



Minnesota Legislative Task Force on Child Protection

Friday, February 9th, 2024

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Background

The Stephen Group (TSG) is an independent and leading national consulting firm that possesses unparalleled experience assessing government systems, including child welfare operations, designing effective strategies for child welfare transformation, engaging diverse stakeholders, and assisting states like Texas, Florida, South Carolina, Nebraska, Arkansas, New Hampshire, Maine and Mississippi in achieving meaningful improvement since 2011.

- Our Team includes former state and local government executives and operations leaders from across the nation, who have a collective 100 years of experience, including child welfare case management, program operation and budgeting.
- We conduct comprehensive child welfare system assessments, gap analysis, and business process mapping that has led to reduced caseworker turnover, reductions in out of home care, improvements in front end preventative services and maximizing available funding streams.



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Child Welfare Financing

TSG Team includes child welfare system financing subject matter experts helping states and local jurisdictions with funding analysis and strategies related to federal funding streams, including Family First Prevention Services Act

- Strategies to implement braided and blended funding to support provisions of services related to Title IV-E, Medicaid and other federal and local funding sources.
- Comprehensive financial analysis of child welfare funding model, federal claiming, and use of state, local and other funding sources.
- Strategies for equitable child welfare funding across counties in a state funded/county administered system.
- Identification of cost of care/case rates and best practice state comparative analysis.
- Assessment of levels of care for high-cost cases, including the development of a tiered payment rate structure that will result in cost reduction.
- Residential and child placing agency rate analysis for more than 25 years.
- Developed a cost adequacy model to establish reasonable cost of care within a state funded, locally managed child welfare system.

Minnesota – Proposed Bill

“...conduct an independent fiscal analysis of Minnesota’s child welfare system, including the funding streams that exist between federal, state, county, and Tribal funding.”

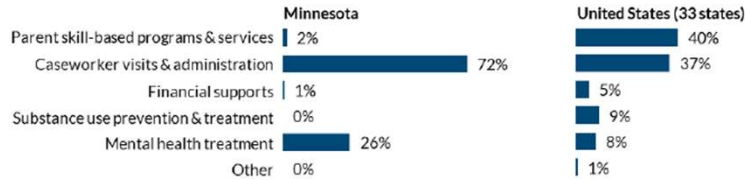
To include the following elements:

- Statewide data sharing mechanisms within the child welfare system;
- Financial systems and funding pathways within the child welfare system;
- Staff and leadership positions that are responsible for child welfare system budgeting and reimbursement;
- Access to, utilization of, and reimbursement of funding under Title IV-E, Title IV-B, CAPTA, TANF, Medicaid, Social Services Block Grants, and other federal funds for child welfare related expenses such as legal representation, training, prevention services, and any other relevant information needed to secure federal funds; and
- Minnesota’s Family First Prevention Services Act (FFPSA) implementation plan and claiming processes.

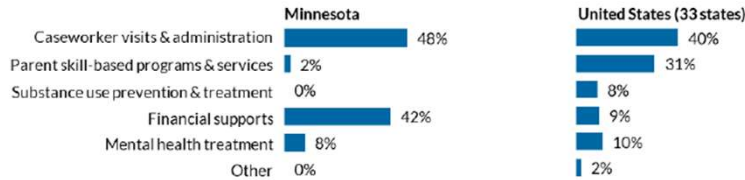


Minnesota

Out of Minnesota’s federal spending on preventive services, the state spends nearly three quarters on caseworker visits and administration. This is different from the national pattern.



Out of Minnesota’s state/local spending on preventive services, the state spends almost half on financial supports. This is different from the national pattern.

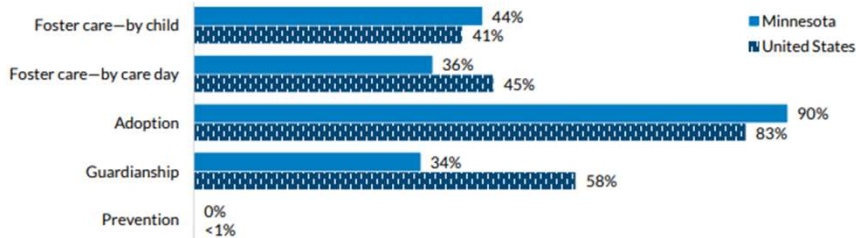


Source: Child Trends Child Welfare Financing SFY2020

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Minnesota

States can claim Title IV-E funds as reimbursement for foster care maintenance payments, adoption assistance payments, guardianship assistance payments, and prevention services. The following chart shows the percentage of such payments reimbursed by Title IV-E in Minnesota as compared to the national pattern.



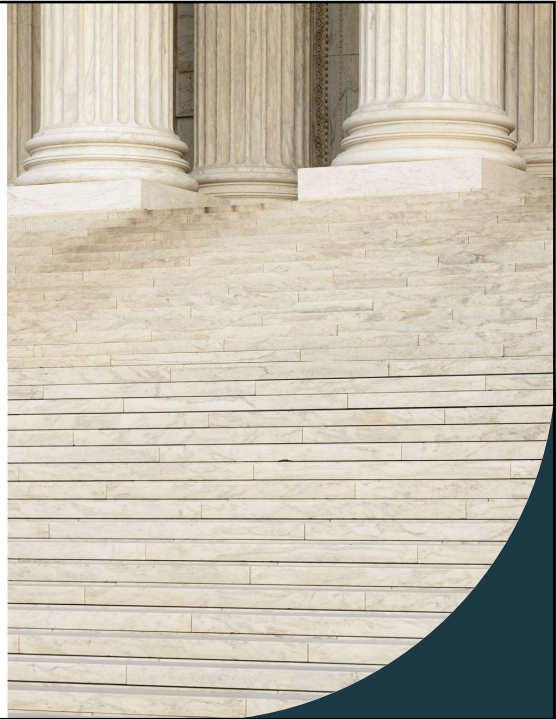
Source: Child Trends Child Welfare Financing SFY2020

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Nebraska LB 1173

In 2022, the Nebraska Legislature passed LB 1173. The legislation was passed with the intent supporting the well-being, permanency, and safety of children and families in Nebraska's communities by comprehensively transforming the state's child welfare system.

- Required the Development of a Child Welfare Practice Model and Financial Model Framework to be submitted to the Health and Human Services Legislative Committee by 12/1/23.
- Created a legislatively mandated Work Group that met regularly and consisted of participation from DHHS, DOE, Court Administrator, state judicial branch, and representatives from each federally recognized Indian tribe, appointed by each tribe's Tribal Council or Executive Committee.
- Required the hiring of a consultant with national child welfare experience to facilitate the process and develop the Practice Model and Financial Report.



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Nebraska LB 1173 Finance Model Finding

The state child welfare agency had not fully expended, maximized, or leveraged federally available funds to the degree other jurisdictions are able to. As a result, a disproportionate level of state funding has been required to operate the system.

An additional \$8,000,000 annually to invest in the provision of prevention services to children and families in the state.

Additional opportunities related to expanded claiming for FFPSA related activities and administrative costs.

Over the five-year period, the projected reduction to out-of-home care costs should total approximately \$98 million



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Nebraska LB 1173 Finance Model – FFPSA

The Finance Model also included a state-by-state review of FFPSA Claiming Practices which revealed that Nebraska was not taking full advantage of law. The results of the comparison included:

- Iowa served an average of 373 children per quarter and received \$5,172,317 in federal reimbursement. It is important to note that while only \$312,810 in federal reimbursement was received for the provision of evidence-based interventions, **the state was able to receive FFP totaling \$4,850,507 for administrative expenditures of \$8,896,315 during the fiscal year.**
- Kansas served an average of 905 children per quarter and received \$4,864,108 in federal reimbursement. The majority of this reimbursement, \$4,208,234 was for the direct provision of evidence-based services.
- Illinois claimed administrative and training costs in excess of \$52,000,000 while incurring only \$328,093 in expenses for evidence-based services to an average of 1,290 children per quarter.

Questions?

