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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2135

03/10/2025 Authored by Pinto, Stier and Virnig
The bill was read for the first time and referred to the Committee on Children and Families Finance and Policy

A bill for an act

relating to children and families; requiring a fiscal analysis of the child welfare system; requiring a comprehensive child welfare program, practice, and service evaluation; requiring reports; appropriating money.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; CHILD WELFARE FISCAL ANALYSIS, PROGRAM AND PRACTICE EVALUATION, AND RECOMMENDATIONS.**

Subdivision 1. **Child welfare fiscal analysis.** The commissioner of children, youth, and families must contract with a third-party consultant, selected according to subdivision 2, to conduct a child welfare fiscal analysis.

Subd. 2. **Fiscal analysis consultant selection.** (a) The commissioner, in consultation with the Association of Minnesota Counties, the Minnesota Indian Affairs Council, community nonprofits, community providers, and other child welfare system stakeholders, must select a third-party independent consultant to conduct the fiscal analysis required under this section. The consultant must have national expertise in and experience with child welfare systems and conducting fiscal analyses, which may include experience conducting a similar fiscal analysis of another state's claim processes under the Family First Prevention Services Act and the state's federal Title IV-E and Title IV-B reimbursement processes.

(b) Except for the contract to perform the fiscal analysis under this section, the third-party consultant selected under this subdivision must not receive funding from any other entity in Minnesota, including state, local, and Tribal government agencies or programs, at any time while conducting the fiscal analysis and preparing recommendations.

Subd. 3. **Child welfare fiscal analysis requirements.** When conducting the child welfare fiscal analysis under this section, the third-party consultant must evaluate:

(1) financial systems in Minnesota's child welfare system and funding sources available to the child welfare system;

(2) current state, county, and Tribal agency staff responsible for child welfare system budgeting and reimbursement and staff skills and resources necessary for obtaining, managing, and distributing federal funds to counties and Tribal Nations;

(3) the state's access to and use of funding or reimbursements under federal Title IV-E and Title IV-B, the federal Child Abuse Prevention and Treatment Act, TANF, Medicaid, the federal Social Services Block Grant Program, and other federal funds for expenses related to child welfare, including legal representation, training, and prevention services;

(4) relevant information needed to secure available federal funds for the child welfare system;

(5) the implementation of the Family First Prevention Services Act and related claim processes;

(6) the social service information system, including the system's ability to efficiently integrate child welfare information and manage, track, and share information between the state, counties, and Tribal Nations;

(7) federal Title IV-E attorney and training reimbursements in the state and all allowable Title IV-E administrative costs;

(8) eligibility of federal Title IV-E funding or reimbursements for the following categories of legal representation in child welfare cases:

(i) parent representation;

(ii) child representation;

(iii) paralegal duties, support, and mentoring;

(iv) relative and kin representation;

(v) Tribal legal representation;

(vi) prepetition legal services; and

(vii) other civil legal services; and

(9) the Tribal consultation policy under Minnesota Statutes, section 10.65, and how often the consultations occur.

Subd. 4. **Report on fiscal analysis.** By June 30, 2027, the third-party consultant who conducted the child welfare fiscal analysis under this section must submit a final report to the commissioner of children, youth, and families; commissioner of human services; and the chairs and ranking minority members of the legislative committees with jurisdiction over the child welfare system. The final report must include the findings from the fiscal analysis required in this section. The report must also include recommendations on:

(1) whether Minnesota should increase state investment into the child welfare system;

(2) how to maximize the state's receipt of federal reimbursements;

(3) legislative proposals for any necessary statutory changes; and

(4) administrative and fiscal resources needed to implement necessary statutory changes.

Subd. 5. **Child welfare practice and program evaluation and recommendations.** The commissioner of children, youth, and families must contract with a third-party consultant to conduct a comprehensive evaluation of programs, practices, and services in the child welfare system in Minnesota to develop a comprehensive set of practice and programmatic recommendations that provide a framework for the child welfare system. Recommendations may address alignment of funding to support programs and services that reduce or eliminate inequities in the system while achieving the best outcomes for children and families. In conducting the evaluation, the consultant must engage with:

(1) local social services agencies;

(2) community-based agencies and advocates that serve children and families in the child welfare system;

(3) individuals with lived experience in the child welfare system; and

(4) other individuals and stakeholders identified by the advisory task force in subdivision 7.

Subd. 6. **Reports on practice and program evaluation.** (a) By July 1, 2027, the third-party consultant conducting the evaluation under subdivision 5 must provide a status report to the commissioner of children, youth, and families; the commissioner of human services; and the chairs and ranking minority members of the legislative committees with jurisdiction over the child welfare system. The report must include a summary of the consultant's work completed as of the date of the report and initial recommendations, if any.

(b) By July 1, 2028, the third-party consultant conducting the evaluation under subdivision 5 must provide a final report on the required evaluation and recommendations to the

commissioner of children, youth, and families; the commissioner of human services; and the chairs and ranking minority members of the legislative committees with jurisdiction over the child welfare system. The final report must include legislative proposals for any necessary statutory changes and recommendations on administrative and fiscal resources needed to implement necessary statutory changes.

Subd. 7. **Advisory task force.** (a) An advisory task force is established to support and advise the third-party consultant or consultants during the fiscal analysis required under subdivisions 1 and 3 and the program evaluation and practice recommendations under subdivision 5. The consultant or consultants must meet regularly with the task force throughout the analysis, program evaluation, and report preparation. The task force must:

(1) assist the consultant or consultants with obtaining data and information needed for the fiscal analysis and program evaluation;

(2) provide advice and support to the consultant or consultants regarding the goals and timeline of the fiscal analysis and program evaluation; and

(3) advise the consultant or consultants as needed for the duration of the fiscal analysis and program evaluation.

(b) The advisory task force shall consist of the following members:

(1) two members who are employees of the Department of Children, Youth, and Families who have expertise in child welfare appointed by the commissioner of children, youth, and families;

(2) one member who is an employee of the Department of Human Services who has expertise in services and programming for individuals with disabilities, substance use disorder, or mental health needs appointed by the commissioner of human services;

(3) two members appointed by the Minnesota Association of County Social Service Administrators;

(4) one member appointed by the foster youth ombudsperson;

(5) the ombudsperson for African American families or a designee;

(6) the ombudsperson for American Indian families or a designee;

(7) the ombudsperson for Asian-Pacific families or a designee;

(8) the ombudsperson for Spanish-speaking families or a designee;

(9) one member appointed by the Minnesota Children's Justice Initiative;

(10) two members appointed by the Minnesota Indian Affairs Council; and

(11) two members of the public who work in the children's prevention services community appointed by the governor.

(c) The advisory task force is governed by Minnesota Statutes, section 15.059, and expires 30 days after the submission of the final reports under subdivisions 4 and 6.

Subd. 8. **Tribal participation.** Each of Minnesota's 11 federally recognized Tribal Nations may participate in the fiscal analysis or program evaluation required under this section. Tribal Nations that choose to participate have sovereignty over data they choose to share with the consultant or other individuals or entities and may request that their data not be included in any public documents.

Sec. 2. **APPROPRIATION; CHILD WELFARE FISCAL ANALYSIS AND PROGRAM EVALUATION AND RECOMMENDATIONS.**

$..... in fiscal year 2026 is appropriated from the general fund to the commissioner of children, youth, and families to contract with a third-party consultant to conduct an independent fiscal analysis of the child welfare system in Minnesota and to contract with a third-party consultant to conduct a comprehensive evaluation of programs, practices, and services in the child welfare system in Minnesota and develop comprehensive practice and programmatic recommendations. This is a onetime appropriation and is available until expended.