

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 1654**

(SENATE AUTHORS: RARICK and Eichorn)

DATE	D-PG	OFFICIAL STATUS
02/16/2023	842	Introduction and first reading Referred to Taxes
03/01/2023	1207	Withdrawn and re-referred to Health and Human Services

1.1 A bill for an act

1.2 relating to local government aid; establishing additional reimbursement for

1.3 out-of-home placements; requiring reports; appropriating money; proposing coding

1.4 for new law in Minnesota Statutes, chapter 477A.

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

1.6 Section 1. **[477A.0127] ADDITIONAL REIMBURSEMENT TO COUNTY AND**

1.7 **TRIBES FOR CERTAIN OUT-OF-HOME PLACEMENTS.**

1.8 Subdivision 1. **Definition.** When used in this section, "out-of-home placement" means

1.9 24-hour substitute care for an Indian child as defined by section 260C.007, subdivision 21,

1.10 placed under the Indian Child Welfare Act (ICWA) and chapter 260C, away from the child's

1.11 parent or guardian and for whom the county social services agency or county correctional

1.12 agency has been assigned responsibility for the child's placement and care, which includes

1.13 placement in foster care under section 260C.007, subdivision 18, and a correctional facility

1.14 pursuant to a court order.

1.15 Subd. 2. **Determination of nonfederal share of costs.** (a) By January 1, 2024, each

1.16 county shall report the following information to the commissioners of human services and

1.17 corrections: (1) the separate amounts paid out of its social service agency and its corrections

1.18 budget for out-of-home placement of children under the ICWA in calendar years 2020,

1.19 2021, and 2022; and (2) the number of case days associated with the expenditures from

1.20 each budget. By March 15, 2024, the commissioner of human services, in consultation with

1.21 the commissioner of corrections, shall certify to the commissioner of revenue and to the

1.22 legislative committees responsible for local government aids and out-of-home placement

2.1 funding, whether the data reported under this subdivision accurately reflects total expenditures  
2.2 by counties for out-of-home placement costs of children under the ICWA.

2.3 (b) By January 1, 2025, and each January 1 thereafter, each county shall report to the  
2.4 commissioners of human services and corrections the separate amounts paid out of its social  
2.5 service agency and its corrections budget for out-of-home placement of children under the  
2.6 ICWA in the calendar years two years before the current calendar year along with the number  
2.7 of case days associated with the expenditures from each budget.

2.8 (c) Until the commissioner of human services develops another mechanism for collecting  
2.9 and verifying data on out-of-home placements of children under the ICWA, and the  
2.10 legislature authorizes the use of that data, the data collected under this subdivision must be  
2.11 used to calculate payments under subdivision 3. The commissioner of human services shall  
2.12 certify the nonfederal out-of-home placement costs for the three prior calendar years for  
2.13 each county to the commissioner of revenue by June 1 of the year prior to the aid payment.

2.14 (d) The reports required under this subdivision are in addition to reports required by  
2.15 section 477A.0126.

2.16 Subd. 3. **Aid payments to counties.** (a) For aids payable in calendar year 2024 and  
2.17 thereafter, the commissioner of revenue shall reimburse each county for 100 percent of the  
2.18 nonfederal share of the cost of out-of-home placement of children under the ICWA provided  
2.19 the commissioner of human services, in consultation with the commissioner of corrections,  
2.20 certifies to the commissioner of revenue that accurate data is available to make the aid  
2.21 determination under this section. The amount of reimbursement is the county's average  
2.22 nonfederal share of the cost for out-of-home placement of children under the ICWA for the  
2.23 most recent three calendar years for which data is available. The commissioner shall pay  
2.24 the aid under the schedule used for local government aid payments under section 477A.015.

2.25 (b) The aid payment under this subdivision is reduced by the amount of aid paid under  
2.26 section 477A.0126.

2.27 Subd. 4. **Aid payments to Tribes.** (a) By January 1, 2024, and each year thereafter,  
2.28 each Tribe must certify to the commissioner of revenue the amount of federal reimbursement  
2.29 received by the Tribe for out-of-home placement of children under the ICWA for the  
2.30 immediately preceding three calendar years. The commissioner of revenue shall prescribe  
2.31 the format of the certification. For purposes of this section, "Tribe" has the meaning provided  
2.32 in section 260.755, subdivision 12.

2.33 (b) The amount of reimbursement to the Tribe shall be the greater of: (1) five percent  
2.34 of the average reimbursement amount received from the federal government for out-of-home

3.1 placement costs for the most recent three calendar years; or (2) \$200,000. The commissioner  
3.2 shall pay the aid under this section under the schedule used for local government aid  
3.3 payments under section 477A.015.

3.4 (c) The aid payment under this subdivision is reduced by the amount of aid paid under  
3.5 section 477A.0126.

3.6 Subd. 5. **Appropriation.** An amount sufficient to pay aid under this section is annually  
3.7 appropriated to the commissioner of revenue from the general fund.

3.8 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.