SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 4635

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DATE	D-PG	OFFICIAL STATUS
03/23/2026	6895	Introduction and first reading Referred to Health and Human Services
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A bill for an act

relating to foster youth; establishing a trust for current and recent foster youth receiving benefits and other income; authorizing rulemaking; requiring a report; appropriating money; amending Minnesota Statutes 2024, sections 142A.609, subdivisions 11, 12; 260C.331, subdivision 7; 260C.452, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 142A.

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

Section 1. Minnesota Statutes 2024, section 142A.609, subdivision 11, is amended to read:

Subd. 11. **Treatment of Supplemental Security Income.** (a) If a child placed in foster care receives benefits through Supplemental Security Income (SSI) at the time of foster care placement or subsequent to placement in foster care, the financially responsible agency may apply to be the payee for the child pursuant to section 142A.6091, subdivision 3, for the duration of the child's placement in foster care. If a child continues to be eligible for SSI after finalization of the adoption or transfer of permanent legal and physical custody and is determined to be eligible for a payment under Northstar Care for Children, a permanent caregiver may choose to receive payment from both programs simultaneously. The permanent caregiver is responsible to report the amount of the payment to the Social Security Administration and the SSI payment will be reduced as required by the Social Security Administration.

(b) If a financially responsible agency applies to be the payee for a child who receives benefits through SSI, or receives the benefits under this subdivision on behalf of a child, the financially responsible agency must provide written notice. The notice must state that the financially responsible agency applied to be the payee for the child and must include information about the foster care benefits trust under section 142A.6091. The notice must be sent by certified mail, return receipt requested to:

(1) the child, if the child is 13 years of age or older;

(2) the child's parent, guardian, or custodian or if there is no legal parent or custodian the child's relative selected by the agency;

(3) the guardian ad litem;

(4) the legally responsible agency; and

(5) the counsel appointed for the child pursuant to section 260C.163, subdivision 3.

(c) If a financially responsible agency receives benefits under this subdivision on behalf of a child 13 years of age or older, the legally responsible agency and the guardian ad litem must disclose this information to the child in person in a manner that best helps the child understand the information. This paragraph does not apply in circumstances where the child is living outside of Minnesota.

~~(d) If a financially responsible agency receives the benefits under this subdivision on behalf of a child, it cannot use those funds for any other purpose than the care of that child. The financially responsible agency must not commingle any benefits received under this subdivision and must not put the benefits received on behalf of a child under this subdivision into a general fund.~~

~~(e) If a financially responsible agency receives any benefits under this subdivision, it must keep a record of:~~

~~(1) the total dollar amount it received on behalf of all children it receives benefits for;~~

~~(2) the total number of children it applied to be a payee for; and~~

~~(3) the total number of children it received benefits for.~~

~~(f) By July 1, 2025, and each July 1 thereafter, each financially responsible agency must submit a report to the commissioner of children, youth, and families that includes the information required under paragraph (e). By September 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over child protection that compiles the information provided to the commissioner by each financially responsible agency under paragraph (e); subdivision 12, paragraph (e); and section 260C.331, subdivision 7, paragraph (d). This paragraph expires January 31, 2034.~~

Sec. 2. Minnesota Statutes 2024, section 142A.609, subdivision 12, is amended to read:

Subd. 12. **Treatment of Retirement, Survivors, and Disability Insurance; veteran's benefits; railroad retirement benefits; and black lung benefits.** (a) If a child placed in foster care receives Retirement, Survivors, and Disability Insurance; veteran's benefits; railroad retirement benefits; or black lung benefits at the time of foster care placement or subsequent to placement in foster care, the financially responsible agency may apply to be the payee for the child pursuant to section 142A.6091, subdivision 3, for the duration of the child's placement in foster care. If it is anticipated that a child will be eligible to receive Retirement, Survivors, and Disability Insurance; veteran's benefits; railroad retirement benefits; or black lung benefits after finalization of the adoption or assignment of permanent legal and physical custody, the permanent caregiver shall apply to be the payee of those benefits on the child's behalf.

(b) If ~~the~~ a financially responsible agency applies to be the payee for a child who receives Retirement, Survivors, and Disability Insurance; veteran's benefits; railroad retirement benefits; or black lung benefits, or receives the benefits under this subdivision on behalf of a child, the financially responsible agency must provide written notice. The notice must state that the financially responsible agency applied to be the payee for the child and must include information about the foster care benefits trust under section 142A.6091. The notice must be sent by certified mail, return receipt requested to:

(1) the child, if the child is 13 years of age or older;

(2) the child's parent, guardian, or custodian or if there is no legal parent or custodian the child's relative selected by the agency;

(3) the guardian ad litem;

(4) the legally responsible agency; and

(5) the counsel appointed for the child pursuant to section 260C.163, subdivision 3.

(c) If a financially responsible agency receives benefits under this subdivision on behalf of a child 13 years of age or older, the legally responsible agency and the guardian ad litem must disclose this information to the child in person in a manner that best helps the child understand the information. This paragraph does not apply in circumstances where the child is living outside of Minnesota.

~~(d) If a financially responsible agency receives the benefits under this subdivision on behalf of a child, it cannot use those funds for any other purpose than the care of that child. The financially responsible agency must not commingle any benefits received under this~~

~~subdivision and must not put the benefits received on behalf of a child under this subdivision into a general fund.~~

~~(e) If a financially responsible agency receives any benefits under this subdivision, it must keep a record of:~~

~~(1) the total dollar amount it received on behalf of all children it receives benefits for;~~

~~(2) the total number of children it applied to be a payee for; and~~

~~(3) the total number of children it received benefits for.~~

~~(f) By July 1, 2025, and each July 1 thereafter, each financially responsible agency must submit a report to the commissioner of children, youth, and families that includes the information required under paragraph (e).~~

Sec. 3. **[142A.6091] FOSTER CARE BENEFITS TRUST.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Beneficiary" means a current or former child in foster care who is or was entitled to cash benefits.

(c) "Cash benefits" means all federal and state sources of income a child in foster care is entitled to receive.

(d) "Commissioner" means the commissioner of children, youth, and families.

(e) "Financial institution" means the qualified third-party financial institution selected according to subdivision 9.

(f) "Financially responsible agency" has the meaning given in section 142A.602, subdivision 10.

(g) "Ombudsperson" means the foster youth ombudsperson established in section 260C.80.

Subd. 2. **Establishment.** (a) The foster care benefits trust is established. The trust must be funded by deposits made by financially responsible agencies to the financial institution as provided in subdivision 3. The trust must be managed to ensure the stability and growth of the trust.

(b) All assets of the trust are held in trust for the exclusive benefit of beneficiaries by the financial institution. Assets must be held by the financial institution. The financial institution must maintain segregated accounts for each beneficiary in compliance with federal fiduciary standards. The financial institution is responsible for asset protection, investment management, and tax compliance.

Subd. 3. **Requirements of financially responsible agencies.** (a) As soon as the custody of a child is transferred to a child-placing agency or responsible social services agency pursuant to section 260C.201, subdivision 1, or as soon as the child is otherwise transferred to the state, the agency that is financially responsible for the child must assess whether the child is eligible to receive any cash benefits. The financially responsible agency must reassess benefit eligibility for each child in its custody annually and whenever there is a material change in a child's circumstances, including but not limited to changes in parental status, the child's disability status, or the discovery of previously unknown benefit entitlements.

(b) The financially responsible agency must apply for all cash benefits the child is eligible to receive. The financially responsible agency must apply for cash benefits in the following order of priority:

(1) Supplemental Security Income;

(2) Retirement, Survivors, and Disability Insurance;

(3) veterans benefits;

(4) railroad retirement benefits;

(5) civil rights settlements and crime victim restitution; and

(6) any other federal, state, Tribal, or municipal cash benefits as determined by the ombudsperson.

(c) If a child placed in foster care is eligible to receive cash benefits, the financially responsible agency must:

(1) apply to be the payee for the beneficiary for the duration of the beneficiary's placement in foster care;

(2) deposit the cash benefits received on behalf of a beneficiary into the trust and, within 30 days of deposit, document compliance with this subdivision by entering deposit information into the social service information system;

(3) no less frequently than annually, notify the ombudsperson and commissioner of all cash benefits received and deposited for each beneficiary along with documentation identifying the beneficiary and amounts received for the beneficiary within 60 days of the end of the fiscal year;

(4) notify each beneficiary over 18 years of age that the beneficiary may be entitled to disbursements pursuant to the foster children benefits trust and inform the beneficiary how to contact the commissioner about the trust;

(5) retain all documentation related to cash benefits received for a beneficiary for at least five years after the agency is no longer the beneficiary's financially responsible agency; and

(6) in the event of any denial of cash benefits, consult with the beneficiary, if applicable; the beneficiary's guardian ad litem; and the counsel appointed for the beneficiary pursuant to section 260C.163, subdivision 3, to discuss the beneficiary's options. The financially responsible agency must appeal the denial of cash benefits if the appeal is in the beneficiary's best interest.

(d) The financially responsible agency is liable to a beneficiary for any benefit payment the agency receives as payee for the beneficiary that is not deposited into the trust and not included in the documentation sent to the ombudsperson and commissioner or entered into the social service information system as required by this subdivision.

Subd. 4. **Reimbursement of financially responsible agencies.** (a) The commissioner must reimburse each financially responsible agency quarterly in an amount equal to the cash benefits deposited into the trust by each financially responsible agency, except as provided under paragraph (b).

(b) A financially responsible agency must not be reimbursed for any quarter in which the financially responsible agency cannot produce documentation on the amounts received on behalf of its beneficiaries or does not submit a complete request for reimbursement. A financially responsible agency must not be reimbursed for any quarter in which the financially responsible agency cannot produce documentation on the amounts received on behalf of beneficiaries or does not submit a complete request for reimbursement.

(c) The commissioner must establish a standard reimbursement form and timeline for submissions by financially responsible agencies in consultation with the Minnesota Association of County Social Service Administrators to ensure that the reimbursement process aligns with the administrative capacity and fiscal year cycles of financially responsible agencies.

(d) Financially responsible agencies must submit the following information to the commissioner when requesting reimbursement:

(1) complete documentation on the amount of cash benefits deposited by the financially responsible agency into the trust for each beneficiary;

(2) documentation on the amount of cash benefits received by the financially responsible agency for each beneficiary; and

(3) certification from the finance director of the financially responsible agency that all information provided to the commissioner in the reimbursement request is correct.

Subd. 5. **Ombudsperson's duties; commissioner's duties.** (a) For each beneficiary ages 14 through 18, the ombudsperson must notify the beneficiary of the amount of cash benefits received on the beneficiary's behalf in the prior calendar year and the tax implications of those benefits by February 1 each year.

(b) For each beneficiary ages 14 through 18, the ombudsperson must provide written notice at least quarterly that cash benefits have been received on behalf of the beneficiary and are held in trust. The notice must include contact information for the ombudsperson and the financial institution.

(c) For each beneficiary ages 19 through 21 who is eligible for the John H. Chafee Foster Care Program for Successful Transition to Adulthood, trust disbursements must not reduce Chafee eligibility or benefits. The ombudsperson must coordinate with Chafee administrators to ensure trust amounts are counted as independent resources and are excluded from the means-testing calculations for Chafee extension, housing, or stipend benefits. The ombudsperson must provide written guidance to Chafee administrators confirming that trust disbursements are exempt from means testing and must annually verify with Chafee administrators that this exemption is applied correctly.

(d) The ombudsperson must verify that financially responsible agencies are conducting required benefit eligibility screenings and must investigate complaints regarding a financially responsible agency's failure to assess or apply for benefits.

(e) The commissioner must keep a record of the amounts deposited by each financially responsible agency pursuant to subdivision 3 and all disbursements for each beneficiary's account.

(f) The commissioner must provide financial literacy training and support to each beneficiary in a developmentally appropriate manner beginning when the beneficiary reaches 14 years of age. Beneficiaries must receive specific information on the existence, availability, and use of cash benefits held in trust for the beneficiary.

(g) For each beneficiary who exits foster care, the commissioner must provide exit documentation to the ombudsperson within 30 days of the beneficiary's exit. The documentation must include final cash benefit amounts, confirmation that all benefits received through the exit date have been deposited into the trust, and account closure instructions for the trust.

Subd. 6. **Financial institution duties; account protections.** (a) The financial institution must annually determine the annual interest earnings of the trust, including realized capital gains and losses.

(b) The financial institution must apportion any annual capital gains earnings to the separate beneficiary accounts. The rate to be used in this apportionment, calculated to the last full quarter percent, must be determined by dividing the capital gains earnings by the total invested assets of the trust.

(c) The financial institution must establish appropriate accounts to use and conserve cash benefits for each beneficiary in each beneficiary's best interest for current unmet and future needs. The financial institution must establish and maintain these accounts in a manner consistent with federal and state asset and resource limits. The accounts may include:

(1) a special needs trust;

(2) a pooled special needs trust;

(3) an ABLE account under section 529A of the Internal Revenue Code; or

(4) any other trust account that does not interfere with Social Security or asset limitations for any other benefit program.

(d) Trust assets are not subject to claims by creditors of the state, are not part of the general fund, and are not subject to appropriation by the state.

(e) Trust assets may not be used as collateral, as a part of a structured settlement, or in any way contracted to be paid to anyone who is not the beneficiary.

(f) Trust assets are not subject to seizure or garnishment as assets or income of the beneficiary.

(g) Account owner data, account data, and data on beneficiaries of accounts is private data on individuals or nonpublic data as defined in section 13.02.

Subd. 7. **Report.** Beginning December 1, 2027, and annually thereafter, the commissioner, in consultation with the ombudsperson, must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over foster youth. The report must include:

(1) the total amount of benefits deposited into the trust by financially responsible agencies;

(2) the total amount of benefits each financially responsible agency received, organized by benefit type;

(3) the total number of beneficiaries in Minnesota, including information on beneficiary ages, the number of current beneficiaries, and the number of beneficiaries who exited the foster care system;

(4) the number and amount of disbursements made pursuant to subdivision 8 and each reason for each disbursement;

(5) information on the performance of the financial institution, including processing time, beneficiary satisfaction, and account accuracy rate;

(6) a tax compliance summary;

(7) an update on the repayment program under subdivision 10, including the number of applications received, approved, and denied and the average payment amount;

(8) the amount of any third-party money received;

(9) an update on reimbursing financially responsible agencies, including the number of disputed claims and whether the financially responsible agencies are complying with documentation requirements;

(10) information on any barriers to benefit preservation the ombudsperson, beneficiaries, or financially responsible agencies identify; and

(11) any recommendations for statutory changes.

Subd. 8. **Disbursements.** (a) Once a beneficiary has reached 18 years of age, the financial institution must disburse to the beneficiary $10,000 or the total amount remaining in the beneficiary's account, whichever is less, annually on the beneficiary's birthday until the beneficiary's account is depleted.

(b) With each disbursement, the financial institution must include information about the potential tax and benefits consequences of the disbursement, including information on estimated federal and state tax liability and any impact the disbursement would have on other public benefits. The financial institution must also provide resources for tax filing assistance and financial planning.

(c) On petition of a minor beneficiary who is 14 years of age or older, a court may order the ombudsperson to deliver or pay to the beneficiary or expend for the beneficiary's benefit the amount of the beneficiary's trust account as the court considers advisable for the use and benefit of the beneficiary.

(d) Upon written request to the ombudsperson, a beneficiary may request up to 50 percent of the beneficiary's account balance for a documented need, including for housing, education, transportation, mental health, or legal fees. The ombudsperson may verify the documented need but cannot deny requests arbitrarily. Upon approval, the ombudsperson must contact the financial institution to initiate the accelerated disbursement.

Subd. 9. **Financial institution selection.** (a) The commissioner must select a financial institution to administer the trust through a competitive request for proposals. The selected financial institution must:

(1) have demonstrated experience managing fiduciary accounts for vulnerable populations;

(2) have the capacity to maintain segregated accounts, process tax reporting, and provide quarterly statements to beneficiaries;

(3) provide an assessment of tax implications and capital gains allocation methodology;

(4) have an investment management strategy that protects the principal amount while generating modest returns; and

(5) demonstrate compliance with federal fiduciary standards and state banking regulations.

(b) The commissioner must establish a selection panel to develop the request for proposals, evaluate proposals, and recommend a financial institution to the commissioner for selection under this subdivision. The panel must include:

(1) the commissioner or a designee;

(2) the ombudsperson or a designee;

(3) at least one member from the Minnesota Association of County Social Service Administrators;

(4) at least one member from an organization serving foster youth;

(5) at least two members who are current or former foster youth 18 years of age or older; and

(6) at least two members who are subject matter experts in trust administration, fiduciary services, or financial management for vulnerable populations.

(c) The ombudsperson must retain oversight authority, including annual audits, beneficiary notification, and appeals processes.

(d) The contract with the selected financial institution must include performance metrics tied to account accuracy, beneficiary satisfaction, and tax compliance.

Subd. 10. **Repayment program.** (a) No later than July 1, 2027, the commissioner must identify every person for whom a financially responsible agency received cash benefits as the person's representative payee between January 1, 1976, and December 31, 2026, and the amount of money diverted to the financially responsible agency during that time. The commissioner must establish a simple claims process that requires only basic information that may include agency records, affidavits from the beneficiary, or county administrative records.

(b) No later than January 1, 2028, the commissioner must begin accepting applications for individuals described in paragraph (a) to receive compensation for cash benefits diverted to the individual's financially responsible agency between January 1, 1976, and December 31, 2026. The commissioner must develop a system to process the applications and approve all applications that show that the applicant had cash benefits diverted to a financially responsible agency between January 1, 1976, and December 31, 2026. The process to approve applications must prioritize applicants currently in foster care or who recently exited foster care and high-value cases where more than $5,000 was diverted from the applicant to the financially responsible agency.

(c) The commissioner must notify each person identified under paragraph (a) that the person was impacted by a financially responsible agency's diversion of cash benefits, how to obtain more information on which cash benefits were diverted, when the diversion occurred, and the total amount of cash benefits that were diverted. The commissioner must also include information on the person's eligibility for the repayment program under this subdivision and instructions for submitting an application.

(d) For each beneficiary already enrolled in the foster youth benefits trust that the commissioner determines had cash benefits diverted to a financially responsible agency between January 1, 1976, and December 31, 2026, the commissioner must deposit an amount equal to the cash benefits diverted to a financially responsible agency between January 1, 1976, and December 31, 2026, into the beneficiary's trust account. The commissioner must automatically screen beneficiaries for eligibility under this paragraph without requiring an application from the beneficiaries.

(e) For each applicant under paragraph (b) who is not already enrolled in the foster youth benefits trust, the commissioner must directly award the applicant an amount equal to the cash benefits diverted to a financially responsible agency between January 1, 1976, and December 31, 2026.

(f) No later than December 31, 2027, the commissioner must issue a report to the chairs and ranking minority members of the legislative committees with jurisdiction over foster youth. The report must include preliminary findings on the number of individuals identified under this subdivision, estimated diversion amounts, and projected costs for the repayment program.

Subd. 11. **Fraud prevention and accountability.** (a) Each financially responsible agency must submit beneficiary and cash benefits documentation to the ombudsperson and commissioner no later than 60 days after the end of the fiscal year.

(b) The commissioner must conduct annual audit sampling of at least ten percent of each financially responsible agency's accounts to verify:

(1) documentation completeness and accuracy;

(2) that the cash benefits reported match federal source records;

(3) that there were no unreported cash benefits received; and

(4) that all cash benefits received were deposited into the trust.

(c) Any financially responsible agency that fails to report cash benefits received or fails to deposit cash benefits into the trust is subject to:

(1) civil liability to the beneficiary for the full amount of cash benefits with 18 percent interest;

(2) public reporting to the legislature on the agency's name, the amount of cash benefits, and the reason the cash benefits were not reported or deposited; and

(3) if the financially responsible agency is a private agency, license revocation for up to two years.

(d) The commissioner must maintain a public dashboard on the commissioner's website that shows the total amount of cash benefits deposited into the trust by each financially responsible agency, the names of financially responsible agencies that are not in compliance with this section, and the disbursement amounts to beneficiaries.

Subd. 12. **Rulemaking authority.** The commissioner and the ombudsperson may adopt rules under chapter 14 that are necessary to the operation of the foster care benefits trust and repayment program and to aid in performing the commissioner's and the ombudsperson's administrative duties to ensure an equitable result for beneficiaries and former foster youth.

Sec. 4. Minnesota Statutes 2024, section 260C.331, subdivision 7, is amended to read:

Subd. 7. **Notice.** (a) If the responsible social services agency receives Retirement, Survivors, and Disability Insurance; Supplemental Security Income; veteran's benefits; railroad retirement benefits; or black lung benefits on behalf of a child, it must provide written notice<u>. The notice must state that the responsible social services agency receives benefits on behalf of the child and must include information about the foster care benefits trust under section 142A.6091. The notice must be sent</u> by certified mail, return receipt requested to:

(1) the child, if the child is 13 years of age or older;

(2) the child's parent, guardian, or custodian or if there is no legal parent or custodian, the child's relative selected by the agency;

(3) the guardian ad litem;

(4) the legally responsible agency as defined in section 142A.602, if different than the responsible social services agency; and

(5) the counsel appointed for the child pursuant to section 260C.163, subdivision 3.

(b) If the responsible social services agency receives benefits under this subdivision on behalf of a child 13 years of age or older, the legally responsible agency as defined in section 142A.602, subdivision 13, if different, and the guardian ad litem must disclose this information to the child in person in a manner that best helps the child understand the information. This paragraph does not apply in circumstances where the child is living outside of Minnesota.

(c) If the responsible social services agency receives the benefits listed under this subdivision on behalf of a child, it cannot use those funds for any other purpose than the care of that child. The responsible social services agency must not commingle any benefits received under this subdivision and must not put the benefits received on behalf of a child into a general fund.

(d) If the responsible social services agency receives any benefits listed under this subdivision, it must keep a record of:

(1) the total dollar amount it received on behalf of all children it receives benefits for;

(2) the total number of children it applied to be a payee for; and

(3) the total number of children it receives benefits for.

(e) By July 1, 2025, and each July 1 thereafter, the responsible social services agency must submit a report to the commissioner that includes the information required under ~~this~~ paragraph (d). By September 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over child protection that compiles the information provided to the commissioner by each responsible agency under paragraph (d). This paragraph expires January 31, 2034.

Sec. 5. Minnesota Statutes 2024, section 260C.452, is amended by adding a subdivision to read:

Subd. 2a. **Notice of foster care benefits trust.** (a) The responsible social services agency must provide information on the foster care benefits trust under section 142A.6091 in the foster youth's transition plan for foster youth who are 16 years of age or older. The information must include:

(1) the projected trust balance and disbursement timeline;

(2) how to coordinate with the John H. Chafee Foster Care Program for Successful Transition to Adulthood, extended foster care program, and other supports to avoid benefit cliffs; and

(3) financial literacy information.

(b) When the foster youth exits foster care, the commissioner must include trust account statements in the foster youth's exit packet and must have a meeting with the foster youth, the foster youth's attorney and, if applicable, a Chafee coordinator within 30 days of the foster youth's exit.

Sec. 6. **IMPLEMENTATION TIMELINE FOR FOSTER CARE BENEFITS TRUST.**

(a) By January 15, 2027, the commissioner of children, youth, and families must issue a competitive request for proposals to select a qualified third-party financial institution in accordance with Minnesota Statutes, section 142A.6091, subdivision 9.

(b) By April 1, 2027, the commissioner of children, youth, and families must select and contract with a qualified third-party financial institution in accordance with Minnesota Statutes, section 142A.6091, subdivision 9. If no financial institution is selected by April 1, 2027, the commissioner of children, youth, and families must become a temporary trustee until a qualified financial institution is selected. The commissioner of children, youth, and families must notify the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families by April 31, 2027, if the commissioner of children, youth, and families becomes the temporary trustee.

(c) By June 30, 2027, all financially responsible agencies must be trained on and in compliance with all reporting requirements under Minnesota Statutes, section 142A.6091. The training must include clear guidance on the timeline and screening procedures for conducting cash benefit eligibility screenings. The commissioner of children, youth, and families, in consultation with the Minnesota Association of County Social Service Administrators, must develop best practices guidelines to ensure uniformity statewide regarding which children are subject to screening requirements and when screenings must occur.

(d) By July 1, 2027, accounts for each beneficiary must be created or transferred to the financial institution and the foster care benefits trust under Minnesota Statutes, section 142A.6091, must be operational.

(e) By October 1, 2027, financially responsible agencies must make the first deposits to the trust, as provided under Minnesota Statutes, section 142A.6091, subdivision 3.

(f) By January 1, 2028, the repayment application and portal maintained by the commissioner of children, youth, and families must be live and the outreach campaign must be completed.

(g) By January 15, 2028, the first reimbursements to financially responsible agencies must be processed in accordance with Minnesota Statutes, section 142A.6091, subdivision 4.

Sec. 7. **APPROPRIATIONS; FOSTER CARE BENEFITS TRUST AND REPAYMENT PROGRAM.**

Subdivision 1. **Foster care benefits trust.** (a) $....... in fiscal year 2027 is appropriated from the general fund to the foster youth ombudsperson for the purposes of the foster care benefits trust under Minnesota Statutes, section 142A.6091. The base for this appropriation is $....... in fiscal year 2028 and $....... in fiscal year 2029.

(b) The foster youth ombudsperson may use the appropriations in this subdivision to hire up to two full-time equivalent staff members for the foster care benefits trust and repayment program.

Subd. 2. **Financial institution selection.** $....... in fiscal year 2027 is appropriated from the general fund to the commissioner of children, youth, and families to select the third-party financial institution in accordance with Minnesota Statutes, section 142A.6091, subdivision 9. This is a onetime appropriation.

Subd. 3. **Financially responsible agency reimbursement.** $15,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of children, youth, and families to reimburse financially responsible agencies according to Minnesota Statutes, section 142A.6091, subdivision 4. The commissioner of children, youth, and families must prioritize reimbursement of financially responsible agencies with the highest historical diversion amounts.

Subd. 4. **Repayment program.** (a) $15,000,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of children, youth, and families to:

(1) identify current and former individuals in foster care for whom a financially responsible agency received cash benefits as the person's representative payee between January 1, 1976, and December 31, 2026;

(2) identify the amount of money diverted away from each individual; and

(3) repay individuals formerly in foster care pursuant to Minnesota Statutes, section 142A.6091, subdivision 10.

(b) Any unspent amount in fiscal year 2027 does not cancel and is carried over to fiscal year 2028.