 2023, Arizona unanimously passed a state law forbidding Arizona from using any federal benefits to cover the cost of care for children and youth. In July 2023, the Arizona Department of Child Safety opted to stop using federal benefits for children and youth in foster care to cover their cost of care before the law officially went into effect on October 30, 2023. The Morris Institute for Justice is in the process of working with the Arizona Department of Child Safety to ensure the statutory requirements are being met and fairly implemented. As of April 2024, the Arizona Department of Child Safety was working to determine appropriate program parameters, who would be eligible, and how the program should be implemented. At that time, there were no children and youth in foster care enrolled in the program.

Arizona is a state-administered system, which means foster care benefits are centralized at the state level. The Morris Institute for Justice said the Arizona Department of Child Safety estimated that the preservation of benefits would be a loss of about $4-6 million in federal benefits that are currently being used to offset the cost of care. However, the Morris Institute for Justice pointed out that this was equivalent to around an estimated 3 percent of the department's total budget that would be used to cover any funds that had previously been used to cover the cost of care for children and youth in foster care.

The Morris Institute for Justice shared that the only restriction to program participation is to be in foster care. They said the Arizona Department of Child Safety is obligated to apply for benefits on the child's behalf. Arizona has a near-term goal to have a process in which the child could apply to use the funds for an unmet need, which the state is not obligated to fund. Additionally, Arizona is required to determine whether the child or youth is eligible for federal benefits and if so, apply for the benefits on behalf of the child or youth, apply to be the representative payee, and then determine how the benefits would be used.

The Arizona program has determined that they will use ABLE accounts, when possible, to ensure the federal benefits do not go over $2,000, which will prevent any issues with income and asset limits. They are still determining the best account type to use for individuals without qualifying disabilities. All federal benefits will be kept in one shared account, but there is concern with this process and determining the interest due to each individual. At the time of this interview, Arizona had not yet determined which financial institution they were going to work with for this program.

The Morris Institute for Justice indicated that they would like to see a process where youth in foster care have immediate access to their federal benefits once they age out of foster care, but they felt there were limitations based on federal rules. They suggested that other account types, such as special needs trusts, could be used to ensure protections for the child or youth's funds and to possibly have limits on how much of their funds they can access at one time.

Arizona law indicates that the state must hold onto the funds while the child or youth is in the state's custody. Once the child or youth is adopted or in a permanent placement, the federal benefits either go to the biological family or are returned to the SSA. The SSA will then hold the funds until a new representative payee is determined. Under Arizona law, there is a mandatory obligation to find a suitable representative payee other than the state when the child or youth is in a permanent placement.

The Morris Institute for Justice suggested that Minnesota gather any data to illustrate the vulnerability and increased risk and challenges for the foster care population. They further recommended that Minnesota connect with SSA regarding how they interpret the rules and ensure the funds are being managed appropriately.

The Morris Institute for Justice also notes that they recommended in their proposed legislative language that financial counseling be given to youth in foster care at least six months before they are to age out of foster care, helping them understand how they can become a representative payee for their funds and how to manage them. They said they requested that financial professionals, not just individuals from the Department of Child Safety, provide financial counseling.

Pennsylvania

Individuals from Philadelphia County in Pennsylvania indicated that they were in the process of doing research and working to determine the best program and process for preserving federal benefits for children and youth in foster care. Due to the early stages of determining the goals for their program, they had not finalized many items before their interview with MAD, but they shared some of the reasons why their state and county were pursuing this preservation program.

Philadelphia County representatives shared that there had been a lawsuit in the last few years involving a child or youth who was adopted and then sued the city for the federal benefits that the state was using to cover their cost of care. Several advocacy groups and other interested parties, such as Philadelphia County and Pennsylvania's Department of Human Services, met to discuss the preservation of federal benefits for children and youth in foster care. Several advocates drafted a bill with plans to introduce it in the fall of 2024. Interested parties have continued to meet to understand the needs of children and youth in foster care and to create a preservation program to ensure they are covering all necessary items.

There have also been discussions about retroactive payments to children and youth in foster care. Philadelphia County representatives shared that in Pennsylvania funds cannot be conserved because of how the current state statutes are written, so this would need to be adjusted for a preservation program to be successful.

Philadelphia County shared that one of its biggest hurdles was not including Tribal Governments and representatives in some of these initial discussions. The Tribal Nations in Pennsylvania function similarly to their counties, as Pennsylvania is a state-managed, county-administered state. They shared that they hope to engage with Tribal Nations further.

Philadelphia County shared some of their current practices and items they are considering. They indicated that any child who comes into the foster youth program would receive benefits. They are working to determine how they could track funds for individual children and youth in foster care. Philadelphia County expressed that Pennsylvania counties are all working toward reunification and are currently identifying the individual needs of each child and youth in foster care. The individuals we spoke to noted that counties are uncertain about this process, especially regarding losing funds and having enough resources to manage this process.

Appendix M: Youth formerly in foster care survey

Note: This section uses the term "foster youth" broadly to describe the experiences of people who were in foster care as youth.

Methodology

As part of the project, MAD sent an online survey to former Minnesota foster youth, including those currently in extended foster care. MAD consulted with organizations that work with Minnesota foster youth to develop the survey distribution list. Those organizations also provided the survey link to eligible foster youth with whom they currently or previously had worked.

The survey was open for just over one month from late July to late August 2024, with up to three reminders sent to non-respondents from the survey distribution list and to partner organizations. Before accessing the full survey, potential participants answered survey eligibility screening questions confirming that they were 18 years of age or older and had been in foster care in Minnesota at some point in time before turning 18. At closing, MAD received forty-six survey responses.

Not including the eligibility screening questions, the survey comprised twelve questions, including four open-ended questions. Survey questions were framed around three main areas:

- Foster youth awareness of federal benefits funds eligibility and use of funds
- Foster youth awareness and experience with federal benefits funds while transitioning out of foster care
- Foster youth suggestions on the management of federal benefits funds for eligible foster care youth.

It is important to note that the number of responses varied for each question and that respondents could choose multiple responses to several questions. Narrative summaries of the data may also differ from the charts due to rounding.

Findings

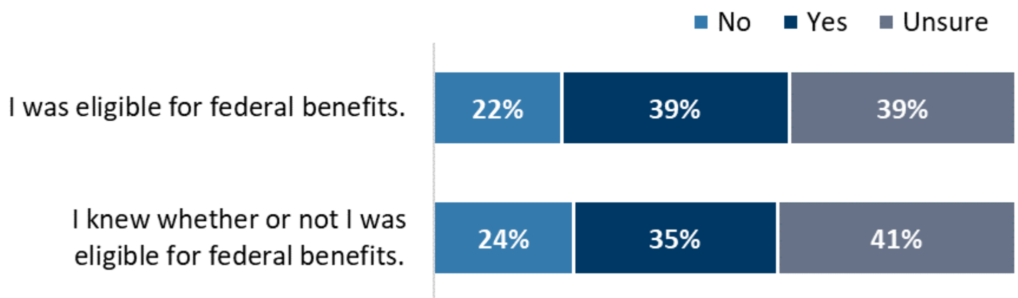
Federal benefit funds eligibility and use

Awareness of federal benefits funds eligibility

Respondents were provided a list of federal benefits, such as Supplemental Security Income (SSI), Retirement, Survivors, and Disability Insurance (RSDI), veterans benefits, and railroad retirement benefits, and asked if they were eligible for them while they were younger than 18 and in foster care in Minnesota, and whether they knew at the time if they were eligible for federal benefits.

As shown in Figure 2, over a third of the respondents said they were eligible for federal benefits and knew whether they were eligible for these benefits while in foster care. However, over a third of the respondents also answered that they were unsure whether they were eligible for federal benefits while in foster care and whether they knew if they were eligible.

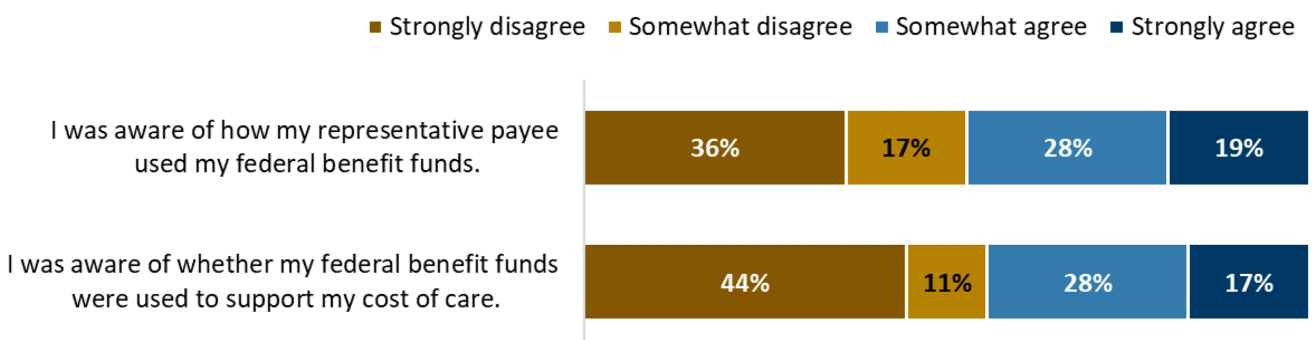
Figure 2. Eligibility for federal benefits (i.e., SSI, RSDI, Veterans, Black Lung, and Railroad Retirement benefits) while under 18 and in foster care and awareness of eligibility at that time (n = 46)



Awareness of use of federal benefits funds

Respondents were asked if they were aware of how their federal benefits were used while they were in foster care (Figure 3). Less than half of respondents (47 percent) said that they were aware of how their representative payee used their federal benefit funds. A similar proportion of respondents (45 percent) said that they were aware of whether their federal benefit funds were used to support their cost of care.

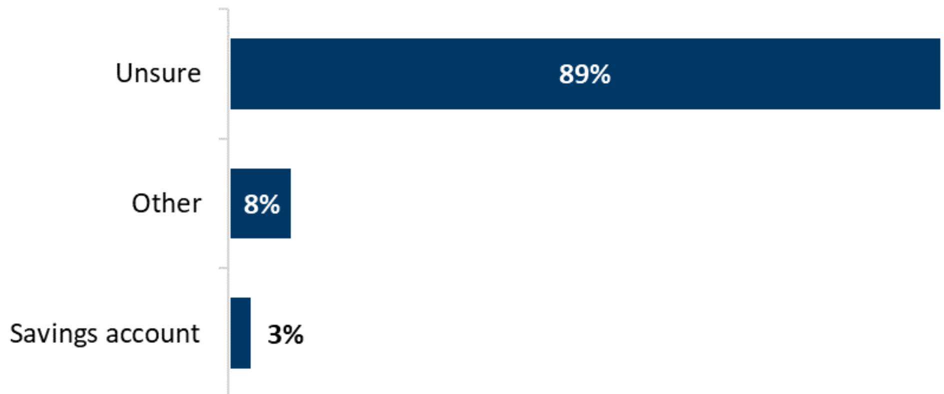
Figure 3. Awareness of use of federal benefits while under 18 and in foster care (n=36)



As a follow-up, respondents were asked to describe their understanding of how their federal benefits were used by their representative payee while they were in foster care. Twenty-one respondents answered this question. The most frequent response was that the funds were used to cover everyday essentials like housing, food, clothing, and school supplies (52 percent). The next most frequent responses were that the funds were given to their foster parents (19 percent) and that they did not know how their funds were used (19 percent).

Respondents were next asked if they were aware of their federal benefits being held in any of the following account types: savings account, trust, pooled trust, special needs trust, or other (Figure 4). Nearly all respondents (89 percent) stated they were unsure. All of those selecting "Other" also said they were unsure of the account type. Only one respondent reported knowing their benefits were held in a savings account.

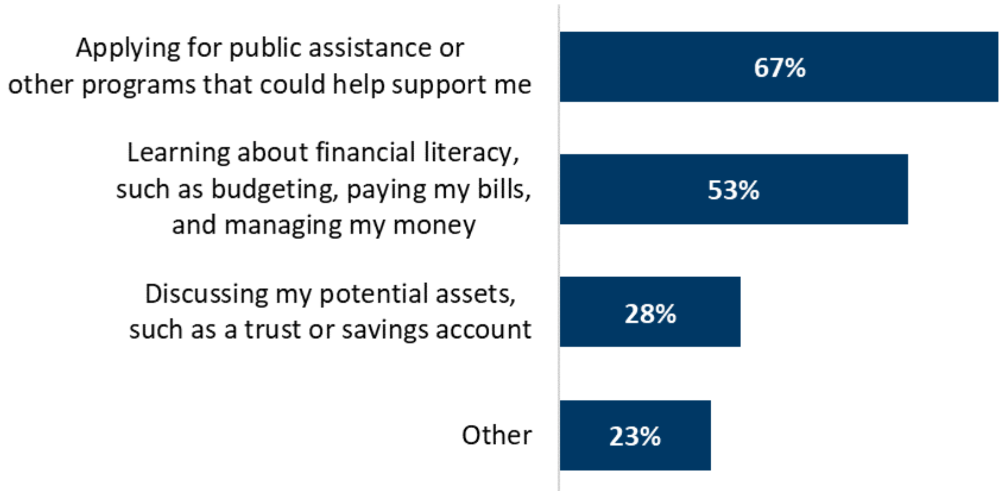
Figure 4. Awareness of account types in which federal benefit funds were held while youth under 18 years of age (Select all that apply). (n = 36)



Transition out of foster care

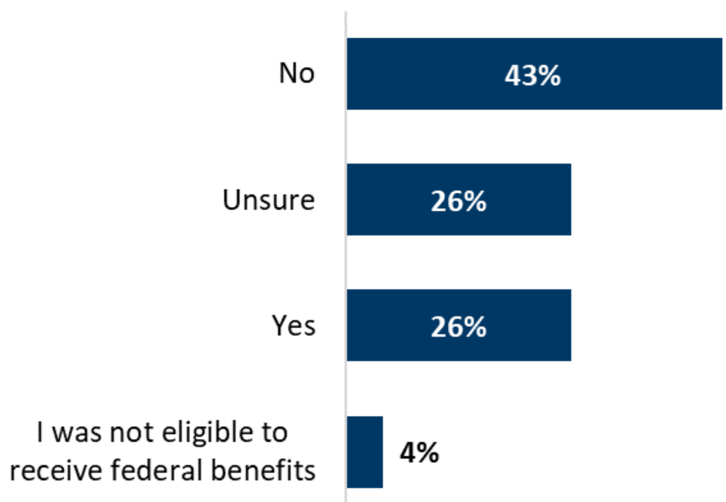
Respondents were asked two questions on their transition out of foster care, specifically about the types of assistance received and whether the transition affected their federal benefits. Respondents were provided with a list of response options and allowed to select multiple options. As shown in Figure 5, the most frequent types of assistance reported were help with applying for public assistance or other programs (67 percent) and learning about financial literacy, such as budgeting, paying bills, and managing their money (53 percent). Over a quarter of respondents said that they received consultations about their potential assets, such as a trust or savings account (28 percent). Nearly a quarter of respondents (23 percent) selected "Other", all of whom indicated they had not received any assistance with the transition.

Figure 5. At any point while you were preparing to transition or were transitioning out of foster care, in which of the following area(s) did you receive assistance? (n = 43)



When asked if the county or any other organization had discussed how transitioning out of foster care may affect federal benefits, over two-thirds of respondents responded “No” or “Unsure” (69 percent) (Figure 6).

Figure 6. Did the county or any other organization discuss how your transition out of foster care might have an impact on federal benefits you might continue to receive? (n = 46)

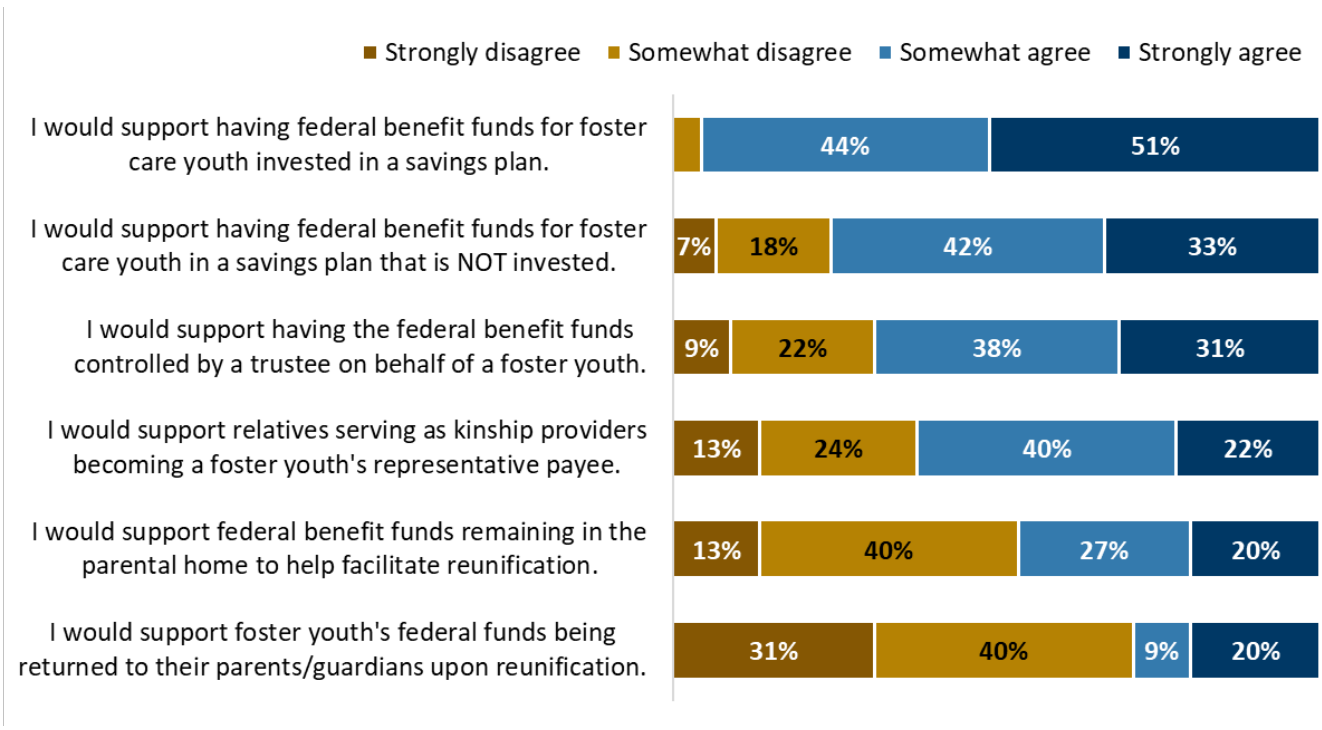


Suggestions for foster care

Respondents answered three questions on how federal benefits should be managed for foster youth and on ways to help future foster youth prepare to manage their federal benefit funds upon leaving foster care. They rated their level of agreement on five scenarios for how federal benefits should be managed for eligible foster youth (Figure 7).

The proposed scenario with the most support (95 percent) was having federal benefit funds for foster youth invested in a savings plan. The next three scenarios that received support from well over half of the participants were: having federal benefits for foster youth in a savings plan that is not invested (75 percent); having federal benefit funds controlled by a trustee on behalf of a foster youth (69 percent); and relatives serving as kinship providers becoming a foster youth's representative payee (62 percent). The least popular choices from respondents were to have federal benefit funds remain with their parent or guardian ("parental home") to help facilitate reunification (47 percent) and to have federal funds returned to their parents or guardians upon reunification (29 percent).

Figure 7. Management of federal benefits for eligible foster care (n = 45)



Open-ended question responses

Between 20-37 respondents answered the open-ended questions on specific topics in the survey. When asked what would have been helpful in preparing them to manage federal benefit funds upon leaving foster care, just under half of the respondents pointed to having their county, case worker, or foster parents help them learn about resources available to them after aging out of foster care. The next most common suggestions came from about one fourth of respondents on providing financial literacy and/or independent living skills courses before they age out of care. Smaller groups of respondents (about one tenth) also expressed a desire to have a savings account set up or to have saved more while in foster care, as well as wishing they had had more time with their caseworker or had a different caseworker.

When asked how federal benefits funds should be managed on behalf of foster youth that are eligible for these benefits, the most common response was to ensure that the foster youth know that they have benefits in the first place (over a third of respondents). About one third of respondents suggested preserving the benefits in an account until the youth are old enough to use them, one fifth of respondents suggested using the benefits to cover everyday essentials such as food, clothing, and school supplies, and a smaller number of respondents (under a fifth) suggested allocating them for housing.

Appendix N: Lived experiences of youth in foster care

Introduction

From May through July of 2024, MAD spoke to ten individuals who identified as former youth in foster care. This appendix summarizes their interviews, as well as interviews with three advocacy organizations that serve former youth in foster care and Office of Ombuds for Foster Youth advisory board members.

Awareness of federal benefit fund eligibility

Participants noted that often youth in foster care are not aware that they should be receiving federal benefits. They said that youth in foster care are also often not aware that the county has worked to determine if they are eligible for federal benefit funds or if they applied for benefits on the youth's behalf. One person who was in foster care as a youth said that when their parent died and they were in the care of a relative, the relative let them know they were eligible for federal benefit funds. Another person who experienced foster care noted that they were getting federal benefit funds before they were placed in foster care, but once they went into foster care they did not know where the funds were going or how they were being used. Overall, there were few instances when youth in foster care knew about their federal benefit eligibility while in foster care, and if they were aware of the funds, they did not know how the funds were being used.

Federal benefit fund preservation

Most of the former youth in foster care participants said that the federal benefit funds should be preserved for youth exiting foster care to support their independence, for needs such as housing, food, and transportation. They noted that the state should cover all costs of care for youth in foster care. Several other participants said that youth having access to their federal benefit funds while in care would be beneficial to help pay for extras not covered, such as a cell phone, or social events. They said it was important for youth in foster care to have life experiences like their peers and that youth in foster care should not have to choose between basic needs and a special event.

Participants provided some additional recommendations on how the federal benefit funds for youth in foster care should be managed. They had concerns about the misuse of the federal benefit funds by the individual or entity who is managing the funds. Participants said there should be a neutral party to oversee the operations and management of the funds. They said they want all youth leaving foster care to have equitable access to resources and support. One participant suggested that the federal benefit funds be held until the youth is at least fourteen years old. They said that at age 14, the youth could assist in making decisions about how their funds are used. However, another participant said that youth under 18 should not be asked to make decisions on how to best use their funds, and that all their basic care needs should be covered by the state.

Management of federal benefits

When discussing account types and the best way to preserve federal benefit funds, participants said they did not know the best account type to use. However, several participants said they would support the federal benefit funds being in an investment account or savings plan. One participant noted that the age of the youth should be considered, and the investment or savings options should be flexible and dependent on each youth's needs. Another participant suggested that a financial planner should oversee any investment or savings plans to ensure the funds are managed appropriately.

Several participants noted that a trust fund would be the best option for the youth to access when they are 18 or 21. One participant said that a new type of trust fund would be the best option, which youth could have limited access to while in foster care. One participant suggested that an "independence account" be created specifically for youth in foster care who are eligible for federal benefit funds, where the youth could access up to a certain proportion of funds while in care, but the majority would be preserved for when they age out of care. Most participants said they had no concerns if the federal benefit funds were to be placed in a trust or similar account and controlled by a trustee.

Federal benefits for out-of-home placement and with their parents or legal guardian

Participants said that during the reunification process, federal benefit funds should not be removed from their parents or legal guardian. One participant said that there should be a review process every three months to ensure the family is following the reunification plan. Most participants noted that any temporary caregiver, such as a foster parent, should not have access to the youth's federal benefit funds, since they receive other payments to help with the youth's care. However, a few participants said that in certain circumstances allowing the foster parent to have access or request funds from the account manager for additional needs not currently covered should be allowed. Participants expressed their belief that the county is the best entity to become the representative payee on behalf of youth in foster care and manage the preservation of federal benefit funds.

Assistance and use of funds to support youth when exiting foster care

Several participants noted that counties and organizations that did help youth in foster care apply for public assistance and other programs used to support their transition to adulthood. However, one participant said they did not receive any help from the county or an organization when applying for benefits and services. One participant noted that a county financial worker had overseen their federal benefit funds, but it was unknown if the account was opened under the youth's name.

When discussing the needs of youth as they exit foster care, participants had several recommendations, including ensuring that youth are provided sufficient financial literacy education when exiting foster care. They said that several third-party groups offer financial counseling and education through community agencies and grants. One participant suggested that it would be beneficial for a trusted individual to help youth exiting care to determine the appropriate use of the funds. Participants said that while there is a federal requirement for youth in foster care to be offered a transition plan, which includes discussing their healthcare, housing, transportation, and mental health needs, participants noted this does not always happen. A person who lived in foster care as a youth noted that having a youth caseworker in the youth's transition planning and then transferring the case to an adult caseworker when they exit care would be beneficial.

Additional thoughts

Participants suggested continued conversations with Tribal Nations to ensure they are aligned with any preservation program that is determined. They also suggested continued conversations with current and former youth in foster care to understand their needs and thoughts regarding the preservation of federal benefit funds. Participants suggested that each youth in foster care should have a mentor available to them during the transition from foster care to independent living, and to offer guidance about managing federal benefit funds. They said this mentor's role could decrease over time after the youth feels established.

Additionally, participants shared a broader suggestion that more formal spaces for people who lived or currently live in foster care to connect with each other are needed but did not offer ideas on how these could be created.

Appendix O: Adoptive parents and organizations who support them

Introduction

During June and July of 2024, MAD met with 14 adoptive parents and representatives from organizations that support adoptive parents and their families. Participants shared their thoughts on preserving federal benefit funds for children and youth in foster care.

Impact of federal benefit funds being left with the family of origin during the reunification process

Participants noted that families use the federal benefit funds to provide basic needs for their family, including housing. If the funds were removed, it could impact the family's ability to work towards reunification if their basic needs were unable to be met or they lost their housing. Participants noted that families would need appropriate contacts in counties to ensure they do not lose access to funds during reunification.

Participants noted that adoption families can request up to two thousand dollars for non-recurring costs of care and suggested that a similar process might be helpful while a family is working towards reunification. This would mean that the child or youth's family would not have access to the federal benefit funds but could access funds from another source to ensure they have their basic needs met during the reunification process.

Participants said that while there is a common belief that individuals want to become guardians of youth in foster care for financial reasons, most often this is not true. However, they noted that there are exceptions, and participants are concerned that some guardians would misuse the federal benefit funds if they had access to them.

Preservation of federal benefits

Most participants said that federal benefit funds should not be used to cover a child or youth's cost of care. They noted that having access to those funds once they exited foster care would have a large impact and would help the youth with their independent living needs.

Most participants said that the preservation of federal benefit funds should be administered by the counties. Organizations that support adoptive parents said that they do not have direct experience managing a youth's federal benefits, but they do work with families to learn if the youth is eligible for federal benefit funds. Participants noted that it would be helpful for the children and youth in foster care to have a trusted adult assist with managing their federal benefit funds. Participants said their biggest concern is children and youth in foster care not knowing they are eligible for federal benefit funds and not being able to access them when they need to.

Access of federal benefit funds

Participants said access to federal benefit funds for children and youth in foster care should differ depending on their age. For example, they said a 13-year-old, or someone younger, may not have enough financial literacy or the capacity to know how to best manage their funds. They noted that older youth in foster care still in care should have the flexibility to access their federal benefit funds when they need to pay for items or experiences outside of what funds for the cost of their care would cover. Participants suggested that there should be guardrails in place so that youth in foster care or exiting care would not spend the funds immediately. Adoptive parents said they think it should mostly be the decision of the youth on what they will use their federal benefit funds for.

Exiting foster care

Participants have found independent living and financial literacy programs to be helpful. They said that youth transition conferences[31] are essential for planning for a youth's exit from foster care. Participants noted that all youth exiting foster care should receive financial literacy education, even if they do not want to be part of the foster care system or move into extended foster care.

Impact on eligibility for benefits and services

Participants noted that receiving federal benefit funds likely would not impact any grant-related resources the youth or the adoptive families were receiving. They said that typically, most of the grants they work with, or grants that families receive are based on need and not based on their assets.

Participant recommendations

Participants suggested ensuring youth currently in foster care and youth formerly in foster care are heard when making determinations about the preservation of federal benefit funds. They noted that allowing for flexibility to address the specific needs of each child and adoptive family would be helpful. Participants noted it was important to ensure all counties have similar processes when administering the federal benefit funds to make it easier for youth and adoptive families to understand the systems in place.

[31] Some county and community agencies offer a youth exiting foster care a transition conference to bring together caring adults and service providers to plan with the youth.

Appendix P: County policy and practice survey

Methodology

As part of the engagement project, MAD consultants sent an online survey to 77 county and regional human services staff. The list of staff was provided by DCYF, developed in consultation with MACSSA.

Survey recipients included representatives from five Minnesota social services consortiums, each serving groups of two to six Minnesota counties. Collectively, these consortiums represent 15 Minnesota counties, meaning representatives of all 87 Minnesota counties received invitations to participate in the survey. Table 3 provides a list of counties under each consortium. For this report, the term “county” or “counties” refers to responses from both individual counties and those represented by consortiums.

Table 3. List of county consortiums and the counties they serve

County consortium	Counties served
Community Health and Human Services	Faribault and Martin
Des Moines Valley Health and Human Services	Cottonwood and Jackson
Minnesota Prairie County Alliance	Dodge, Steele, and Waseca
Southwest Health and Human Services	Lincoln, Lyon, Murray, Pipestone, Redwood, and Rock
Western Prairie Human Services	Pope and Grant

The survey was open from June 27 to July 31, 2023, with up to five reminders sent to non-respondents. At closing, MAD received 59 responses, representing a 77 percent response rate.

The survey comprised 11 questions, including four open-ended questions. Survey questions focused on six main areas:

- Frequency and factors influencing counties’ applications for federal benefits, such as Supplemental Security Income (SSI); Retirement, Survivors, and Disability Insurance (RSDI); Veterans Affairs benefits; and Railroad Retirement benefits, for children entering out-of-home placement
- Frequency and factors influencing counties’ applications to be the representative payee for these benefits
- Whether counties allow families to continue receiving benefits indefinitely to support family reunification and the factors involved
- Whether counties seek repayment from parents/guardians who continue receiving federal benefits after the county becomes the representative payee
- How counties handle excess federal funds
- Counties' reporting requirements for the federal funds received.

It is important to note that response counts varied for each question, and that respondents could choose multiple responses on several questions. Narrative summaries of the data may also differ from charts due to rounding.

Findings

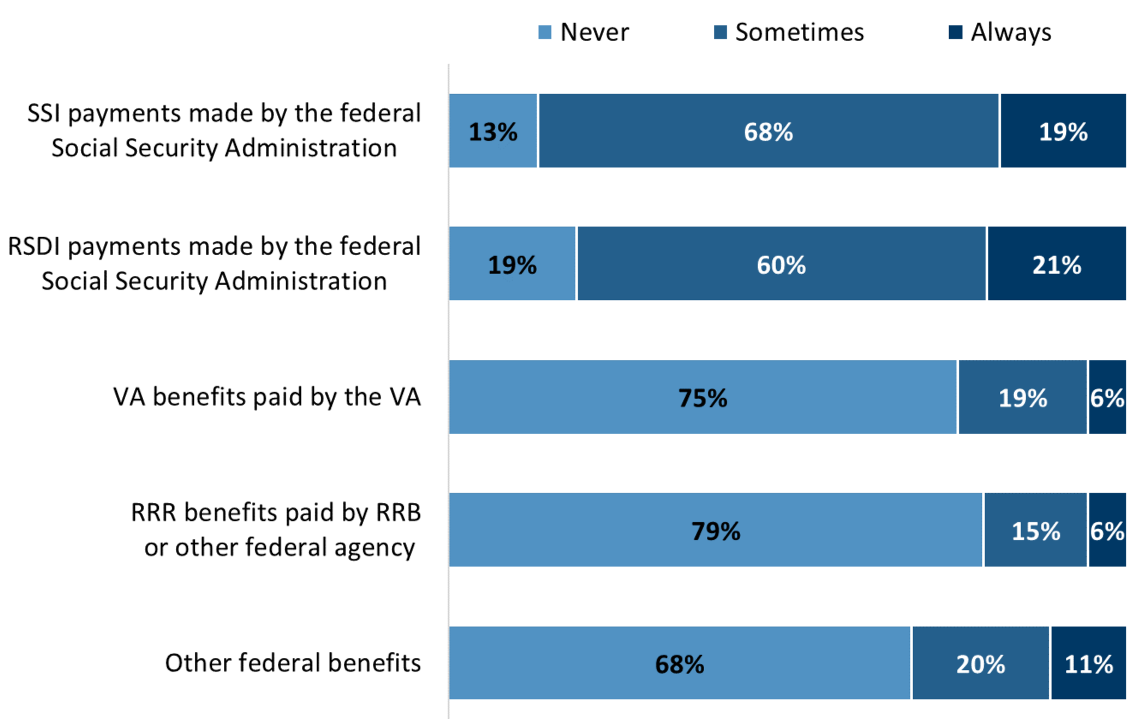
Federal benefits applications

Frequency and factors in counties' application for an eligibility determination for federal benefits

As part of the survey, respondents were asked about the frequency and factors affecting their counties' application for an eligibility determination for federal benefits on behalf of children entering out-of-home placement. Respondents were provided a list of federal benefits, including SSI, RSDI, VA, RRR and other federal benefits, and were asked to indicate how often they apply for each, categorizing their responses as "always," "sometimes," or "never."

As shown in Figure 8, counties most frequently applied for SSI and RSDI payments, with over 80 percent of the responding counties reporting that they "always" or "sometimes" pursue an eligibility determination for these benefits. In contrast, less than 20 percent of the respondents indicated that they "always" or "sometimes" apply for VA and RRR benefits. Approximately 31 percent said they "always" or "sometimes" apply for other benefits.

Figure 8. How often does your county apply for an eligibility determination for the following federal benefits on behalf of a child who may be eligible? (n=53)



As a follow-up, respondents were asked about factors their counties consider when deciding whether to apply for federal cash benefits on behalf of these children. Forty-four respondents provided answers to this question. They most frequently cited the child's disability status (50 percent), eligibility for benefits (37 percent), family circumstances or needs (35 percent), and the length of their placement (16 percent).

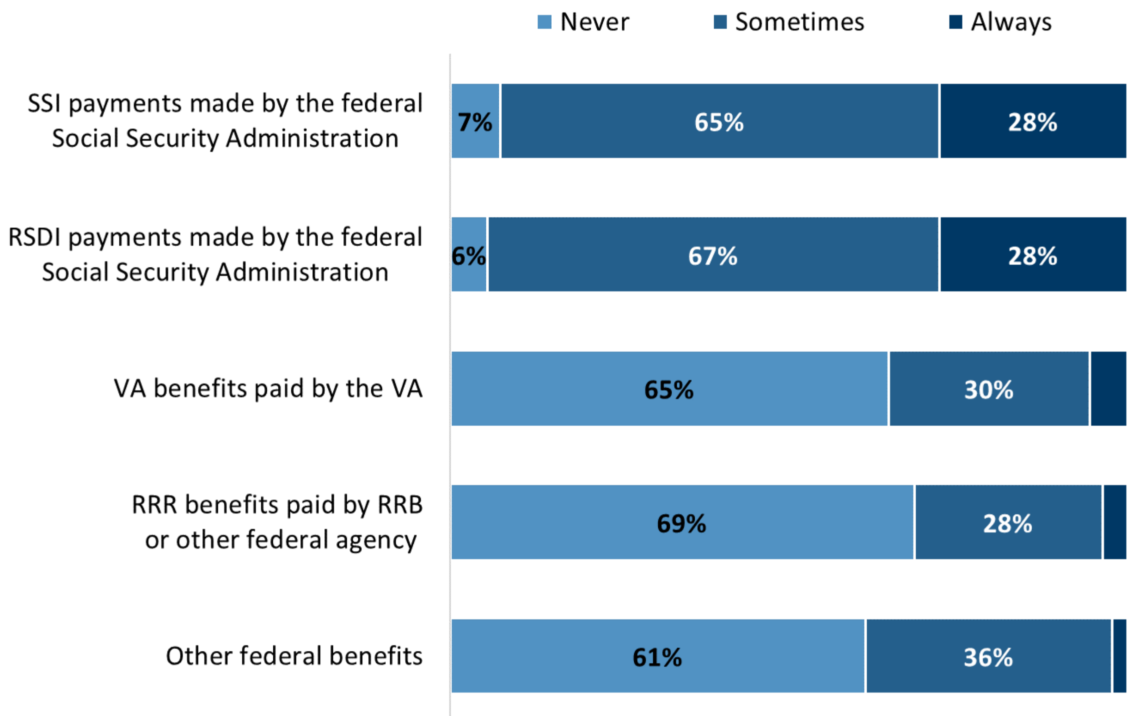
Less frequently mentioned factors included the impact on family or reunification (7 percent) and whether the child is already receiving benefits (2 percent). Approximately 5 percent of the respondents said their counties rarely or never apply for those benefits.

Frequency and factors in counties' application to serve as representative payee for federal benefits

Figure 9 shows how often counties apply to become the representative payee for federal benefits on behalf of children entering out-of-home placement. Over 90 percent of the responding counties said they "always" or "sometimes" applied to become the representative payee for SSI and RSDI payments. Approximately 30 percent said they "always" or "sometimes" applied to be the representative payee for VA and RRR benefits for these children, and nearly 40 percent said they "always" or "sometimes" apply to be the representative payee for other benefits.

Respondents were asked to share the factors their counties consider when deciding whether to serve as the representative payee for federal benefits on behalf of children. Forty-eight respondents answered this question. The most frequently cited factor was the child's length of placement, with 56 percent of respondents indicating it as the primary consideration. Other less frequently mentioned factors included the child's family circumstances or needs (19 percent), the type of placement (17 percent), the potential impact on family or reunification (13 percent), whether the child or their parents are already receiving benefits (8 percent), the cost of placement (4 percent), and the child's disability status (4 percent).

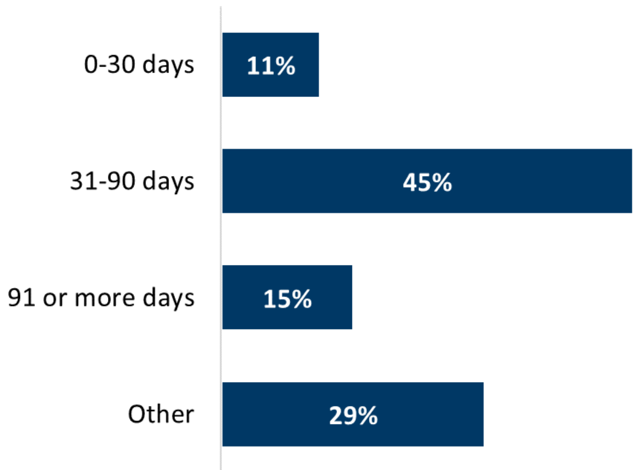
Figure 9. How often does your county apply to be the representative payee for the following federal benefits? (n=54)



Timeframe in which counties apply to become representative payee

Respondents were asked about the timeframe in which counties apply to become the representative payee after a child enters out-of-home placement (Figure 10). They could select more than one option from a list of timeframes. Nearly half of the respondents said that their counties typically apply between thirty-one and ninety days after placement. Fifteen percent reported applying ninety-one days or more, and 11 percent said they apply within the first thirty days. Approximately 29 percent chose the "other" category and provided further details about their specific timelines. These responses included a lack of a set timeline, case-by-case variations, immediate decision-making, or no longer applying at all.

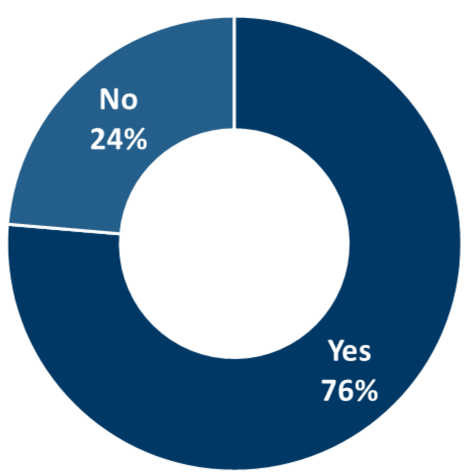
Figure 10. How soon after a child enters out-of-home placement does your county apply to become the representative payee? (n=55)



Leaving federal benefits with parents or guardians to support family reunification or preservation

Counties were also asked if they ever leave federal benefits with parents or guardians ("in the home") to support family reunification or preservation (Figure 11). Seventy-six percent of respondents indicated that their counties have done so, allowing families to retain these benefits as a means of promoting stability and facilitating a smoother transition during reunification.

Figure 11. Does your county ever leave federal SSI, RSDI, VA, RRR, or other federal benefits in the home to support family reunification or preservation? (n=55)



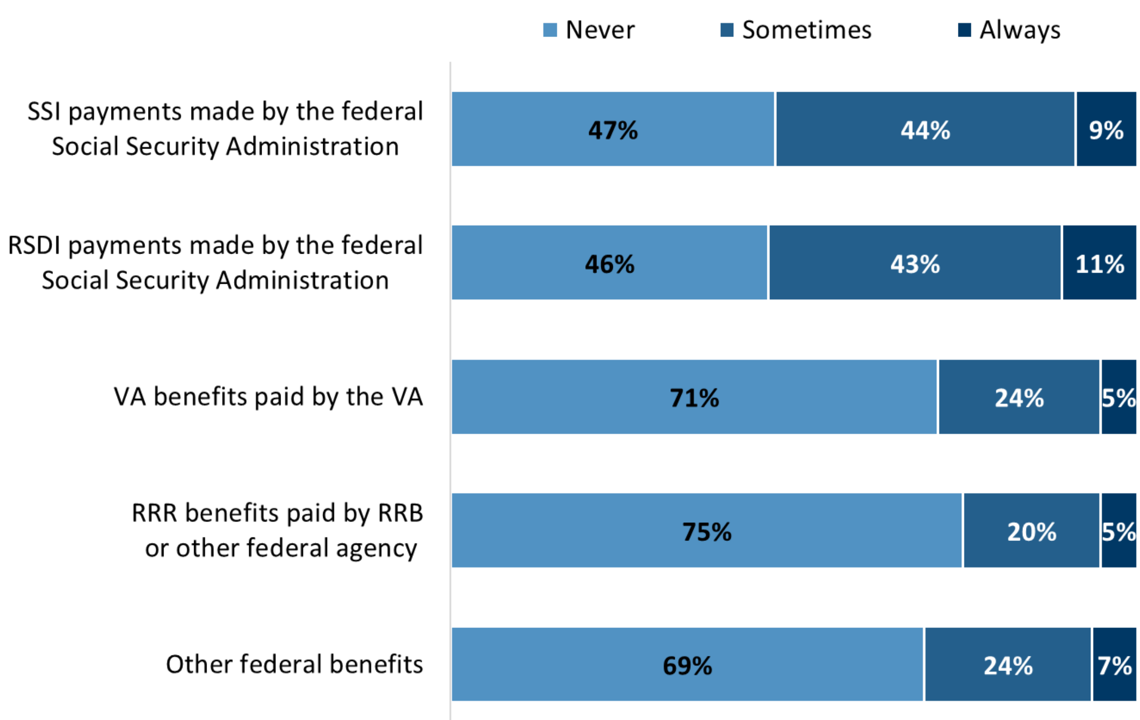
As a follow-up, respondents were asked about the factors their counties consider when deciding whether to leave federal benefits with the parents or guardians. Forty-two respondents provided answers to this question. The most frequently cited factors included the length of placement (59 percent), family situation or the child's needs (44 percent), and the impact on family reunification (41 percent). Less frequently cited factors included the type of or reason for placement (15 percent) and status of the case (7 percent). One county said that they sometimes leave the benefits in the with the parents or guardians upon request, while another county said they no longer offer this option.

Benefit funds management

Frequency of counties seeking repayment of federal benefits after becoming the representative payee

Figure 12 shows how often counties seek repayment from parents or guardians receiving federal benefits after their counties become the representative payee. Most counties do not seek repayment for benefits such as VA, RRR, or other federal payments, with over 70 percent reporting they "never" seek repayment for these. For SSI and RSDI payments, a larger portion (44 percent and 43 percent, respectively) sometimes seek repayment, while a smaller percentage always do.

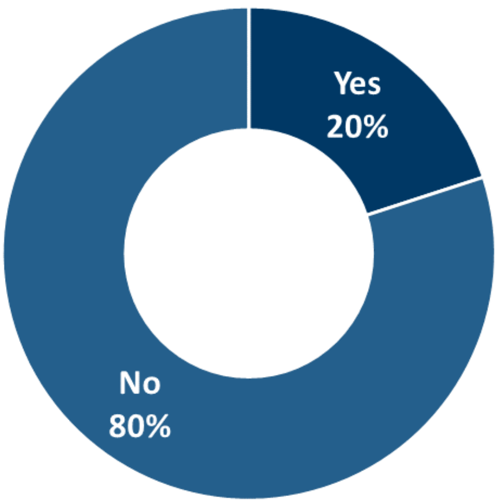
Figure 12. If the child's parents or guardians receive federal SSI, RSDI, VA, RRR, or other federal benefits for any time after your county applies to become the representative payee, does your county seek repayment from the child's parents or guardians for any of the following benefits? (n=55)



Frequency with which federal benefits exceed foster care cost

Twenty percent of the respondents have encountered cases where a child's federal SSI, RSDI, VA, RRR, and other federal benefits exceed the cost of foster care for that child (Figure 13).

Figure 13. Has your county experienced cases when a child's federal SSI, RSDI, VA, RRR, and other federal benefits exceed the cost of foster care for that child? (n=55)



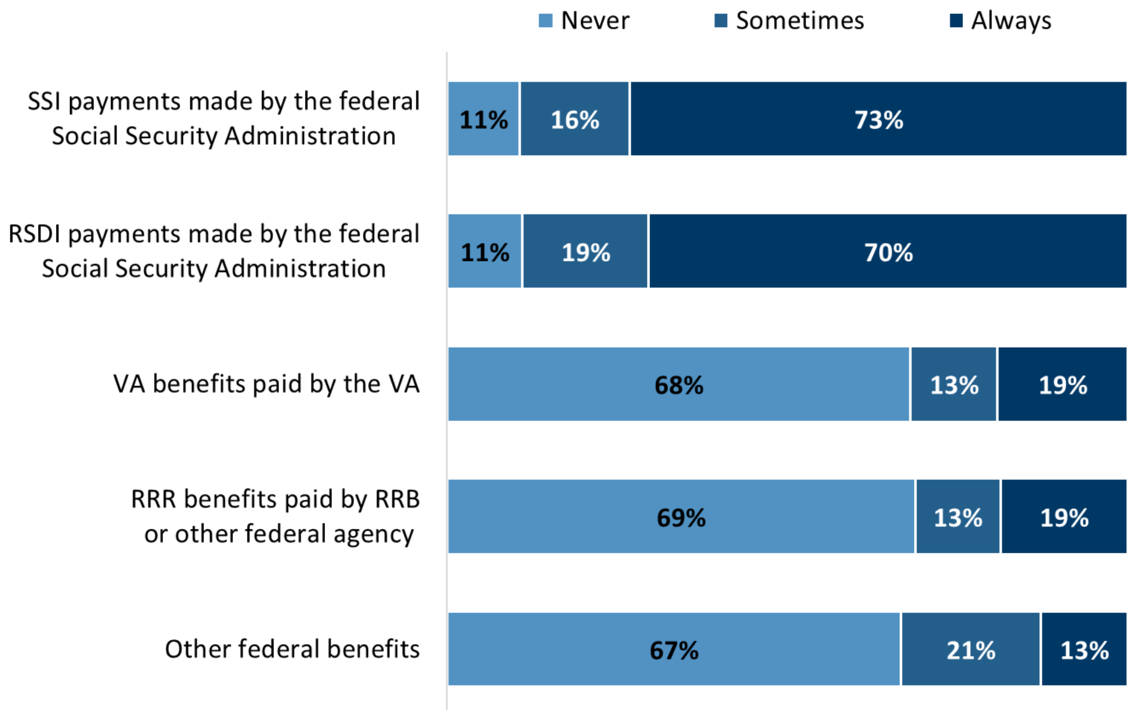
When asked about their counties' policies for handling excess funds, nearly 50 percent of the counties that have dealt with such cases said they would deposit the funds in a savings account for the child's use after they leave placement. Twenty-five percent said they would refund the money to the parents or guardians, while 17 percent would reserve it for the child's future personal needs. Only one county said they would return the funds to SSA when the child leaves custody.

Reporting responsibilities

Figure 14 shows how often counties have reporting responsibilities for federal benefits when serving as the representative payee for a child in out-of-home placement. Nearly 90 percent of the responding counties stated they "always" or "sometimes" have to provide reports for SSI and RSDI benefits. In contrast, around 30 percent of the responding counties said they "always" or "sometimes" have to provide reports for VA, RRR and other benefits.

Detailed review of survey responses suggests that counties may have understood this question differently. For example, most respondents who said that they "never" have reporting requirements for certain benefit types also indicated that they do not apply for that benefit type. Other similarly situated respondents left the question blank.

Figure 14. When serving as the representative payee for a beneficiary child in out-of-home placement, does your county have reporting requirements or responsibilities for the following federal benefits? (n=56)



Appendix Q: County data survey

Methodology

As part of this project, MAD consultants sent an online survey to seventy-seven county and regional human services staff. The list of staff was provided by DCYF, developed in consultation with MACSSA.

Survey recipients included representatives from five Minnesota social services consortiums, each serving groups of two to six Minnesota counties. Collectively, these consortiums represent fifteen Minnesota counties, meaning representatives of all eighty-seven Minnesota counties received invitations to participate in the survey. Table 4 provides a list of counties under each consortium. For the purpose of this report, the term “county” or “counties” refers to responses from both individual counties and those represented by consortiums.

Table 4. List of county consortiums and the counties they serve

County consortium	Counties served
Community Health and Human Services	Faribault and Martin
Des Moines Valley Health and Human Services	Cottonwood and Jackson
Minnesota Prairie County Alliance	Dodge, Steele, and Waseca
Southwest Health and Human Services	Lincoln, Lyon, Murray, Pipestone, Redwood, and Rock
Western Prairie Human Services	Pope and Grant

The survey was open for just over one month during January and February 2024, with up to five reminders sent to non-respondents. At closing, MAD received seventy-seven responses, representing a 100 percent response rate.

The survey comprised ten questions organized into four main areas:

- Count of children and youth in foster care receiving federal benefits from state fiscal years (SFY) 2018 to 2022
- Amount of federal benefits received by counties acting as representative payees from SFY 2018 and 2022
- Demographics of children and youth in foster care receiving federal benefits from SFY 2018 to 2022
- Cost of care and parental fees charged and received by counties from SFY 2018 to 2022.

It is important to note that response counts varied for each question, and that respondents could choose multiple responses on several questions. In reporting the findings, MAD opted to use the median rather than the average, as a few counties consistently reported much higher numbers of children and youth in foster care and associated spending than their peers. These outliers resulted in a very skewed average, making the median a more accurate representation of the data for most counties. Additionally, when reporting some of the total numbers of children and benefit amounts, MAD used the term *"estimated total"* because not all counties were able to provide these figures for some or all of the years. These trends should be interpreted with caution. Detailed data tables for each data point in the survey are available in *Appendix R: County survey data tables*.

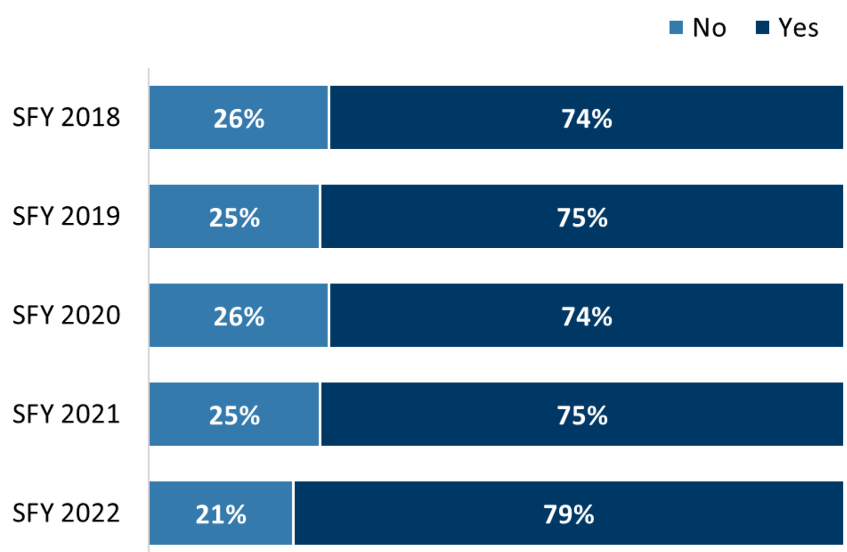
Findings

Count of children and youth in foster care receiving federal benefits

Overall count of children and youth

Survey respondents were asked to provide the number of children and youth in foster care receiving federal benefits annually in their county from SFY 2018 to 2022. The first question gauged whether respondents could provide these numbers, regardless of whether their county served as the representative payee. As shown in Figure 16, about three-quarters of the respondents confirmed they could provide this information, with 79 percent responding “yes” for SFY 2022.

Figure 15. Percentage of counties that were able to provide the number of children and youth in foster care receiving federal benefits regardless of whether the county applied to be their representative payee (n=77)



When specifically asked for the total number of children and youth in foster care receiving federal benefits for each county during the same period, respondents provided a wide range of responses. As shown in Table 5, counties reported a median of six to eight children receiving federal benefits, although the actual figures ranged from as few as one to as many as 168 children per county in a given SFY. Hennepin County, the largest in the state, consistently reported much higher numbers of children and youth in foster care than other counties, as reflected in the maximum value in the table. During this period, the median number of children receiving federal benefits remained stable at eight in 2018, 2019, and 2020, before dropping to six in 2021 and 2022. The estimated total number[32] of cases across all counties also steadily decreased from 721 in 2018 to 599 in 2022.

Table 5. Nonduplicated number of children and youth in foster care receiving federal benefits of any type, regardless of whether the county applied to be their representative payee

SFY	Median	Average	Min	Max	Estimated total
2018 (n=57)	8	13	1	131	721
2019 (n= 58)	8	13	1	168	743
2020 (n=57)	8	12	1	156	673
2021 (n=58)	6	11	1	136	626
2022 (n=61)	6	10	1	137	599

Count of children and youth in foster care receiving federal benefits for whom counties serve as representative payee

The survey then asked respondents to report the number of children and youth in foster care for whom their county served as the representative payee for federal benefits during the same period. As shown in Table 6, counties served as representative payee for a median of between five and six children, with the actual numbers ranging from as low as zero to as high as 136 children per county. During this period, St. Louis and Hennepin Counties reported the highest numbers of children and youth in foster care for whom they served as representative payee, surpassing all other counties. The estimated total number of children[33] across all counties also showed a steady decline, falling from 852 in 2018 to 607 in 2022.

[32] MAD used the term "estimated total" because not all counties were able to provide these figures for some or all of the years. These trends should be interpreted with caution.

[33] See footnote 32.

Table 6. Nonduplicated number of children for which a county or county consortium served as the representative payee for federal benefits

SFY	Median	Average	Min	Max	Estimated total
2018 (n=77)	6	11	0	102	852
2019 (n=77)	6	11	0	136	853
2020 (n=77)	5	10	0	124	735
2021 (n=77)	5	8	0	106	646
2022 (n=67)	5	9	1	107	607

Amount of federal benefits counties received as representative payee

Overall amount of federal benefits

Respondents were also asked about the amount of federal benefits their county received as representative payee between SFY 2018 and 2022. As reflected in Table 7, counties received a median amount ranging from $27,591 to $39,556 annually during this period, with actual amounts varying from as little as $13 to as much as $544,792. Over this time, the median amount of federal benefits received by counties serving as representative payees declined notably, from nearly $40,000 in 2018 to $27,591 in 2022. Similarly, the estimated total amount[34] of federal benefits received statewide also declined over time, dropping from $3.38 million in 2018 to $2.79 million in 2022. Despite this decline, St. Louis and Hennepin Counties, which served the highest number of children, consistently received the largest amounts of federal benefits, each averaging over $450,000 annually. Amounts shown are rounded to the nearest whole dollar.

Table 7. Total amount of federal benefits a county or consortium received as the representative payee

SFY	Median	Average	Min	Max	Estimated total
2018 (n=55)	$39,556	$61,503	$1,045	$511,322	$3,382,666
2019 (n=57)	$33,713	$58,863	$350	$450,323	$3,355,184
2020 (n=55)	$35,647	$58,569	$13	$544,792	$3,221,303
2021 (n=57)	$28,774	$49,290	$225	$474,427	$2,809,530
2022 (n=59)	$27,591	$47,307	$432	$444,502	$2,791,130

[34] MAD used the term "estimated total" because not all counties were able to provide these figures for some or all of the years. These trends should be interpreted with caution.

Amount of federal benefits counties used toward the cost of care for children and youth in foster care

MAD also asked respondents to provide the total amount of federal benefits their counties used to cover the cost of care for children and youth for whom they served as representative payee during the same period.

As shown in Table 8, the median amount counties used to cover the cost of care ranged from $15,599 to over $21,086 per county, with actual amounts varying from as low as $0 to nearly $621,693. During this time, the median amount used by counties fluctuated, peaking at $21,086 in 2022, following a decline from $17,134 in 2018 to $15,599 in 2019. Similarly, the estimated total amounts[35] across all counties also showed great fluctuations, peaking at $3.2 million in 2020 before declining to around $2.5 million in both 2021 and 2022. It is important to note that the 2022 data reflects responses from only 58 counties and consortia, compared to 71 for the other four years.

As in previous responses, St. Louis and Hennepin Counties spent the largest amounts of federal benefits on care, averaging between $450,000 and $500,000 annually. Amounts shown are rounded to the nearest whole dollar.

Table 8. Total amount of federal benefits a county or consortium received as the representative payee that was applied to the cost of care

SFY	Median	Average	Min	Max	Estimated total
2018 (n=71)	$17,134	$41,483	$0	$465,099	$2,945,322
2019 (n=71)	$15,599	$42,559	$0	$419,756	$3,021,712
2020 (n=71)	$16,943	$45,183	$0	$621,693	$3,207,965
2021 (n=71)	$16,581	$35,765	$0	$474,427	$2,539,326
2022 (n=58)	$21,086	$43,715	$1,265	$444,502	$2,535,469

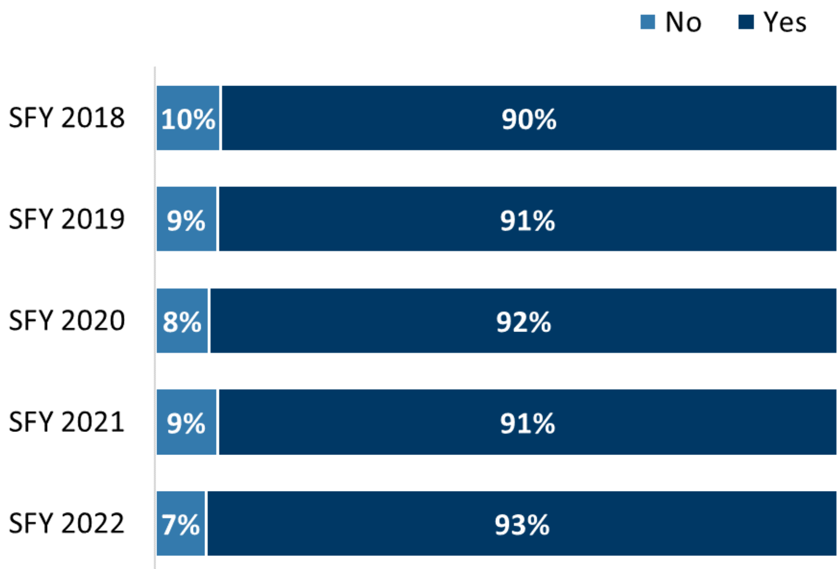
Demographics of children and youth in foster care receiving federal benefits

Ages of children and youth in foster care receiving federal benefits

Respondents were also asked about the ages of children and youth in foster care receiving federal benefits for whom the county served as the representative payee between SFY 2018 through 2022 (Figure 17). When asked if they can provide information on these children, nearly all of the counties said that they could provide this information.

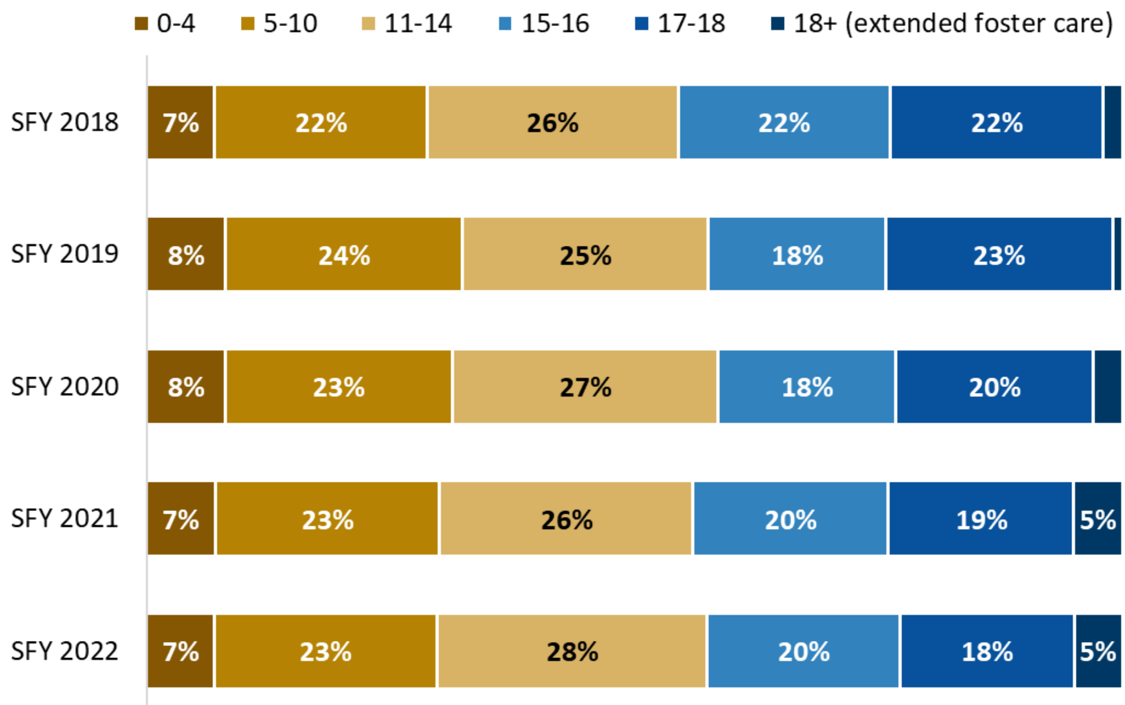
[35] MAD used the term "estimated total" because not all counties were able to provide these figures for some or all of the years. These trends should be interpreted with caution.

Figure 16. Availability of age data for children and youth in foster care receiving federal benefits for whom a county or county consortium served as the representative payee (n=77)



As a follow-up, respondents were asked to provide data on how many children in each age group their counties had served as representative payee for federal benefits between SFY 2018 and 2022. Figure 18 shows a consistent distribution of ages among these children over the five-year span. The largest shares were in the 5-10 and 11-14 age groups, each consistently comprising roughly 22 to 28 percent of the total each SFY. The youngest age group (ages 0-4) remained relatively stable at around 7 to 8 percent. There was a slight increase in the percentage of older youth (18 and over), growing from 2 percent in 2018 to 5 percent in both 2021 and 2022. The 15-16 and 17-18 age groups showed minor fluctuations but stayed within the 18 to 23 percent range throughout the period.

Figure 17. Ages of children and youth in foster care for whom counties serve as representative payees for federal benefits (n=77)



Race and ethnicity of children and youth in foster care receiving federal benefits

Respondents were also asked about the race and ethnicity of children and youth in foster care receiving federal benefits for whom the county served as the representative payee between SFY 2018 through 2022. When asked if they could provide this information, nearly all the counties said that they could (Figure 19).

Figure 18. Percentage of counties that were able to provide information on the race and ethnicity of the children and youth in foster care receiving federal benefits for whom they served as the representative payee (n=77)

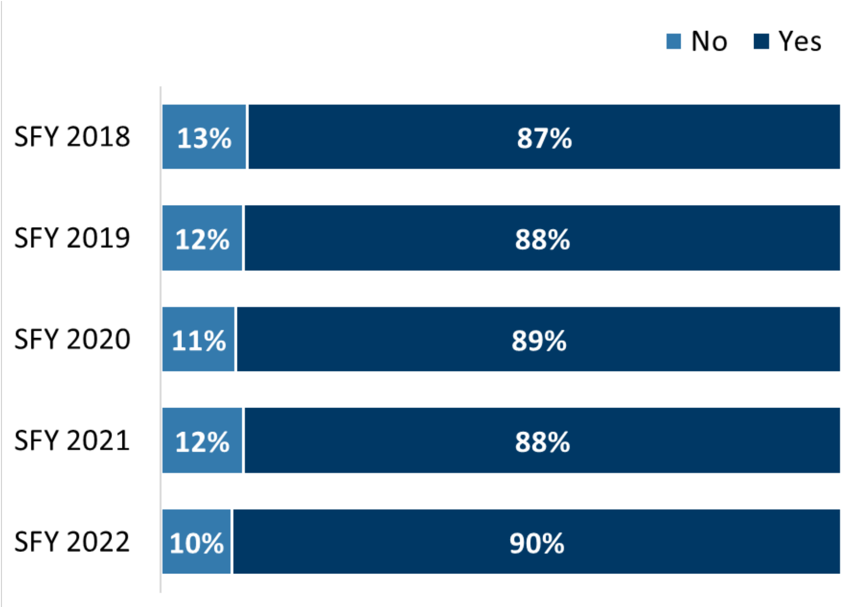


Table 9 presents the racial and ethnic distribution of children and youth in foster care for whom counties served as representative payee for federal benefits between SFY 2018 and 2022. The data shows a generally stable pattern over the five-year span, with a few notable shifts. White children consistently made up the largest group, rising from 52 percent in 2018 to 60 percent in 2022. Conversely, the proportion of children identified as having two or more races declined from 18 to 11 percent over the same period. The percentage of American Indian children remained relatively stable, fluctuating between 8 and 11 percent. Black children represented 12 to 14 percent annually, without a clear trend. Hispanic children consistently made up about 5 to 6 percent of the total, while Asian children comprised 0 to 1 percent throughout the period. Pacific Islander children were not represented during these SFYs.

Table 9. Percentage of children and youth in foster care by race and ethnicity for whom counties served as representative payee for federal benefits (n=77)

SFY	American Indian	Asian	Black	Hispanic	Two or more races	White
2018	10%	1%	13%	6%	18%	52%
2019	8%	1%	12%	5%	18%	55%
2020	11%	0%	12%	6%	16%	56%
2021	11%	0%	14%	5%	15%	54%
2022	11%	0%	13%	5%	11%	60%

Cost of care and parental fees

Number of cases in which counties charged parents/custodians for children's care expenses

The survey also asked about the cost of care and parental fees charged by counties and county consortiums to parents or custodians to reimburse expenses for a child's care, examination, or treatment. Respondents were first asked to report the nonduplicated number of cases in which their counties charged these fees between SFY 2018 and 2022. As shown in Table 10, the median number of cases per county ranged from two to four during this period. During this same period, the total number of cases across all counties decreased steadily from 2,144 cases in 2018 to 1,530 cases in 2022.

However, the actual number of cases varied widely across counties, with some reporting as low as zero and others as many as 438. Dakota, Mille Lacs, and Douglas Counties had the highest totals, ranging from 250 to over 400 cases throughout the five-year span.

Table 10. Nonduplicated number of cases in which a county or county consortium charged parental fees to reimburse the cost of care, examination, or treatment

SFY	Median	Average	Min	Max	Total
2018 (n=77)	4	28	0	438	2,144
2019 (n=77)	2	26	0	359	1,987
2020 (n=77)	4	24	0	365	1,816
2021 (n=77)	2	21	0	286	1,588
2022 (n=77)	2	20	0	270	1,530

Amount of parental fees counties charged for children's care expenses

Respondents were also asked to provide the total amount of parental fees their counties charged parents or custodians of a child to reimburse their cost of care, examination, or treatment during the same period. As shown in Table 11, the median amount charged per county increased substantially over the period, starting at $6,300 in 2018 and peaking at $36,556 in 2021, before slightly declining to $25,677 in 2022.

The actual amount of parental fees varied widely across counties from as low as zero to over $20 million. The estimated total amount[36] across all counties decreased from nearly $25 million in 2018 to about $17.6 million in 2022. It is important to note that the 2021 and 2022 data reflects responses from only 47 and 50 out of the 77 counties and consortia, respectively.

Despite a sharp decline over the years, Dakota County reported having charged the highest amount of parental fees, peaking at over $20 million in 2018 before dropping to around $11 million in 2021 and 2022. Amounts shown are rounded to the nearest whole dollar.

Table 11. Total amount a county or consortium charged in parental fees to reimburse the cost of care, examination, or treatment

SFY	Median	Average	Min	Max	Estimated total
2018 (n=77)	$6,300	$321,542	$0	$20,265,994	$24,758,704
2019 (n=77)	$9,139	$297,101	$0	$17,841,265	$22,876,795
2020 (n=77)	$9,295	$251,968	$0	$13,851,362	$19,401,505
2021 (n=47)	$36,556	$328,261	$208	$11,251,906	$15,428,244
2022 (n=50)	$25,677	$351,495	$81	$11,946,771	$17,574,760

Number of cases in which counties received parental fees for children's care expenses

Respondents were then asked to report the nonduplicated number of cases in which their counties received parental fees from parents or custodians to cover the cost of a child's care, examination, or treatment between SFY 2018 and 2022.

[36] MAD used the term "estimated total" because not all counties were able to provide these figures for some or all of the years. These trends should be interpreted with caution.

As shown in Table 12, the median number of such cases per county ranged from one to three during this period. However, the actual number of cases varied widely, with some counties reporting as low as zero and others as many as 245. Notably, Mille Lacs, Sherburne, Carver, Douglas, and Stearns Counties recorded the highest totals, ranging from 100 to 245 cases over the five-year span. The estimated total number[37] of cases across all counties declined steadily from 1,385 in 2018 to 935 in 2022.

Table 12. Nonduplicated number of cases in which a county or consortium received parental fees to reimburse the cost of care, examination, or treatment

SFY	Median	Average	Min	Max	Estimated total
2018 (n=77)	1	18	0	244	1,385
2019 (n=77)	2	17	0	241	1,334
2020 (n=77)	3	17	0	245	1,334
2021 (n=77)	2	15	0	192	1,142
2022 (n=76)	2	12	0	135	935

Amount of parental fees counties received from parents/custodians for children's care expenses

Respondents were then asked to provide the total amount of parental fees their counties received from parents or custodians during this same period. As shown in Table 13, the median amount collected per county increased notably from $2,960 in 2018 to a peak of $14,938 in 2020 before declining to $11,581 in 2022. The actual amount received per county varied, with some counties reporting zero collections while others received as much as $847,749 in a single SFY. Despite a sharp decline over the years, St. Louis County consistently collected the highest amount of parental fees, peaking at over $847,749 in 2018, then dropping to $660,269 in 2022.

The estimated total amount[38] of parental fees rose from $2.78 million in 2018 to $3.16 million in 2019, but then declined each year, reaching $2.3 million in 2022. This trend should be interpreted with caution, as data for 2020 and 2022 were only available from 53 of the counties. Amounts shown are rounded to the nearest whole dollar.

[37] MAD used the term "estimated total" because not all counties were able to provide these figures for some or all of the years. These trends should be interpreted with caution.

[38] See footnote 37.

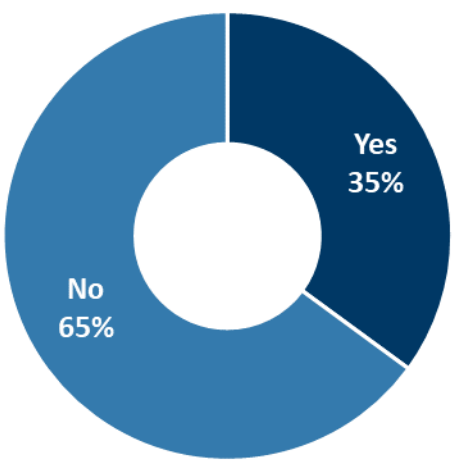
Table 13. Total amount a county or consortium received in parental fees to reimburse the cost of care, examination, or treatment

SFY	Median	Average	Min	Max	Estimated total
2018 (n=77)	$2,960	$36,149	$0	$847,749	$2,783,477
2019 (n=76)	$7,526	$41,520	$0	$762,153	$3,155,484
2020 (n=53)	$14,938	$51,000	$143	$727,085	$2,702,972
2021 (n=77)	$7,037	$34,391	$0	$729,839	$2,648,134
2022 (n=53)	$11,705	$42,722	$180	$660,269	$2,264,264

Cases of pending payments

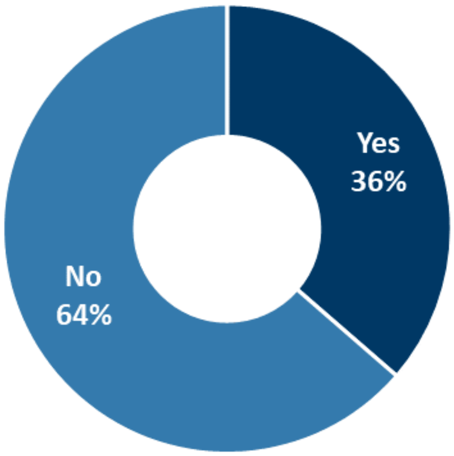
The survey asked counties if they had ever billed parents or custodians for the cost of care while the county's application to be a representative payee for federal benefits was pending for any children from SFY 2018 to 2023 (Figure 20). This survey question included SFY 2023 to be inclusive of current county practice at the time of the survey. Thirty-five percent of the counties responded that they did.

Figure 19. Percentage of counties that billed parents or custodians for the cost of care while the county's application to be representative payee for federal benefits was pending for any children at any time from SFY 2018 to SFY 2023 (n=77)



When asked if their counties had ever billed parents or custodians for the cost of care without applying to be the representative payee from SFY 2018 to 2023, 36 percent of the counties said that they had (Figure 21). This survey question included SFY 2023 to be inclusive of current county practice at the time of the survey.

Figure 20. Percentage of counties that billed parents or custodians for the cost of care without applying to be the representative payee from SFY 2018 to SFY 2023 (n=77)



Appendix R: County survey data tables

This section contains detailed data tables for figures in *Appendix Q: County data survey*. Data points marked as 'N/A' indicate that MAD did not receive a response or figure for those items.

Count of children and youth in foster care receiving federal benefits

Overall count of children and youth in foster care receiving federal benefits

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Aitkin	N/A	N/A	N/A	N/A	N/A
Anoka	27	30	21	31	23
Becker	8	8	5	5	14
Beltrami	985	850	688	282	228
Benton	25	38	28	28	23
Big Stone	N/A	N/A	N/A	N/A	1
Blue Earth	24	22	9	9	12
Brown	3	3	3	3	2
Carlton	12	10	13	8	8
Carver	14	8	6	7	5
Cass	N/A	N/A	N/A	N/A	N/A
Chippewa	2	3	3	2	2
Chisago	2	2	4	11	11
Clay	22	22	29	35	22
Clearwater	1	2	2	6	5
Cook	4	2	2	5	4
Crow Wing	N/A	N/A	N/A	N/A	N/A
Dakota	3	3	3	1	1
Des Moines Valley Health and Human Services	13	8	4	5	4
Douglas	N/A	N/A	N/A	N/A	N/A
Faribault/Martin	20	14	16	19	21
Fillmore	5	6	8	6	5

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Freeborn	N/A	N/A	N/A	N/A	N/A
Goodhue	6	14	16	6	7
Hennepin	131	168	156	136	137
Houston	3	1	2	1	1
Hubbard	N/A	11	10	5	7
Isanti	10	8	8	13	8
Itasca	32	32	27	16	14
Kanabec	2	3	9	4	6
Kandiyohi	4	8	15	13	6
Kittson	N/A	N/A	N/A	1	1
Koochiching	12	8	7	12	8
Lac qui Parle	1	N/A	N/A	N/A	1
Lake	7	6	4	4	3
Lake of the Woods	N/A	1	1	1	2
Le Sueur	11	5	6	8	1
Mahnomen	1	2	N/A	1	N/A
Marshall	N/A	N/A	N/A	N/A	N/A
McLeod	N/A	N/A	N/A	N/A	N/A
Meeker	N/A	N/A	N/A	N/A	N/A
Mille Lacs	12	15	13	9	12
MN Prairie	28	28	29	35	31
Morrison	8	9	13	8	8
Mower	19	14	9	7	4
Nicollet	13	8	10	16	11
Nobles	N/A	N/A	N/A	N/A	N/A
Norman	2	4	4	3	1
Olmsted	N/A	N/A	N/A	N/A	22
Otter Tail	12	8	5	3	4
Pennington	5	1	2	6	5
Pine	9	11	4	2	1

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Polk	4	3	1	1	2
Ramsey	N/A	N/A	N/A	N/A	N/A
Red Lake	1	1	1	1	1
Renville	N/A	N/A	N/A	N/A	N/A
Rice	8	11	12	7	5
Roseau	1	6	7	8	5
Scott	13	17	12	10	9
Sherburne	26	20	10	8	13
Sibley	5	5	6	4	2
Southwest Health and Human Services	28	9	8	6	7
St. Louis	N/A	N/A	N/A	N/A	N/A
Stearns	28	29	21	18	21
Stevens	1	1	2	4	1
Swift	2	4	5	3	4
Todd	N/A	N/A	N/A	N/A	8
Traverse	N/A	N/A	N/A	N/A	N/A
Wabasha	6	2	3	N/A	N/A
Wadena	9	10	10	7	10
Washington	17	15	9	4	3
Watonwan	4	3	6	9	8
Western Prairie	N/A	N/A	N/A	N/A	N/A
Wilkin	3	4	3	3	3
Winona	10	6	10	9	7
Wright	14	21	16	20	14
Yellow Medicine	8	4	2	2	4

Count of children and youth in foster care receiving federal benefits for whom counties serve as representative payee

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Aitkin	8	9	4	5	1

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Anoka	27	30	21	31	23
Becker	8	8	5	5	14
Beltrami	20	26	23	11	8
Benton	3	9	7	6	6
Big Stone	0	0	0	0	1
Blue Earth	24	22	9	9	12
Brown	0	0	0	0	0
Carlton	12	10	13	8	8
Carver	14	8	6	7	5
Cass	13	10	5	6	6
Chippewa	2	3	3	2	2
Chisago	2	2	4	11	11
Clay	9	14	18	16	12
Clearwater	0	1	2	4	3
Cook	1	1	0	1	1
Crow Wing	29	26	24	13	10
Dakota	2	2	2	1	1
Des Moines Valley Health and Human Services	13	4	0	1	0
Douglas	4	3	4	6	7
Faribault/Martin	17	13	15	16	19
Fillmore	2	2	5	4	3
Freeborn	11	4	5	6	3
Goodhue	6	14	16	6	7
Hennepin	87	136	124	106	107
Houston	3	1	2	1	1
Hubbard	0	8	10	5	8
Isanti	9	7	7	7	3
Itasca	27	21	20	13	10
Kanabec	2	2	6	4	3
Kandiyohi	4	8	15	12	5

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Kittson	0	0	0	1	1
Koochiching	12	8	7	12	8
Lac qui Parle	1	0	0	0	1
Lake	7	6	4	4	3
Lake of the Woods	0	1	1	1	2
Le-Sueur	8	5	2	2	1
Mahnomen	1	2	0	1	0
Marshall	0	0	0	0	0
McLeod	9	14	10	5	2
Meeker	6	9	12	9	5
Mille Lacs	12	15	13	9	12
MN Prairie	25	27	28	33	28
Morrison	8	9	13	8	8
Mower	19	14	9	7	4
Nicollet	5	2	1	10	7
Nobles	0	0	0	0	0
Norman	2	2	1	1	1
Olmsted	38	41	38	24	22
Otter Tail	12	8	5	3	4
Pennington	0	0	0	0	0
Pine	6	8	2	1	1
Polk	4	3	0	0	2
Ramsey	61	46	22	16	12
Red Lake	0	0	0	0	0
Renville	2	3	2	7	6
Rice	8	11	12	7	5
Roseau	0	0	6	8	5
Scott	13	17	12	10	9
Sherburne	19	13	6	2	10
Sibley	4	4	3	3	1

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Southwest Health and Human Services	19	6	6	2	1
St. Louis	102	86	62	65	75
Stearns	23	24	20	17	20
Stevens	1	1	2	4	1
Swift	2	4	5	3	4
Todd	0	0	0	0	5
Traverse	0	0	0	0	0
Wabasha	6	2	3	0	0
Wadena	9	10	7	7	10
Washington	17	15	9	4	3
Watonwan	2	3	3	6	4
Western Prairie	0	2	4	3	3
Wilkin	1	3	4	3	2
Winona	10	6	10	9	7
Wright	12	17	15	15	12
Yellow Medicine	7	2	1	1	0

Amount of federal benefits counties received as representative payee

Overall amount of federal benefits

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Aitkin	$21,775	$30,116	$27,243	$14,861	$951
Anoka	$147,963	$156,342	$161,231	$146,997	$146,451
Becker	$42,478	$30,914	$36,560	$26,657	$64,317
Beltrami	$80,941	$104,907	$140,123	$41,336	$41,220
Benton	$10,760	$25,201	$32,325	$23,104	$27,591
Big Stone	$0	$0	$0	$0	$1,883
Blue Earth	$110,915	$91,018	$30,648	$33,704	$46,680
Brown	$0	$0	$0	$0	$0
Carlton	N/A	N/A	N/A	N/A	N/A

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Carver	N/A	N/A	N/A	N/A	N/A
Cass	$66,810	$48,049	$35,880	$42,020	$42,944
Chippewa	$5,172	$4,559	$4,855	$7,142	$13,246
Chisago	$13,400	$16,703	$12,693	$55,428	$72,169
Clay	$60,295	$68,118	$91,296	$58,599	$71,796
Clearwater	$0	$350	$12,562	$15,174	$18,053
Cook	$2,250	$7,584	$0	$1,053	$11,988
Crow Wing	$127,498	$113,810	$90,221	$93,219	$54,686
Dakota	$17,134	$15,599	$9,453	$8,268	$8,760
Des Moines Valley Health and Human Services	$0	$0	$0	$0	$0
Douglas	$5,732	$15,659	$20,646	$33,874	$28,493
Faribault/Martin	$70,608	$60,866	$57,846	$80,602	$48,347
Fillmore	$1,470	$1,718	$24,443	$24,354	$9,479
Freeborn	$45,579	$35,005	$36,127	$32,323	$8,849
Goodhue	$25,746	$50,566	$75,187	$23,251	$52,076
Hennepin	$389,972	$418,470	$544,792	$474,427	$444,502
Houston	N/A	N/A	N/A	N/A	N/A
Hubbard	$0	$22,420	$40,609	$39,835	$48,591
Isanti	$41,488	$23,671	$51,331	$28,774	$16,731
Itasca	$122,011	$152,079	$131,106	$63,590	$60,728
Kanabec	$0	$0	$0	$0	$0
Kandiyohi	$13,221	$42,325	$84,286	$39,927	$27,562
Kittson	$0	$0	$0	$2,117	$6,800
Koochiching	$36,419	$54,802	$33,466	$64,833	$53,581
Lac qui Parle	$3,750	$0	$0	$0	$1,832
Lake	$19,427	$9,908	$5,022	$8,002	$4,861
Lake of the Woods	$0	$3,855	$9,324	$9,462	$11,234
Le Sueur	$19,552	$9,720	$9,792	$10,570	$1,604
Mahnomen	$1,606	$9,335	$0	$5,105	$0
Marshall	$0	$0	$0	$0	$0

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
McLeod	$46,396	$61,016	$54,778	$12,778	$1,265
Meeker	$27,394	$13,578	$44,431	$37,445	$18,012
Mille Lacs	$40,779	$46,995	$54,834	$62,343	$70,369
MN Prairie	N/A	N/A	N/A	N/A	N/A
Morrison	$54,456	$59,221	$41,590	$36,121	$32,150
Mower	$65,306	$57,654	$29,211	$23,920	$23,550
Nicollet	$21,569	$9,712	$9,407	$30,192	$27,003
Nobles	$0	$0	$0	$0	$0
Norman	$16,112	$14,220	$9,324	$10,862	$9,810
Olmsted	$75,622	$33,713	$56,099	$115,990	$87,550
Otter Tail	$39,556	$36,984	$19,149	$14,372	$6,098
Pennington	$0	$0	$0	$0	$0
Pine	$1,045	$734	$13	$225	$432
Polk	$43,221	$75,308	$0	$0	$35,132
Ramsey	$367,904	$189,052	$132,297	$94,415	$51,158
Red Lake	$0	$0	$0	$0	$0
Renville	N/A	N/A	N/A	N/A	N/A
Rice	$43,838	$64,920	$55,630	$50,385	$32,451
Roseau	$0	$0	$9,858	$27,716	$14,165
Scott	$41,999	$97,270	$55,539	$54,690	$69,595
Sherburne	N/A	N/A	N/A	N/A	N/A
Sibley	$12,802	$16,548	$23,656	$11,274	$2,998
Southwest Health and Human Services	$76,963	$76,227	$76,637	$117,641	$79,425
St. Louis	$511,322	$450,323	$358,414	$317,653	$428,823
Stearns	$88,767	$99,312	$110,313	$92,984	$61,701
Stevens	$2,250	$8,376	$13,514	$9,203	$3,176
Swift	$10,292	$19,941	$18,558	$18,632	$24,622
Todd	$0	$0	$0	$0	$19,160
Traverse	$0	$0	$0	$0	$0
Wabasha	$24,358	$9,657	$8,549	$0	$0

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Wadena	$24,670	$52,977	$35,647	$12,168	$49,655
Washington	$69,612	$111,746	$29,456	$31,795	$37,462
Watonwan	$8,614	$5,228	$4,936	$18,238	$30,129
Western Prairie	$0	$0	$0	$0	$0
Wilkin	$11,886	$17,912	$28,843	$16,457	$19,015
Winona	$47,190	$9,711	$51,208	$26,402	$14,760
Wright	$67,325	$77,584	$78,939	$53,506	$93,459
Yellow Medicine	$37,446	$15,596	$1,406	$3,515	$0

Amount of federal benefits counties used toward the cost of care for children and youth in foster care

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Aitkin	$19,080	$23,142	$26,683	$7,121	$0
Anoka	$147,963	$156,342	$161,231	$146,997	$146,451
Becker	$42,478	$30,914	$36,560	$26,657	$64,317
Beltrami	$80,941	$104,907	$140,123	$41,336	$41,220
Benton	$10,760	$25,201	$24,806	$23,104	$27,591
Big Stone	$0	$0	$0	$0	$1,883
Blue Earth	$99,110	$74,326	$28,107	$31,195	$41,295
Brown	$0	$0	$0	$0	$0
Carlton	N/A	N/A	N/A	N/A	N/A
Carver	N/A	N/A	N/A	N/A	N/A
Cass	$49,389	$45,933	$27,302	$3,637	$40,293
Chippewa	$5,172	$4,559	$4,855	$7,142	$13,246
Chisago	$13,400	$16,703	$12,693	$55,428	$72,169
Clay	$60,295	$68,118	$91,296	$57,535	$68,998
Clearwater	$0	$0	$12,562	$14,981	$18,053
Cook	$2,250	$463	$0	$1,053	$11,988
Crow Wing	$127,498	$113,810	$90,221	$93,219	$54,686
Dakota	$17,134	$15,599	$9,453	$8,268	$8,760

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Des Moines Valley Health and Human Services	$0	$0	$0	$0	$0
Douglas	$5,732	$15,251	$16,943	$33,874	$28,493
Faribault/Martin	$0	$0	$0	$0	$0
Fillmore	$1,119	$859	$10,273	$16,581	$9,013
Freeborn	$45,579	$35,005	$36,127	$32,323	$8,849
Goodhue	$25,746	$50,566	$75,187	$23,251	$52,076
Hennepin	$389,972	$418,470	$544,792	$474,427	$444,502
Houston	N/A	N/A	N/A	N/A	N/A
Hubbard	$0	$22,420	$40,609	$39,835	$48,591
Isanti	$41,488	$23,671	$51,331	$28,774	$16,731
Itasca	$76,084	$101,288	$89,512	$47,365	$19,106
Kanabec	$12,679	$6,768	$13,137	$20,756	$14,640
Kandiyohi	$11,647	$36,194	$67,284	$28,622	$17,998
Kittson	$0	$0	$0	$2,117	$6,800
Koochiching	$30,884	$32,829	$22,806	$47,270	$49,164
Lac qui Parle	$3,750	$0	$0	$0	$1,832
Lake	$19,427	$9,908	$5,022	$8,002	$4,861
Lake of the Woods	$0	$3,132	$9,055	$7,744	$10,235
Le Sueur	$19,552	$9,720	$9,792	$10,570	$1,604
Mahnomen	$1,459	$8,613	$0	$5,105	$0
Marshall	$0	$0	$0	$0	$0
McLeod	$46,396	$12,778	$57,741	$8,680	$1,265
Meeker	$27,394	$13,578	$44,431	$37,445	$18,012
Mille Lacs	$40,779	$46,995	$54,834	$62,343	$70,369
MN Prairie	N/A	N/A	N/A	N/A	N/A
Morrison	$51,104	$59,626	$28,799	$24,721	$30,209
Mower	$63,009	$50,800	$27,134	$23,156	$20,442
Nicollet	$21,569	$9,712	$9,407	$30,192	$27,003
Nobles	$0	$0	$0	$0	$0
Norman	$8,052	$10,022	$8,040	$8,280	$8,610

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Olmsted	$68,049	$30,592	$57,393	$90,034	$57,933
Otter Tail	$16,179	$39	$11,637	$11,787	$0
Pennington	$0	$0	$0	$0	$0
Pine	$11,904	$32,317	$3,938	$2,976	$15,735
Polk	$13,519	$36,414	$0	$0	$29,229
Ramsey	$200,621	$194,445	$81,034	$57,209	$30,620
Red Lake	$0	$0	$0	$0	$0
Renville	N/A	N/A	N/A	N/A	N/A
Rice	$39,032	$64,630	$46,940	$48,051	$32,026
Roseau	$0	$0	$9,528	$27,716	$11,631
Scott	$41,999	$70,387	$16,461	$13,020	$20,501
Sherburne	N/A	N/A	N/A	N/A	N/A
Sibley	$12,802	$16,548	$23,656	$11,274	$2,998
Southwest Health and Human Services	$76,963	$76,227	$76,637	$117,641	$79,425
St. Louis	$465,099	$419,756	$621,693	$340,293	$388,016
Stearns	$88,767	$99,312	$110,313	$92,984	$61,701
Stevens	$2,250	$8,376	$13,514	$9,203	$3,176
Swift	$10,292	$19,941	$18,558	$18,632	$24,622
Todd	$0	$0	$0	$0	$19,160
Traverse	$0	$0	$0	$0	$0
Wabasha	$24,358	$9,657	$8,549	$0	$0
Wadena	$24,670	$51,127	$32,291	$1,562	$40,532
Washington	$69,612	$111,746	$29,456	$31,795	$37,462
Watonwan	$6,163	$2,963	$3,711	$17,470	$21,670
Western Prairie	$0	$1,167	$6,387	$11,074	$15,163
Wilkin	$10,170	$14,954	$17,974	$14,077	$14,295
Winona	$47,190	$9,711	$51,208	$26,402	$14,760
Wright	$67,325	$77,584	$78,939	$53,506	$93,459
Yellow Medicine	$29,468	$15,596	$0	$3,515	$0

Cost of care and parental fees

Number of cases in which counties charged parents/custodians for children's care expenses

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Aitkin	30	32	28	20	11
Anoka	100	59	63	46	23
Becker	4	10	7	2	6
Beltrami	0	0	0	0	0
Benton	9	14	10	7	4
Big Stone	0	0	0	0	0
Blue Earth	30	26	25	29	31
Brown	25	25	24	26	26
Carlton	0	0	0	0	0
Carver	0	0	0	0	0
Cass	1	0	0	0	0
Chippewa	3	2	3	2	1
Chisago	89	88	89	81	76
Clay	8	7	5	4	1
Clearwater	0	0	0	0	0
Cook	1	1	0	0	1
Crow Wing	6	6	19	10	6
Dakota	438	338	230	174	173
Des Moines Valley Health and Human Services	0	0	0	0	0
Douglas	235	230	250	244	270
Faribault/Martin	23	20	18	20	25
Fillmore	8	2	3	1	1
Freeborn	47	13	23	14	16
Goodhue	0	0	0	0	0
Hennepin	129	108	107	101	102
Houston	0	0	0	0	0
Hubbard	4	4	2	3	2

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Isanti	17	23	13	14	12
Itasca	60	99	92	81	94
Kanabec	9	5	6	9	5
Kandiyohi	69	64	88	94	112
Kittson	0	0	0	0	0
Koochiching	3	1	1	1	2
Lac qui Parle	0	0	7	5	3
Lake	0	0	0	0	0
Lake of the Woods	1	1	0	0	0
Le Sueur	17	14	9	12	15
Mahnomen	0	0	0	0	0
Marshall	0	0	0	0	0
McLeod	32	34	22	22	17
Meeker	0	0	0	0	0
Mille Lacs	364	359	365	286	201
MN Prairie	1	0	1	0	0
Morrison	5	22	10	11	15
Mower	8	5	4	1	2
Nicollet	0	0	0	0	0
Nobles	5	28	22	11	6
Norman	0	0	0	0	0
Olmsted	20	17	20	14	9
Ottertail	0	0	0	0	0
Pennington	0	0	0	0	0
Pine	0	4	6	5	2
Polk	3	1	1	1	1
Ramsey	0	0	0	0	0
Red Lake	0	0	0	0	0
Renville	16	9	9	2	3
Rice	0	0	0	1	1

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Roseau	6	8	12	10	8
Scott	4	2	4	0	1
Sherburne	77	96	91	95	89
Sibley	5	9	9	8	3
Southwest Health and Human Services	0	0	0	0	0
St. Louis	0	0	0	0	0
Stearns	138	123	53	57	93
Stevens	4	5	6	5	1
Swift	12	11	12	14	11
Todd	0	0	0	0	10
Traverse	0	0	0	0	0
Wabasha	1	1	2	1	1
Wadena	21	18	12	19	12
Washington	0	0	0	0	0
Watonwan	14	16	6	7	10
Western Prairie	32	14	11	7	10
Wilkin	0	1	1	1	1
Winona	0	0	0	0	0
Wright	0	0	0	0	0
Yellow Medicine	10	12	15	10	5

Amount of parental fees counties charged for children’s care expenses

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Aitkin	$30,250	$9,139	$21,861	$56,008	$8,306
Anoka	$196,000	$170,000	$195,000	$88,000	$62,000
Becker	$24,129	$67,476	$39,005	$15,794	$29,474
Beltrami	$0	$0	$0	$0	$0
Benton	$13,976	$31,316	$21,387	$17,220	$6,173
Big Stone	$0	$0	$0	$0	$0
Blue Earth	$52,949	$28,688	$95,831	$62,871	$77,178

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Brown	$95,641	$92,125	$82,333	$84,624	$82,138
Carlton	$0	$0	$0	$0	$0
Carver	$0	$0	$238,792	$243,625	$288,607
Cass	$6,864	$0	$0	$0	$0
Chippewa	$3,991	$1,348	$7,635	$17,588	$81
Chisago	$253,050	$337,298	$403,201	$350,572	$343,392
Clay	$33,956	$24,326	$31,502	$29,426	$5,484
Clearwater	$0	$0	$0	$0	$0
Cook	$708	$1,416	$0	$0	$11,456
Crow Wing	$18,568	$21,304	$47,590	$16,115	$21,880
Dakota	$20,265,994	$17,841,265	$13,851,362	$11,251,906	$11,946,771
Des Moines Valley Health and Human Services	$0	$0	$0	$0	$0
Douglas	$345,938	$110,228	$269,349	$141,053	$229,210
Faribault/Martin	$170,518	$79,135	$16,736	$39,742	$133,400
Fillmore	$18,185	$19,204	$9,295	$2,477	$2,031
Freeborn	$170,132	$13,605	$272,552	$235,858	$284,223
Goodhue	$0	$0	$0	$0	$0
Hennepin	$136,158	$113,220	$126,838	$139,107	$140,673
Houston	$0	$0	$0	$0	$0
Hubbard	$12,405	$25,724	$11,635	$8,378	$9,586
Isanti	$81,608	$61,235	$36,610	$47,102	$47,640
Itasca	$6,002	$849,376	$854,568	$803,121	$927,789
Kanabec	$9,652	$18,381	$10,448	$21,926	$20,746
Kandiyohi	$74,294	$438,017	$683,382	$263,666	$589,148
Kittson	$0	$0	$0	$0	$0
Koochiching	$2,208	$4,554	$837	$1,635	$4,510
Lac qui Parle	$0	$0	$20,465	$14,392	$2,677
Lake	$0	$0	$0	$0	$0
Lake of the Woods	$1,100	$3,181	$0	$0	$0
Le Sueur	$68,442	$42,867	$28,106	$35,475	$45,385

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Mahnomen	$0	$0	$0	$0	$0
Marshall	$0	$0	$0	$0	$0
McLeod	$55,634	$47,680	$19,633	$28,014	$18,822
Meeker	$0	$0	$0	$0	$0
Mille Lacs	$227,598	$327,066	$311,568	$205,479	$124,731
MN Prairie	$6,300	$0	$4,007	$0	$0
Morrison	$52,956	$108,040	$50,516	$57,945	$50,576
Mower	$16,769	$14,321	$8,693	$14,778	$5,484
Nicollet	$0	$0	$0	$0	$0
Nobles	$24,402	$396,498	$262,342	$37,051	$30,820
Norman	$0	$0	$0	$0	$0
Olmsted	$44,218	$2,979	$74,841	$56,556	$146,180
Ottertail	$0	$0	$0	$0	$0
Pennington	$0	$0	$0	$0	$0
Pine	$0	$939	$143	$1,210	$3,162
Polk	$2,384	$12,510	$632	$6,450	$1,571
Ramsey	$0	$0	$0	$0	$0
Red Lake	$0	$0	$0	$0	$0
Renville	$35,879	$22,828	$15,998	$6,702	$19,264
Rice	$0	$0	$0	N/A	N/A
Roseau	$10,115	$29,025	$18,342	$9,900	$57,975
Scott	$11,795	$1,571	$10,247	$0	$2,169
Sherburne	$377,535	$315,108	$268,246	$361,942	$427,673
Sibley	$1,642	$9,150	$25,667	$6,785	$12,006
Southwest Health and Human Services	$751,076	$418,229	$556,571	$74,088	$549,699
St. Louis	$0	$0	$0	$0	$0
Stearns	$725,505	$539,534	$294,357	$385,674	$536,258
Stevens	$4,659	$10,285	$2,748	$2,930	$2,299
Swift	$22,656	$29,775	$26,187	$36,556	$16,222
Todd	$0	$0	$0	$0	$9,572

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Traverse	$0	$0	$0	$0	$0
Wabasha	$488	$533	$2,861	$208	$3,380
Wadena	$48,059	$52,495	$12,167	$44,477	$35,073
Washington	$0	$0	$0	$0	$0
Watonwan	$33,406	$51,227	$7,555	$19,248	$14,433
Western Prairie	$181,338	$42,891	$23,734	$40,158	$168,245
Wilkin	$0	$6,400	$660	$18,568	$9,600
Winona	$0	$0	$0	$0	$0
Wright	$0	$0	$0	$0	$0
Yellow Medicine	$31,572	$33,283	$27,470	$25,844	$9,588

Number of cases in which counties received parental fees for children’s care expenses

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Aitkin	10	10	10	3	3
Anoka	68	38	43	27	15
Becker	1	3	3	0	3
Beltrami	0	0	0	0	0
Benton	6	8	10	11	10
Big Stone	0	0	0	0	0
Blue Earth	0	0	0	0	0
Brown	1	1	4	5	3
Carlton	49	45	61	54	42
Carver	135	148	124	111	89
Cass	1	1	0	0	0
Chippewa	0	1	1	0	1
Chisago	15	15	19	20	18
Clay	7	6	4	3	1
Clearwater	0	0	0	0	0
Cook	1	1	0	0	1
Crow Wing	6	5	17	7	4

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Dakota	32	20	11	9	2
Des Moines Valley Health and Human Services	0	0	0	0	0
Douglas	115	96	96	83	63
Faribault/Martin	5	11	8	10	5
Fillmore	5	5	5	0	1
Freeborn	74	43	47	39	29
Goodhue	0	0	0	0	0
Hennepin	65	56	65	67	66
Houston	0	0	0	0	0
Hubbard	4	4	2	3	2
Isanti	11	15	8	8	8
Itasca	6	8	19	23	20
Kanabec	1	1	3	3	3
Kandiyohi	27	32	40	32	20
Kittson	0	0	0	0	0
Koochiching	2	1	2	1	1
Lac qui Parle	0	0	7	3	1
Lake	0	0	0	0	0
Lake of the Woods	0	1	1	1	0
Le Sueur	19	14	19	20	17
Mahnomen	0	0	0	0	0
Marshall	0	0	0	0	0
McLeod	52	43	35	36	29
Meeker	0	0	0	0	0
Mille Lacs	244	241	245	192	135
MN Prairie	0	0	0	0	0
Morrison	4	17	7	7	10
Mower	5	3	3	1	2
Nicollet	42	54	30	29	23
Nobles	2	7	10	3	3

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Norman	0	0	0	0	0
Olmsted	0	0	2	0	5
Otter Tail	25	18	10	7	1
Pennington	0	0	0	0	0
Pine	0	4	6	5	1
Polk	0	0	0	1	4
Ramsey	0	0	0	0	0
Red Lake	0	0	0	0	0
Renville	21	12	16	19	16
Rice	0	0	0	0	0
Roseau	5	6	9	8	10
Scott	1	2	4	0	0
Sherburne	137	132	150	142	128
Sibley	1	2	1	2	3
Southwest Health and Human Services	0	0	0	0	0
St. Louis	0	0	0	0	0
Stearns	111	128	101	78	76
Stevens	12	13	12	12	7
Swift	9	9	9	11	10
Todd	0	0	0	0	17
Traverse	0	0	0	0	0
Wabasha	1	0	2	1	1
Wadena	13	15	11	12	8
Washington	0	0	0	0	0
Watonwan	19	21	17	18	12
Western Prairie	10	6	9	6	N/A
Wilkin	0	1	1	1	1
Winona	0	0	0	0	0
Wright	0	0	0	0	0
Yellow Medicine	5	11	15	8	5

Amount of parental fees counties received from parents/custodians for children's care expenses

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Aitkin	$22,293	$8,249	$11,283	$13,521	$3,328
Anoka	$93,000	$35,000	$54,000	$31,000	$60,000
Becker	$7,447	$18,650	$14,092	$0	$17,386
Beltrami	$0	$0	$0	$0	$0
Benton	$8,209	$7,731	$14,311	$19,304	$5,726
Big Stone	$0	$0	$0	$0	$0
Blue Earth	$0	$0	$0	$0	$0
Brown	$566	$50	$1,588	$2,525	$3,826
Carlton	$33,832	$51,616	$88,231	$46,079	$56,337
Carver	$197,610	$107,480	$118,407	$134,450	$87,249
Cass	$2,216	$4,648	$0	$0	$0
Chippewa	$0	$1,340	$800	$0	$180
Chisago	$23,757	$21,009	$26,932	$9,900	$16,642
Clay	$29,577	$20,119	$25,764	$23,601	$5,260
Clearwater	$0	$0	$0	$0	$0
Cook	$708	$1,416	$0	$0	$11,456
Crow Wing	$5,789	$9,052	$28,976	$5,609	$11,705
Dakota	$27,506	$31,030	$21,896	$7,627	$2,540
Des Moines Valley Health and Human Services	$0	$0	$0	$0	$0
Douglas	$100,507	$78,444	$151,815	$195,000	$118,394
Faribault/Martin	$15,786	$11,681	$4,439	$4,494	$5,723
Fillmore	$11,604	$21,071	$10,119	$0	$2,031
Freeborn	$80,630	$71,856	$87,900	$89,655	$36,390
Goodhue	$0	$0	$0	$0	$0
Hennepin	$48,713	$41,156	$44,478	$56,684	$69,166
Houston	$0	$0	$0	$0	$0
Hubbard	$6,872	$5,387	$14,986	$11,892	$13,186

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Isanti	$48,487	$48,575	$14,938	$21,594	$30,943
Itasca	$2,778	$10,222	$27,299	$39,741	$58,262
Kanabec	$350	$1,300	$4,553	$6,186	$7,770
Kandiyohi	$23,737	$367,757	$75,881	$50,235	$44,112
Kittson	$0	$0	$0	$0	$0
Koochiching	$1,267	$3,717	$1,519	$1,635	$4,369
Lac qui Parle	$0	$0	$12,622	$10,909	$200
Lake	$0	$0	$0	$0	$0
Lake of the Woods	$0	$700	$1,181	$2,400	$0
Le Sueur	$12,218	$7,321	$9,885	$16,477	$8,504
Mahnomen	$0	$0	$0	$0	$0
Marshall	$0	$0	$0	$0	$0
McLeod	$49,041	$38,602	$25,071	$34,255	$19,253
Meeker	$0	$0	$0	$0	N/A
Mille Lacs	$152,490	$219,134	$208,751	$137,671	$83,570
MN Prairie	$0	$0	$0	$0	$0
Morrison	$15,746	$54,086	$44,534	$31,968	$27,051
Mower	$10,759	$8,990	$7,693	$14,578	$5,484
Nicollet	$38,527	$183,278	$28,764	$119,734	$39,437
Nobles	$7,591	$12,900	$36,369	$15,739	$7,206
Norman	$0	$0	$0	$0	$0
Olmsted	$0	$0	$4,706	$0	$5,243
Otter Tail	$48,478	$38,250	$4,881	$7,798	$600
Pennington	$0	$0	$0	$0	$0
Pine	$0	$939	$143	$1,210	$3,162
Polk	$0	$0	$0	$2,695	$2,837
Ramsey	$50,414	$53,598	$49,060	$40,834	$27,837
Red Lake	$0	$0	$0	$0	$0
Renville	$22,655	$32,135	$19,340	$11,436	$38,920
Rice	$0	$0	$0	$0	$0

County/consortium	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022
Roseau	$1,870	$13,185	$6,563	$7,240	$11,108
Scott	$141	$1,571	$5,041	$0	$0
Sherburne	$129,018	$131,497	$118,656	$96,569	$142,062
Sibley	$140	$767	$1,944	$3,392	$520
Southwest Health and Human Services	$146,745	$168,760	$207,776	$184,219	$206,439
St. Louis	$847,749	$762,153	$727,085	$729,839	$660,269
Stearns	$88,029	$96,789	$85,945	$80,749	$110,483
Stevens	$19,223	$24,205	$9,399	$15,588	$9,142
Swift	$7,839	$25,562	$10,297	$27,075	$15,577
Todd	$0	$0	$0	$0	$14,140
Traverse	$0	$0	$0	$0	$0
Wabasha	$94	N/A	$3,242	$323	$487
Wadena	$11,100	$30,254	$11,204	$24,793	$17,203
Washington	$294,748	$228,750	$175,455	$208,323	$113,545
Watonwan	$28,016	$23,146	$19,780	$18,464	$8,677
Western Prairie	$4,645	$3,208	$6,986	$7,037	$0
Wilkin	$0	$4,800	$2,153	$18,674	$6,400
Winona	$0	$0	$0	$0	$0
Wright	$0	$0	$0	$0	$0
Yellow Medicine	$2,960	$12,348	$14,239	$7,413	$6,927