

NUMBER

#25-32-01

DATE

March 31, 2025

OF INTEREST TO

County Directors

County Fiscal Supervisors,
Coordinators and Staff

County Social Services
Supervisors and Staff

Tribal Directors

Tribal Fiscal Supervisors,
Coordinators and Staff

Tribal Social Services
Supervisors and Staff

Child Placing Agencies

ACTION/DUE DATE

Please read information and
use appropriate rates and
allowance maximums

EXPIRATION DATE

June 30, 2026

Revised: Northstar Care for Children Basic and Supplemental Payment Rates, Foster Residence Basic Rates, and Initial Clothing Allowance

TOPIC

Basic and Supplemental payment rates for Northstar Care for Children. Basic payment rates for Foster Care Residences (Corporate Foster Care), and Initial Clothing Allowance for all children in foster care, effective July 1, 2025, through June 30, 2026, and related fiscal considerations.

PURPOSE

Provide county and tribal human service agencies, private child placing agencies, and others with Northstar Care for Children payment rates for all children receiving Northstar Care benefits, with Basic payment rates for all children in Foster Care Residences, and with Initial Clothing Allowance maximums for all children in foster care.

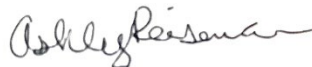
CONTACT

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SIGNED



ASHLEY REISENAUER
Chief Financial Officer

TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. The Department of Children, Youth, and Families (DCYF) supports the use of "People First" language.

A. Policy on Basic and Supplemental Benefits, Emergency Foster Care Rate, Alternate Rates, Initial Clothing Allowance

Northstar Care for Children employs a two-part maintenance payment structure: basic and supplemental. The same rates apply to Northstar Foster Care (regular and Extended Foster Care, including youth in unlicensed supervised independent living settings) and to Northstar Adoption Assistance and Northstar Kinship Assistance. For Northstar Adoption Assistance and Northstar Kinship Assistance, the alternate basic and supplemental rates are used for children who were age 5 or younger at the time their adoptive parents or relative custodians signed their initial benefit agreements. More details on Northstar Care may be found in the [Northstar Care General Practice Guide](#).

Effective for placements made on or after September 30, 2021, in foster residence settings licensed under **Minnesota Statutes, Chapter 245A** that meet the standards of Minnesota Rules, parts 2960.3200 to 2960.3230 (Foster Care Residences or also known as Corporate Foster Care) the foster care payment consists of the same Basic payment rate as for Northstar Care. Placements made prior to September 30, 2021, continue under the previous payment structure.

An initial clothing allowance is available based on the child's individual needs during the first 60 days of the child's initial placement into foster care.

1. Basic Amount Based on Age

A Basic payment provides for a child's food, clothing, shelter, school supplies, personal incidentals, and daily supervision. It also includes typical travel to the child's home for visitation and reasonable travel for the child to remain in the school in which they were enrolled at the time of placement. The amount is set by a child's age and increases as the child gets older.

Except for children receiving Northstar Adoption Assistance who are determined to be at risk, all Northstar Care children receive a basic benefit. [Minnesota Statutes, sections 142A.602, subdivision 5; 142A.609]

Effective September 30, 2021, the payment structure for new placements in foster residence settings licensed under **Minnesota Statutes, Chapter 245A** that meet the standards of Minnesota Rules, parts 2960.3200 to 2960.3230 (Foster Care Residences or also known as Corporate Foster Care) are parallel to the Basic rates under Northstar Care for Children. These new placements no longer utilize the Minnesota Assessment of Parenting for Children and Youth (MAPCY) to determine Supplemental payments. [Minnesota Statutes, section 260C.4412]

For children placed and who remain in a particular foster residence setting prior to September 30, 2021, their placements are considered legacy, meaning payments are reassessed using the MAPCY, and Title IV-E claiming continues until placement in that foster residence setting ends. If a child moves to a different foster residence setting, during a continuous placement, the legacy classification ends and

payment processes under Family First Prevention Services Act (FFPSA) must apply to new placements and settings.

2. Supplemental Amount Based on MAPCY

A child may also be eligible for a supplemental payment. Each child eligible for foster care benefits, Northstar Adoption Assistance or Northstar Kinship Assistance must be assessed to determine the benefits the child may receive. The MAPCY (Minnesota Assessment of Parenting for Children and Youth) sets this supplemental payment amount by measuring the extra needs of a child and the parenting being provided to meet those needs. For details on the MAPCY, please see the [Minnesota Assessment of Parenting for Children and Youth Practice Guide](#).

In the temporary absence of a MAPCY, the supplemental amount may be based on the emergency foster care rate (see below).

Children receiving Northstar Adoption Assistance who are determined to be at risk are considered Level A and not eligible for a supplemental payment. [Minnesota Statutes, sections 142A.602, subdivision 21; 142A.607; and 142A.609]

As noted above, effective September 30, 2021, new placements in foster residence settings no longer utilize the MAPCY to determine Supplemental payments. [Minnesota Statutes, section 260C.4412]

3. Supplemental Amount Based on the Emergency Foster Care Rate

As stated above, the MAPCY sets the supplemental payment amount.

However, a default emergency foster care rate is available to county and tribal agencies without an approved MAPCY. This default emergency foster care rate consists of Level D for supplemental plus the basic payment and may only be used for up to 30 days of a child's continuous placement. An agency may decide to conduct a MAPCY at any time, that may replace the emergency rate.

The emergency foster care rate may apply if **at least one** of the following conditions is met:

1. The child's initial placement is in foster care in Minnesota.
2. The child's previous placement was more than two years ago.
3. The child's previous placement was for fewer than 30 days and a MAPCY was not completed.

When a child is receiving the emergency foster care rate and the MAPCY is not approved within the first 30 days of continuous placement, the foster care supplemental level drops to Level B on day 31 and remains at that level until a MAPCY is approved.

When a child is receiving the emergency foster care rate, the following occurs upon approval of the initial MAPCY, with SSIS automatically adjusting the effective date if appropriate:

1. If the MAPCY is approved within or after the first 30 days and the supplemental level is greater than Level D, the higher rate will become effective back to the first date of placement; or
2. If the MAPCY is approved within the first 30 days and the supplemental level is lower than Level D, the lower rate will become effective the date of the approval; or
3. If the MAPCY is approved after the first 30 days and the amount is lower than Level D, the lower rate will become effective on the 31st date of placement.

[Minnesota Statutes, section 142A.609, subdivision 6]

4. Alternate Rates

Effective December 1, 2021, the alternate rate is assigned based on the age of the child (if under the age of 6) on the date the child's adoptive parent/s or relative custodian/s sign the child's initial benefit agreement, prior to finalization of the child's adoption or transfer of permanent legal and physical custody (TPLPC) by the court. Note: Signature dates on amendments and renegotiated benefit agreements do not impact a child's assigned rate. An alternate rate also applies to most children who received a commissioner transition from legacy Relative Custody Assistance (RCA) to Northstar Kinship Assistance.

The alternate rate is 50 percent of the amount that a child would receive if in foster care and continues for the duration of the Northstar Adoption Assistance or Northstar Kinship Assistance benefit agreement. The basic and supplemental rates are shown in the tables on pages 5-6 in the alternate rate columns. [Minnesota Statutes, section 142A.609, subdivision 5; and section 142A.612, subdivision 7]

5. Initial Clothing Allowance

An initial clothing allowance is available based on a child's individual needs during the first 60 days of a child's initial placement into foster care. The county or tribal social service agency shall approve the initial clothing allowance consistent with a child's needs.

B. Basic and Supplemental Rates, Initial Clothing Allowance

1. Basic Rates and Supplemental Rates

Minnesota Statutes calls for revision of basic and supplemental rates based on changes in the USDA *Estimates of the Cost of Raising a Child*. This is the same process that was previously used for adjusting foster care rates prior to Northstar Care. The Supplemental Rates are adjusted from the original base

figures implemented on January 1, 2015. The Basic Rates are instead adjusted from the increased replacement figures enacted by the 2016 Legislature and effective July 1, 2017.

At various times, the USDA re-bases these rates and the Consumer Price Index (CPI) is used in between these times. The rates have not been released, so the SFY 2026 rates have been based using CPI information. When the new *Estimates of the Cost of Raising a Child* are available, if needed, adjustments will be made to rates for future years.

Whether adjusted using the USDA figures or the interim CPI method, statute limits increase to no more than 3 percent. In the event that an increase would exceed 3 percent, the department lowers the amount so that it is within the statutory maximum. However, the “excess” is carried forward and added in later years when the adjustment would otherwise be less than 3 percent.

Please see the tables on pages 5-6 for the revised rates effective July 1, 2025.

The Northstar Care Fiscal Reconciliation process assigns shares for all Northstar Care expenditures, including rate adjustments such as these, to the state and to the county or tribal agency responsible for a specific child. The process makes use of the state and agency non-federal shares that were determined for state fiscal year 2019 (July 1, 2018 – June 30, 2019). These percentages are adjusted for current Phase-In Costs so that Phase-In Costs are borne by the state.

At some point in the future phase-in will be complete. This will occur when no children remain in the legacy programs that Northstar Care replaced. At that point, no further adjustments to the percentages will be made for Phase-In Costs. [Laws of Minnesota 2016, chapter 189, article 15, section 4; Minnesota Statutes, sections 142A.603, subdivision 5; 142A.609, subdivisions 4, 5 and 8; and 142A.611]

2. Initial Clothing Allowance

The initial clothing allowance must not exceed the monthly basic payment rate for a child’s age group. The Department has revised the initial clothing allowance maximums on page 7 accordingly. [Minnesota Statutes, section 260C.4413]

C. Revised Rate and Allowance Tables

The following tables show rates and allowance maximums effective July 1, 2025, through June 30, 2026.
 [Minnesota Statutes, sections 142A.609; 260C.4413]

1. Revised Northstar Care Basic Rate Table

Child's Age	Monthly Basic Rate	Alternate Monthly Basic Rate	Daily Basic Rate	Alternate Daily Basic Rate
Birth - 5	\$827	\$414	\$27.19	\$13.61
6 - 12	\$979	\$490	\$32.19	\$16.11
13 - 20	\$1,157	\$579	\$38.04	\$19.04

2. Revised Northstar Care Supplemental Rate Table

Supplemental (MAPCY) Level	Monthly Supplemental Rate	Alternate Monthly Supplemental Rate	Daily Supplemental Rate	Alternate Daily Supplemental Rate
Level A	\$0	\$0	\$0.00	\$0.00
Level B	\$0	\$0	\$0.00	\$0.00
Level C	\$121	\$61	\$3.98	\$2.01
Level D	\$242	\$121	\$7.96	\$3.98
Level E	\$363	\$182	\$11.93	\$5.98
Level F	\$484	\$242	\$15.91	\$7.96
Level G	\$605	\$303	\$19.89	\$9.96
Level H	\$726	\$363	\$23.87	\$11.93
Level I	\$847	\$424	\$27.85	\$13.94
Level J	\$968	\$484	\$31.82	\$15.91
Level K	\$1,089	\$545	\$35.80	\$17.92
Level L	\$1,210	\$605	\$39.78	\$19.89
Level M	\$1,331	\$666	\$43.76	\$21.90
Level N	\$1,452	\$726	\$47.74	\$23.87
Level O	\$1,573	\$787	\$51.72	\$25.87
Level P	\$1,694	\$847	\$55.69	\$27.85
Level Q	\$1,815.00	\$908.00	\$59.67	\$29.85

3. Revised Foster Care Initial Clothing Allowance Maximum Table

Child's Age	Maximum Initial Clothing Allowance
Birth - 5	\$827
6 - 12	\$979
13 - 20	\$1,157

4. Review of Relative and Non-relative Foster Care Maintenance Payments

On September 28, 2023, the Administration of Children and Families finalized a rule that amended 471(a)(11) of the Social Security Act and [45 C.F.R. § 1356.21\(m\)](#) to assure that agencies provide a licensed or approved relative foster home with the same amount of foster care maintenance payments (FCMP) that would have been made if the child was placed in a non-relative family foster home. It requires a reasonable, specific, time-limited review to be established that reviews the FCMP payments for this purpose. To meet this requirement the department will be conducting an annual review of the Northstar basic and supplemental rates established by the MAPCY using the payment information entered in the social service information system.

D. Contacts

Northstar Care or Title IV-E or Family First fiscal processes:

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Chad Hoag, DCYF Financial Operations Division,
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Policy and practice for MAPCY:

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Policy and practice for foster care:

DHS Child Safety and Permanency Division (*DHS webpage*)
DHS.CSP.fostercare@state.mn.us

Policy and practice for adoptions, transfers of permanent legal and physical custody, Northstar Adoption Assistance or Kinship Assistance, and Relative Custody Assistance:

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Policy and practice for federal Title IV-E:

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Social Service Information System (SSIS):

SSIS Helpdesk
(651) 431-4801 or dcyf.ssishelp@state.mn.us

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-3725 (voice) or toll free at (800) 627-3529 or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.