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Cost of Care

Updates and Recommendations

Presenters

- Michele Schreifels, Interim Director, DHS Children and Family Services, Child Support Division
- Trish Skophammer, Child Support Division Director, Ramsey County Attorney's Office
- Autumn Nelson, Lead Attorney, Ramsey County Attorney's Office

Road Map

- Federal Guidance
- Research on Cost of Care
- Minnesota law change
- DHS-CSD Interim Policy
- Cost of Care statewide workgroup
- Next Steps

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Federal Guidance



Joint “Dear Colleague Letter”

July 29, 2022

- Highlights Q&A in the Child Welfare Policy Manual
- Implement across-the-board policies that require an assignment of right to child support only in very rare circumstances
- Refer only cases that have been thoroughly reviewed and will not disrupt the reunification process
- Includes the establishment of paternity or child support orders
- Allow the processing of **appropriate** cases
- Make amendments to automated systems where necessary

Child Welfare Policy Manual

8.4C Question #5



- More narrowly define “where appropriate”
- Default is not to secure an assignment
- Assignment not required except in rare circumstances:
 - When there is no adverse effect on the child
 - Will not impede achievement of permanency plan
 - For example, consider when the parent is above a certain income level
- When a referral is made, use 6-month review to determine if assignment should continue

Why Was Revised Policy Issued?



- Ensure the reunification process is not disrupted
- Removes financial barriers that are detrimental to family reunification
- Reduces time spent on cases that are not cost-effective
- Cost effectiveness matters, especially when we're talking about reimbursement

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Research

What Does the Research Tell Us

- Low-income families
 - IV-E eligibility based on AFDC eligibility under a state's 1996 standard of need
 - Studies in MN and WI show 80% of parent's annual income under \$10,000
 - WI study shows 52%-59% of parents had zero income in the year prior to placement

What Does the Research Tell Us

- Delayed reunification

- \$100 increase in payment predicted to increase time to reunification by 6.6 months
- Similar results for permanency, including reunification, adoption, guardianship
 - Cancian, M., Cook, S., Seki, M. & Witmer, L. (2016). Making parents pay: The unintended consequences of charging parents for foster care. *Children and Youth Services Review*, 72, 100-110
 - Skophammer, Trish. (2017). Child Support Collections to Offset Out-of-Home Placement Costs: A Study of Cost Effectiveness. Dissertation for the Graduate School of Hamline University

What Does the Research Tell Us

- Cost-effectiveness
 - For every dollar (\$1.00) spent by the child support program, foster care collections are:
 - Minnesota \$0.36
 - California \$0.27
 - Washington \$0.39

What Does the Research Tell Us

- Cost-effectiveness

- Does not include the cost of the courts or child welfare.
- A study done in Orange County shows that the child support program recoups only \$0.04 for every dollar (\$1.00) spent on foster care placement.
 - Orange County Department of Child Support Services. (Second Edition, July 2020). Child Support and Foster Care Special Study.
 - Skophammer, Trish. (2017). Child Support Collections to Offset Out-of-Home Placement Costs: A Study of Cost Effectiveness. Dissertation for the Graduate School of Hamline University.
 - Washington State Department of Social and Health Services, Economic Services Administration, Division of Child Support. (2019). Washington's Cost Effectiveness for Foster Care Child Support Cases.

Enforcement Actions Cause Additional Burdens



- Most parents are not able to pay, which leads to:
 - Credit bureau reporting
 - Driver's license suspension
 - Bank levies
 - Tax intercepts, stimulus payments intercepted

Racial Disparities



	Black children in population	Black children in foster care	American Indian children in population	American Indian children in foster care	Multiple race children in population	Multiple race children in foster care	Hispanic children in population	Hispanic children in foster care	White children in population	White children in foster care
Nationally	14%	22%	1%	2%	5%	8%	26%	22%	49%	43%
Minnesota	11%	13%	1%	19%	5%	21%	9%	10%	67%	33%

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Minnesota law change & interim state policy

Minnesota's Statute Change

§260B.331
Delinquency

§260C.331
Juvenile Safety and Placement
(Juvenile Protection)

Costs-of Care

Two parts:
- Income and resources
of the child
Ability of the parents to
contribute

Two parts:
- Income and resources
of the child
- Ability of the parents to
contribute

Minnesota's Statute Change

- Statute change effective July 1, 2022
- Prior to change in federal guidance
- Requires consideration of best interest of child and family
- Covers IV-E and non IV-E
- And collections that happen outside of child support
- MN Statutes § 260B.331 and § 260C.331

Minnesota's Statute Change

- The old law:
 - The court shall order, and the local social services agency shall require the parent or custodian of a child...
- The new law:
 - Effective July 1, 2022
 - The court may order, and the responsible social services agency may require the parents or custodian of a child:
 - To use the total income and resources attributable to the child for the period of care, examination, or treatment.

Minnesota's Statute Change

- Includes social security benefits, SSI, veteran's benefits, railroad retirement benefits and child support.
- If the income and resources attributable to the child are not enough to reimburse the full cost, the court shall inquire into the ability of the parents to support the child.
- Parents are to be given a reasonable opportunity to be heard.



Minnesota's Statute Change

In determining best interests,
the social services agency shall consider:

260B.331 Delinquency

- If reimbursement will comprise the parent's ability to meet the child's treatment and rehabilitation needs before the child returns home
- If reimbursement will compromise the parent's ability to meet the child's needs after the child returns home
- If redirection or changing payee of benefits would limit financial stability for the child, meet the needs of the family

260C.331 Juvenile Safety and Permanency

- If reimbursement will comprise the parent's ability to meet the requirements of reunification plan
- If reimbursement will compromise the parent's ability to meet the child's needs after reunification
- If redirection or changing payee of benefits would limit financial stability for the child, meet the needs of the family

Minnesota's Statute Change

- The new law:
 - The local social services agency shall determine whether requiring reimbursement is in the child's best interest.
- Child Support deviations:
 - Minn. Stat. § 518A.43, subd. 1 (8) consider whether ordering and redirecting child support would compromise the parent's ability to meet the requirements of reunification plan or meet the child's needs after reunification.

Interim MN Policy Guidance

- Communicate with social service agency
- Assure that referrals were intentional and pursuant to new guidance
- Establish paternity and where appropriate, deviate to \$0
- Close for inappropriate referral
- Default position is existing orders are paid to custodial parent
- If choosing to wait for final state policy to close the case, document reasons for taking no action

Overview of MN counties

- Current status of MN counties:
 - Inconsistent across the state before and after the statute change on July 1, 2022
 - Statewide workgroup to develop policy guidance (meetings from October 2022 through July 2023)
 - Some counties have stopped seeking foster care reimbursement; some are using the interim guidance from the state CS office; and some are business as usual until final policy is developed
 - County concerns about loss of revenue

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MN statewide – Cost of Care Workgroup

Cost-of-Care Workgroup

- 40+ group of child support, child welfare, parents, fosters, attorneys
- Finalized recommendations in late summer 2023.
 - Next step: present to Department of Human Services leadership
- Scope
- Full group meetings + subcommittee meetings
- Subcommittees
 - Best Interest
 - Child Support
 - Other collections

Cost-of-Care Workgroup

- Change is hard
- Majority opinion is slight = Almost never in child's best interests
- Fiscal impact
- Parental responsibility
- Highlights need for consistency
- Child Support details

Cost-of-Care Workgroup

- Grounding foundation work:
 - Review workgroup structure, scope, role, responsibilities, timeline and meeting cadence
 - Use of equity lens
 - Cost-of- care overview presentation
 - Created glossary of terms and concepts
 - Jamboard exercise

Jam Board



Intentions

Program effectiveness

avoid cases that are just busy work of setting a zero order. Allow the focus to be on cases that could benefit from support

increase child support cost effectiveness

Save on court costs - no more zero orders.

to support families and not waste money

Best practices that do not burden families or the counties financially.

Cost effective

save money on collection

Other questions

While most children in a in foster care due to child protection, there are children in foster care due to disability. What is the intent for this group?

Family stability and best interest of children

allow parents to better focus on reunification

Do what is best for families if they are trying to get back together.

Families first

reduce amount of time to reunification

to allow families to meet their own needs to maintain a home for kids to return to

avoid additional financial burden on already overburdened families

Reunification

to not penalize parents further financially

Allow parents to maintain a home for a child to return to.

Best outcomes for families and children!

best outcomes for families and children

Equitable outcomes for the families of MN

Preserve families

Support families

Support families reunify rather than worry about reimbursement

To not further burden families financially, in an already stressful situation

Consistency

All counties are consistent, so families are not confused if placements in other counties

Consistency to make sure all counties are following the same policy so our participants are being served the same no matter what county they are in.

State wide best practices

consistency

Consistency across Counties and Tribes

The intention would ensure all Counties are consistent with their service delivery for families involved in the foster care system.

Provide consistent guidance statewide

Statewide policy for IV-E, Non-IV-E and redirections.

State guidance to help county boards decide how to handle the statute change

clear statewide guidance

Be consistent in each county.

best practice across state

Guidance/policy and consistency statewide

Set specific guidance and/or criteria to follow

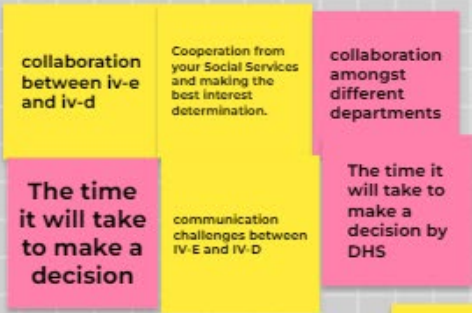
Consistency across the state

Jam Board



Challenges

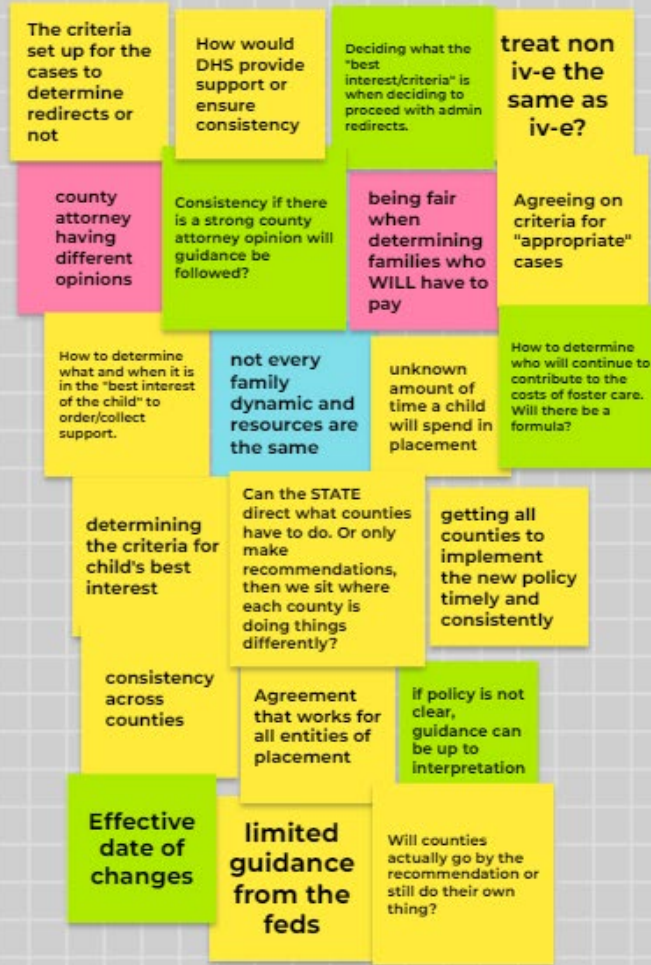
Collaboration between programs



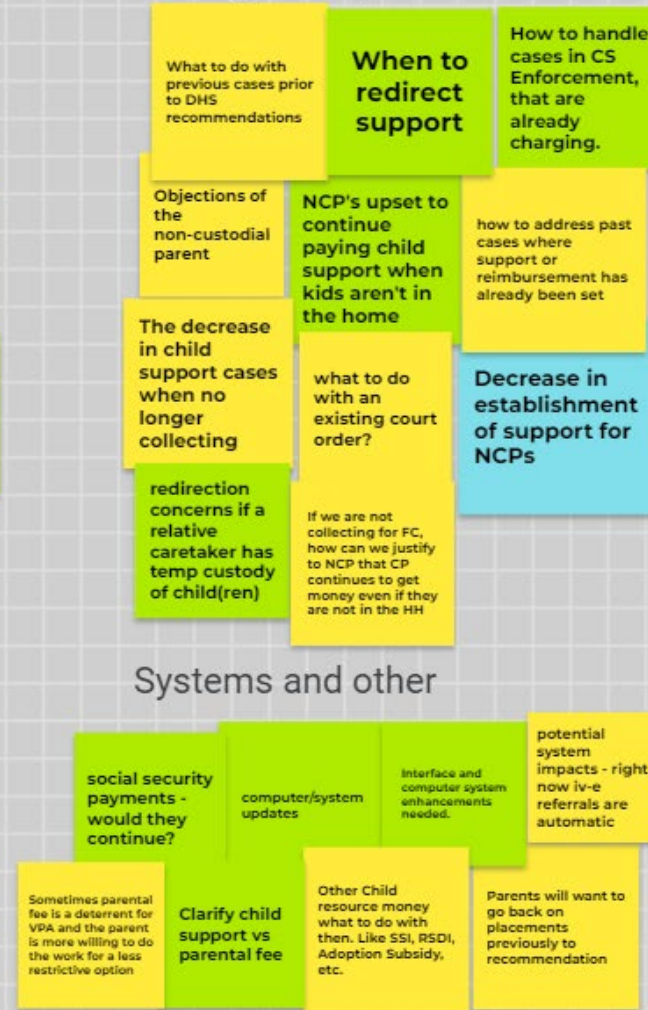
Fiscal impact



Consistency & policy guidance



Child Support questions



Systems and other

Jam Board



Opportunities

Best outcomes for families and children



Other



Consistency



Cost-effectiveness



Jam Board



Equity Lens

Impact

Racial Disparities and Community Impact

What populations or communities are most impacted?

Would it effect counties differently depending on location of the county???

Are there unintended impacts which may contribute to inequity issues?

data on race, and order amount. Payments? Other data?

community impact

look at how the change may positively and negatively effect each communities we serve

native american families are historically Disproportionally Involved with foster care

charging iv-e parents for foster care disproportionately impacts families of color

review of how many of the families in FC are also receiving public assistance

Socio-economic Impact

low income populations are already overrepresented in fc - opportunity to lessen burden on them

Look at socioeconomic barriers

Low income participants don't have the resources that others may have.

Consistency

Takes it out of the hands of the county on if we bill the parent if receiving or not receiving support, as each county does it differently, on the collections side

Should be the same across the board so all are treated the same

Keeping in mind not all parents even receive CS or other child resource money

parents paying for kids incarceration when we dont charge adults for their incarceration

Treating people the same is equality, which is different than equity

Child Support Bucket

Redirection of cs - grandparents having the children while a parent is in treatment and the custodial parent still receiving the cs

Older cases do we go retro on the decision so if charging them in the past decide moving forward if we don't then make the older placements should they be treated the same???

Challenge

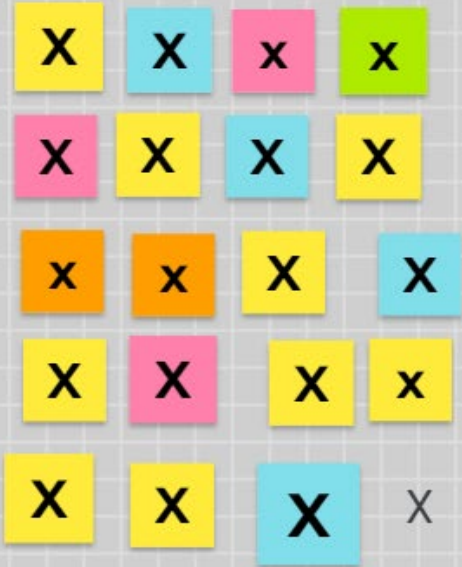
Tax payers feel parents should be responsible for their own children not the rest of the tax payers

Jam Board



The Big Question

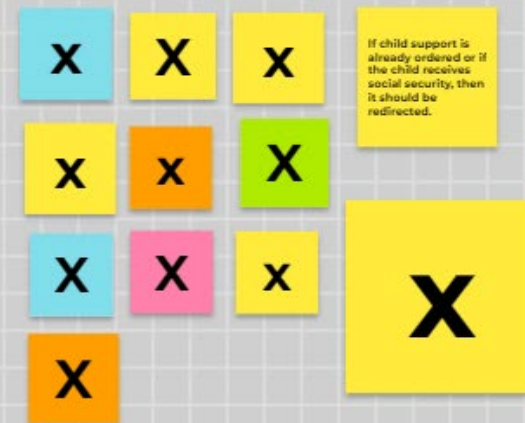
MN should NOT collect reimbursement for cost-of-care.



20 votes

MN should NOT collect reimbursement for cost-of-care, but with limited exceptions.

MN should collect reimbursement when appropriate.



12 votes



Child Support Subcommittee

Child Support Subcommittee

- 2 co-chairs, set up meeting schedule, grouped the list of questions, and created chart and report
- Questions:
 - Pending paternity establishment – still continue referral for PAT only. We're the experts over Juvenile Court. Adjudication and child's name. What about custody/PT later? What if CS later – or does that end since not pursuing CS?
 - Establishments
 - Redirections – review every 6 months? New cases too that aren't redirected?
 - How long does money keep going to removal parent?
 - Interstate cases
 - Maintaining county
 - Cases with NPA or PA arrears
 - Existing cases with current charge
 - What is method to determine reimbursement on appropriate cases? CS Guidelines or Parental Fee scale?
 - Modifications while child out of home?
 - Other questions to address

Child Support Subcommittee

- After initial Big Question: almost equally divided on “never ever collect reimbursement” and “collect when appropriate”.
- Important to capture both possibilities, identify challenges and options.
- Chart with 2 columns
- Many hours of meetings + many hours of doc edits

Chart on Child Support Issues for Cost-of-Care Workgroup



TOPIC/ISSUE	Slight Majority Opinion = NOT collect any reimbursement	Slight Minority Opinion = Collect reimbursement when appropriate
<u>Paternity action done within CS office</u>	<p>Yes, child support office will establish paternity for cases, unless TPR is permanency plan (consult with social services agency).</p> <ul style="list-style-type: none"> With the paternity adjudication, get a reserved or \$0 CS order (§257.66), indicating that custody and parenting to be addressed in CHIPS action. Best Practice: County <i>may</i> need to finalize custody/PT back in family court file after juvenile court action is finished. How get the referral? CRDL referral or NPA application received. Review referral: inactivate MAXIS referral if PAT already established and close with code 930 - inappropriate referral. If paternity needed, establish paternity + \$0 or reserved, then close IVD case with code 921 – no arrears/no obligation. Paternity only services under Federal Final rule is an option, but not elect yet in MN so no process established and would require a state plan edit. Not absolutely necessary at this point to add-on this option. 	<p>Yes, child support office will establish paternity for cases, unless TPR is permanency plan (consult with social services agency).</p> <ul style="list-style-type: none"> With the paternity adjudication, get a reserved or \$0 CS order (§257.66), indicating that custody and parenting to be addressed in CHIPS action. Best Practice: County <i>may</i> need to finalize custody/PT back in family court file after juvenile court action is finished. How get the referral? CRDL referral or NPA application received. <u>NEW SS process:</u> The referral must include information about whether the case meets the Best Interests factors so that child support office knows to establish paternity AND child support reimbursement, or if not meet Best Interests, to just establish paternity. Another option is for the county agencies to discuss case (prior to/at referral step) on whether the case meets the Best Interests factors. IVA is able to review MAXIS case notes on parents' income.

Chart page 1 of 5

Child Support – *majority* opinion



Continue to establish parentage when needed, set support at \$0 or reserve

Agency motion to stop child support when child is placed with obligor

Stop referring new reimbursement cases

Forgive arrears on existing cases and close them

Stop doing new redirections and un-do existing redirections (via motion)

Notify the parents about child support. They can choose to file with court.

Child Support – *majority* opinion

Continue to establish parentage when needed, set support at \$0 or reserve

- Recommendation for CS office to do paternity action (instead of Parental Fee unit)
- Unless TPR is permanency plan
- May need to finalize custody/PT back in family court file after Juvenile Court done. (Rule 24 cases)
- Maintaining county transfers possible (need venue)

Child Support – *majority* opinion

Stop referring new reimbursement cases

Forgive arrears on existing cases and close them

- Stop IV-E referrals, unless paternity needed
- Close cases
- AAMP PA arrears
- “CP/County” forgive NPA arrears (NIVE Foster Care cases)

Child Support – *majority* opinion

Stop doing new
redirections and un-do
existing redirections
(via motion)

- Motion to stop redirection, move charging back to primary case with Notice to both parents
- Close Foster Care case
- But concern with “CS not following the child”?
 - CS order is payable to the parent; most do not order that CS follows the child
 - New Cost of Care law = have financial support in the Removal Home
 - Review primary case and juvenile court action for permanency plan, every 3-6 months
 - Social Services: include factors of child support in removal home in their report

Child Support – *majority* opinion

Notify the parents about child support. They can choose to file with court.

Agency motion to stop child support when child is placed with obligor

- Notice that stopping redirection
- Notice that charging remains on “primary case”
- NPA case closure option too
- If child with original paying parent OR reunification is no longer the permanency plan, then County to initiate Motion to Stop CS
- Info from parents = primary source. Or reviewing Juvenile Court file in MGA

Child Support – *minority* opinion

Continue to establish parentage and *when appropriate***, set child support at \$\$

Agency motion to stop child support when child is placed with obligor

Stop referring new reimbursement cases, unless *appropriate***

Forgive arrears on existing cases

Keep redirection in place, and do new redirections when *appropriate***

Notify the parents about child support. They can choose to file with court.

****when appropriate = based on Best Interest factors, income level?**

Child Support – *minority* opinion

Stop referring new reimbursement cases, unless *appropriate***

Keep redirection in place, and do new redirections when appropriate**

- Send appropriate referrals that meet Best Interests factors (e.g. income level)
- Keep redirection in place until child no longer in placement or until not in best interests
- May not get notice on NIVE foster care cases – would need to manually review
- Social Services include child support in their assessment of case

Child Support – *minority* opinion

Continue to establish parentage and *when appropriate***, set child support at \$\$

Notify the parents about child support. They can choose to file with court.

- Areas of similarity

Forgive arrears on existing cases and close them

Agency motion to stop child support when child is placed with obligor

Child Support Subcommittee

- More areas of similarity as we got all the way through
- Income level / Best Interests factors to be applied are the biggest differences
- Big, BIG differences of opinion and practices on the topic of foster care reimbursement, but our subcommittee really took the time to capture all parts.

Remaining Questions

- When is it appropriate (when in best interest)?
 - Income level
 - Substance abuse
 - Reunification is not the plan
- When it is appropriate, who should do it?
 - Child support
 - Parental fee units
- Social security and other federal benefits
- Subsidized adoptions
- Interstate cases (deny it, or accept and close)

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Next Steps

Next Steps

- State Policy change and implementation
- New 2023 legislation on conducting a study

Share Your Experience

- Questions for All:
 - Where is your county or tribe with implementing changes based on the new guidance?
 - How can we strengthen the collaboration between child support and child welfare?

Questions?

RESOURCES



Cancian, M., Cook, S., Seki M., & Witmer, L. (2016). Making parents pay: The unintended consequences of charging parents for foster care. *Children and Youth Services Review*, 72, 100-110.
<https://www.sciencedirect.com/science/article/pii/S0190740916303425>

Child Welfare Policy Manual, Section 8.4C, Question #5.
https://www.acf.hhs.gov/cwpm/public_html/programs/cb/laws_policies/laws/cwpm/policy_dsp.jsp?citID=170

Dear Colleague Letter-
[Joint Letter Regarding the Assignment of Rights to Child Support for Children in Foster Care](#)

Orange County Department of Child Support Services. (Second Edition, July 2020). Child Support and Foster Care Special Study. <https://www.css.ocgov.com/sites/css/files/import/data/files/116568.pdf>

Skophammer, Trish. (2017). Child Support Collections to Offset Out of Home Placement Costs: A Study of Cost Effectiveness. https://digitalcommons.hamline.edu/hsb_all/16/

Washington State Department of Social and Health Services, Economic Services Administration, Division of Child Support. (2019). Washington's Cost Effectiveness for Foster Care Child Support Cases.
<https://www.dshs.wa.gov/sites/default/files/ESA/dcs/documents/Cost%20Effectiveness%20-FC%20collections%20FINAL.pdf>

LINKS

- The New Federal Guidance – Child Welfare Manual, Section 8.4C, Question #5
 - https://www.acf.hhs.gov/cwpm/public_html/programs/cb/laws_policies/laws/cwpm/policy_dsp.jsp?citID=170
- Dear Colleague Letter-
 - [Joint Letter Regarding the Assignment of Rights to Child Support for Children in Foster Care.pdf \(hhs.gov\)](#)



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Thank you!