

**NOTE: This is an earlier version of the fiscal note for HF1287-1E.**

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**Fiscal Note**

**2021-2022 Legislative Session**

**HF1287 - 1E - Child Foster Care and Background Study**

Chief Author: **Athena Hollins**  
 Committee: **Human Services Finance and Policy**  
 Date Completed: **3/16/2021 6:19:24 PM**  
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

<b>State Cost (Savings)</b>	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
<b>General Fund</b>	-	293	308	153	153	
<b>Total</b>	-	<b>293</b>	<b>308</b>	<b>153</b>	<b>153</b>	
<b>Biennial Total</b>			<b>601</b>			<b>306</b>

<b>Full Time Equivalent Positions (FTE)</b>	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	4	4	2	2
<b>Total</b>	-	<b>4</b>	<b>4</b>	<b>2</b>	<b>2</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Carlos Guereca **Date:** 3/16/2021 6:19:24 PM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
General Fund	-	293	308	153	153	
<b>Total</b>	<b>-</b>	<b>293</b>	<b>308</b>	<b>153</b>	<b>153</b>	<b>153</b>
<b>Biennial Total</b>			<b>601</b>			<b>306</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	293	308	153	153	
<b>Total</b>	<b>-</b>	<b>293</b>	<b>308</b>	<b>153</b>	<b>153</b>	<b>153</b>
<b>Biennial Total</b>			<b>601</b>			<b>306</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>			<b>-</b>			<b>-</b>

**Bill Description**

The bill seeks to make background study requirements for child foster care licensure similar to what is required for adoption background study requirements. This bill establishes permanent and five-year disqualifications for licensed family child foster care distinct from those currently listed in Minn. Stat., section 245C.15. It establishes a process for counties and private agencies to review nondisqualifying background study information prior to recommending to grant a license, deny a license, or revoke a license. It requires DHS to forward relevant nondisqualifying background study information to counties and private agencies. The bill also requires DHS, by July 1, 2023, to consult with stakeholders and establish family foster setting licensing guidelines for counties and private agencies.

Section 1: Allows for a denial of a family foster license application if there is nondisqualifying background study information that reflects on the individual’s ability to safely provide care to foster children.

Section 2: Allows the commissioner to suspend or revoke a license, impose a fine, or secure an injunction against the continuing operation of a program if the license holder has nondisqualifying background study information that reflects on the license holder’s ability to safely provide care to foster children.

Section 3: Establishes a process to review nondisqualifying background study information prior to recommending to grant a license, deny a license, or revoke a license. Outlines specific things that must be reviewed by the county/private agency and defines “evidence of rehabilitation.” States that the commissioner shall also consider the importance of maintaining the child’s relationship with relatives as an additional significant factor in determining whether an application will be denied. Requires counties and private agencies send a summary of their review to the commissioner when recommending to deny or revoke a license.

Section 4: Amends the privacy notice outlined in 245C.05, subdivision 2c to clarify that the FBI does not retain a study subjects fingerprints.

Section 5: Amends the privacy notice outlined in 245C.05, subdivision 2d to clarify that the FBI does not retain a study subjects fingerprints.

Section 6: Directs DHS to forward relevant underlying investigative information to counties, as well as a summary of nondisqualifying results for their consideration in the approval process.

Section 7: Strikes language that prohibits DHS from sharing private data with counties and private agencies. Strikes language that prohibits DHS from sharing private data with counties and private agencies.

Section 8: Requires the commissioner to disqualify a licensed family child foster care provider from direct contact upon receipt of disqualifying information.

Section 9: Establishes permanent and five-year licensed family child foster care disqualifications.

Section 10: Establishes that permanent disqualifications cannot be set aside or a variance granted for individuals 18 years of age and older who are affiliated with a licensed family child foster care program. In connection with a license for family child foster care, the commissioner may grant a variance to the disqualification for an individual who is under 18 years of age at the time the background study is submitted.

Section 11: Strikes “foster care for children in the provider’s home” from the provision prohibiting the commissioner from setting aside a ten-year bar.

Section 12: Strikes “foster care for children in the provider’s home” from the provision prohibiting the commissioner from setting aside a seven-year bar.

Section 13: Establishes that the commissioner shall not grant a set-aside or variance for five-year bars for individuals 18 years of age and older who are affiliated with a licensed family child foster care program. In connection with a license for family child foster care, the commissioner may grant a variance for an individual who is under 18 years of age at the time the background study is submitted.

Section 14: Directs DHS to establish family foster setting licensing guidelines for county agencies and private agencies designated or licensed by the commissioner to perform licensing functions under 245A.04.

Section 15: Directs DHS, in consultation with stakeholders, to develop family foster setting guidelines by July 1, 2023.

**Assumptions**

This bill requires the following administrative resources at the Department of Human Services in order to implement the changes in the bill:

- Hire 1.0 FTE, Program Supervisor (Human Service Program Supervisor 3, Level 21K) for the Foster Care unit in the Licensing Division. This position would engage with stakeholders to develop forms and processes, provide training to more than 400 county and private agency licensors, and oversee unit staff assisting with the ongoing implementation of the new foster family licensing framework outlined in Sec. 3, including monitoring for consistency and evaluating outcomes of the changes.
- Hire 2.0 FTE Program Consultants (Human Services Program Consultant) for FY22 FY23 to coordinate and administer the establishment of family foster setting guidelines, as described in Sections 14 and 15. One of these positions would be in the Licensing Division, and the other would be in the Child Safety and Permanency Division.
- Hire 1.0 FTE, Researcher (Human Services Program Representative 1) in the Background Studies Division. This position would gather, forward, and track underlying investigative information and summaries of nondisqualifying results to be shared with counties as outlined in Section 6. (Please note that the A2 amendment in the House would remove this language and cost.)

It is assumed the FTEs would be hired in September 2021. In addition to salary costs, this fiscal note assumes fringe benefits at 30% of salary costs and overhead of \$15,150 upfront costs and \$1,275 per month per FTE ongoing.

**Expenditure and/or Revenue Formula**

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2022	FY2023	FY2024	FY2025
GF	11	Licensing Child Foster Care 1.0 FTE HSP Supervisor 3	116	121	121	121
GF	11	Licensing Child Foster Care 1.0 FTE (Program Consultant, Temporary 2 Years)	111	114		
GF	12	CSP 1.0 FTE	111	114		

		(Temporary 2 Years)				
GF	11	Background Studies 1.0 FTE (Program Representative 1)	93	104	104	104
GF	REV1	Admin FFP @ 32%	(138)	(145)	(72)	(72)
		<b>Total Net Fiscal Impact</b>	<b>293</b>	<b>308</b>	<b>153</b>	<b>153</b>
		<b>Full Time Equivalentents</b>	<b>4.0</b>	<b>4.0</b>	<b>2.0</b>	<b>2.0</b>

**Long-Term Fiscal Considerations**

**Local Fiscal Impact**

**References/Sources**

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