

HF4125 - 4A - Various MAAFPCWDA Provisions Modified

Chief Author: **Esther Agbaje**
 Committee: **Children And Families Finance & Policy**
 Date Completed: **4/6/2026 10:44:03 PM**
 Lead Agency: **Children, Youth and Families**
 Other Agencies:
 Supreme Court

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.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Children, Youth and Families						
General Fund	-	-	1,706	2,001	4,130	
State Total						
General Fund	-	-	1,706	2,001	4,130	
Total	-	-	1,706	2,001	4,130	
Biennial Total			1,706		6,131	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Children, Youth and Families					
General Fund	-	-	13.5	18	36
Total	-	-	13.5	18	36

Lead 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: Kate Schiller **Date:** 4/6/2026 10:44:03 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.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Children, Youth and Families						
General Fund	-	-	1,706	2,001	4,130	
Total	-	-	1,706	2,001	4,130	
	Biennial Total		1,706		6,131	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Children, Youth and Families						
General Fund	-	-	1,706	2,001	4,130	
Total	-	-	1,706	2,001	4,130	
	Biennial Total		1,706		6,131	
2 - Revenues, Transfers In*						
Children, Youth and Families						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
	Biennial Total		-		-	-

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 Committee: **Children And Families Finance & Policy**
 Date Completed: **4/6/2026 10:44:03 PM**
 Agency: **Children, Youth and Families**

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

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	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	13.5	18	36
Total	-	-	13.5	18	36

LBO Analyst's Comment

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

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State Cost (Savings) Calculation Details

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General Fund	-	-	1,706	2,001	4,130	
Total		-	-	1,706	2,001	4,130
Biennial Total				1,706		6,131
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	1,706	2,001	4,130	
Total		-	-	1,706	2,001	4,130
Biennial Total				1,706		6,131
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill makes several changes to the Minnesota African American Family Preservation and Child Welfare Disproportionality Act (MAAFPCWDA).

1. The first unnumbered section in the A4 amendment (starting on line 1.3) changes the definition of a disproportionately represented child to include people who are part of a community determined by DCYF to be disproportionately represented in the child welfare system or to have a disability or low-income socioeconomic status as determined by DCYF.
2. The second unnumbered section in the A4 amendment (starting on line 1.18) sets the process by which DCYF is to determine which communities are disproportionately represented in the child protection system, as well as how disability and low-income socioeconomic status are defined for MAAFPCWDA purposes. It also requires local agencies to document their efforts in determining whether children meet these definitions.
3. The third unnumbered section in the A4 amendment (starting on line 4.1) clarifies the definition of neglect for purposes of safety plans. This section has no fiscal impact on DCYF.
4. The fourth unnumbered section in the A4 amendment (starting on line 5.1), makes a minor recodification to existing statute and has no impact on DCYF.
5. Section 1 shifts responsibility for MAAFPCWDA case reviews from local social service agencies to DCYF. Local agencies are required to provide DCYF with information needed for these reviews. The reviews are to be phased in over a period of years: by January 1, 2028, DCYF must review 20% of cases from the preceding calendar year, with this percentage increasing to 40% in 2029, 70% in 2030, and 100% in 2031. DCYF is required to work with agencies to develop remediation plans if disparities are found in the reviews. DCYF is also required to create an annual summary report on trends identified in case reviews and remediation plans.
6. The fifth unnumbered section in the A4 amendment (starting on line 6.26) allows DCYF to make cultural competency training developed by the Child Welfare Training Academy available to child welfare personnel. DCYF is required to give priority to child welfare workers in trainings with limited availability. DCYF is explicitly not required to develop new training beyond training audiences already served.
7. The sixth unnumbered section (starting on line 7.8) in the A4 amendment makes a minor editorial change to existing statute and has no fiscal impact on DCYF.
8. The seventh unnumbered section (starting on line 10.3) in the A4 amendment clarifies that case reviews are required for

child protection cases rather than child welfare cases.

9. The eighth and ninth unnumbered sections (starting on lines 10.29 and 11.12) in the A4 amendment make minor editorial changes to existing statute and have no fiscal impact on DCYF.

10. The tenth unnumbered section (starting on line 12.10) in the A4 amendment extends the availability of MAAFPCWDA phase-in funding for Hennepin and Ramsey counties from June 30, 2026 to December 31, 2026.

11. The eleventh unnumbered section (starting on line 12.28) in the A4 amendment deletes the statutory definition of disproportionality. This has no fiscal impact on DCYF.

12. Section 2 appropriates an undetermined amount of funding to DCYF to distribute to local social services agencies for staffing and services related to MAAFPCWDA implementation.

Assumptions

DCYF assumes that additional resources will be required to conduct the case reviews required by this bill listed under item number 5 in the bill summary above. Currently, the caseload across the state includes 6,431 child protection cases and 1,429 adoption/guardianship cases.

We assume that MAAFPCWDA would apply in 90% of these cases, or 5,787 child protection cases and 1,286 adoption/guardianship cases. DCYF's Out-of-home Care and Permanency report was used as a proxy to determine the number of children that may be considered disproportionately represented under this bill. Additionally, national studies of the relationship between income and child welfare system involvement was used to determine the percentage of current cases that may be considered disproportionately represented based on income.

We estimate that each DCYF staff person is able to conduct an average of 88 reviews per year, along with completing other associated duties like reporting and remediation plans. The estimated number of cases required to be reviewed and estimated FTE needed, by year, would be as shown in the following table. These FTE would be at the 14L level.

Year	Percent	Cases	Case Review FTE needed
2028	20%	1,415	16
2029	40%	2,829	32
2030	70%	4,951	56
2031 and later	100%	7,073	80

DCYF further assumes that every group of 10 new FTEs would require one new supervisor at the 21K level and that every 5 supervisors would require one new manager at an 19M level. This results in a total requirement for new FTEs and associated costs as shown in the table below:

Year	Analysts	Supervisors	Managers	Total Cost	FFP	Net Cost
2027	16	1	0	2,508,660	(802,771)	1,705,889

2028	16	1	0	2,942,682	(941,658)	2,001,024
2029	32	3	0	6,074,900	(1,943,968)	4,130,932
2030	56	5	1	10,804,788	(3,457,532)	7,347,256
2031 and later	80	8	1	15,503,115	(4,960,997)	10,542,118

DCYF assumes that the allocation mentioned in item 12 of the bill summary will require 1 new FTE at the 8L level to facilitate this. This FTE is estimated to cost \$130,090 in FY 2027 and \$149,795 in each subsequent year. This would be offset by Federal Funds Participation (FFP) of \$41,629 in FY 2027 and \$47,934 in each subsequent year for a net cost of \$88,461 in FY 2027 and \$101,860 in each subsequent year.

The initially needed FTEs are assumed to begin October 1, 2026, and require an up-front administrative cost of \$17,744, and ongoing monthly administrative costs of \$2,506. FTEs that are needed in subsequent years are assumed to begin at the beginning of those fiscal years. Salaries and fringe benefits are estimated using the most recent plans and collective bargaining agreements. FTEs are assumed to receive 32% federal funds participation (FFP) reimbursement.

DCYF assumes that the training referred to in item 6 of the bill summary is training that already exists and that it would not be required to develop new training or provide existing training to an increased number of people. In other words, we assume that we would prioritize including child welfare staff and supervisors in existing training spots for and would not expand the availability of training to meet any increased demand. There would therefore not be an increased resource needs.

Expenditure and/or Revenue Formula

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2026	FY2027	FY2028	FY2029
1000	12	Case review FTEs (0,12.75,17, 35)	0	2,509	2,943	6,074
1000	11	Allocation FTE (0,0.75,1,1)	0	130	150	150
1000	REV1	FFP @ 32%	0	(844)	(1,044)	(1,992)
		Total Net Fiscal Impact	0	1,706	2,001	4,130
		Full Time Equivalents	0	13.5	18	36

Long-Term Fiscal Considerations

As noted above, because of the gradual increase in the percentage of cases required to be reviewed, this bill would have costs that increase steadily beyond the budget horizon. They would stabilize in FY 2031.

Local Fiscal Impact

This bill places some additional requirements on local agencies, such as providing relevant information to DCYF. DCYF is not able to determine the cost or effort required for local agencies to perform this work.

References/Sources

Minnesota's Out-of-home Care and Permanency Report, 2023 (published Sept. 2025)

Darejan Dvalishvili, Melissa Jonson-Reid, Brett Drake, Childhood poverty and foster care placement: Implications for practice and policy, Child Abuse & Neglect, Volume 154, 2024, 106926, <https://doi.org/10.1016/j.chiabu.2024.106926>.

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Chief Author: **Esther Agbaje**
 Committee: **Children And Families Finance & Policy**
 Date Completed: **4/6/2026 10:44:03 PM**
 Agency: **Supreme Court**

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

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	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-

LBO Analyst's Comment

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

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Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

HF4125-4A (the "bill") modifies provisions related to child welfare and family preservation under the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, including updates to definitions, legal standards, and procedural requirements.

The bill updates definitions, procedures, and standards applicable in cases involving child welfare determinations. The bill includes provisions requiring courts to consider specified factors related to family preservation, apply revised legal standards in making determinations, and make additional or more detailed findings on the record in child protection cases. The bill also modifies requirements related to hearings and judicial determinations.

Assumptions

This bill modifies existing legal standards and procedures applicable to child welfare proceedings in district court. It is assumed the bill will increase the complexity of hearings by requiring judicial officers to consider additional statutory factors, evaluate more detailed information, and make expanded findings on the record. As a result, it is assumed judicial officers will be required to spend additional time per case reviewing evidence, conducting hearings, and issuing orders.

Because the bill does not create a new cause of action or expand jurisdiction, it is assumed that it will not result in a measurable increase in the overall number of cases filed.

Any increase in workload resulting from additional judicial time per case is expected to be absorbed within existing resources. It is assumed that this bill will not result in an increase in the number of judges or staff needed to process the cases.

Expenditure and/or Revenue Formula

This bill is not anticipated to have a significant fiscal impact on the Judicial Branch.

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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