

*Reduced percent of providers reporting registration paperwork as a barrier*

- Current state: A 2018 survey of childcare providers shows that of providers who participate in the CCAP, 19% think “too much paperwork” is a barrier to participating in CCAP. Of providers who do not take CCAP children, 48% listed “too much paperwork to get approved” as a barrier to participating in CCAP.
- Future result: In the 2024 and 2027 survey of childcare providers, less will report “too much paperwork to get approved” as a barrier to participating in CCAP.

*Registrations will be processed within 10 days*

- Current state: The department does not know how long, on average, it takes for a CCAP registration or renewal to be processed by a CCAP agency. In Rule 3400 as proposed, CCAP agencies are directed to process registrations within 30 days.
- Future result: The department will track the average time it takes for a provider to become registered or renewed. The department expects to complete registrations and renewals within 10 days.

Remove duplicative background studies for Legal Non licensed (LNL) Providers

Overall, the department anticipates this will reduce barriers for legal non licensed providers and increase accessibility for children and families. The CCAP Family Profile shows a downward trend of children receiving care from legal non licensed providers – from 2.9% of children in CCAP receiving care from a legal non licensed provider in fiscal year 2017 to 0.8% in fiscal year 2021.

This proposal could increase access to childcare in areas where there is an inadequate supply of childcare providers and for families employed in jobs with non-traditional work hours by reducing barriers for individuals who want to be an LNL provider.

**Fiscal Detail:**

Net Impact by Fund (dollars in thousands)			FY 24	FY 25	FY 24-25	FY 26	FY 27	FY 27-28
General Fund			633	467	1,100	689	717	1,406
HCAF					-			-
Federal TANF					-			-
Other Fund					-			-
<b>Total All Funds</b>			<b>633</b>	<b>467</b>	<b>1,100</b>	<b>689</b>	<b>717</b>	<b>1,406</b>
Fund	BACT#	Description	FY 24	FY 25	FY 24-25	FY 26	FY 27	FY 27-28
GF	12	Children and Family Services Admin (6 FTEs)	142	563	704	890	931	1,820
GF	REV1	FFP @ 32%	(45)	(180)	(225)	(285)	(298)	(582)
GF	11	MEC2 Changes - provider registration, LNL background study frequency change & NETStudy 2.0 (state share @55%)	186	29	216	29	29	58
GF	12	Net 2.0 Study	75		75			
GF	12	Provider Registration	275	55	330	55	55	110
<b>Requested FTE's</b>								
Fund	BACT#	Description	FY 24	FY 25	FY 24-25	FY 26	FY 27	FY 27-28
			1	4	4	6	6	6

**Statutory Change(s):**

119B.011, 119B.125, 119B.13, 119B.16, 119B.161, 245C.04, 245C.05, 245C.11, 245C.17, 245C.23, 256.046, 256.983

## Human Services

### FY 2024-25 Biennial Budget Change Item

#### Change Item Title: Integrated Services for Children and Families

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	15,326	10,810	8,634	6,264
Revenues	0	0	0	0
Special Revenue Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	15,326	10,810	8,634	6,264
FTEs	27	27	27	25

#### Recommendation:

The Governor recommends a general fund investment of \$26.1 million in FY 2024-25 and \$14.9 million in FY 2026-27 to support key systems work for child support, child protection/child welfare, and economic support information systems.

#### Rationale/Background:

Deficiencies in Department of Human Services' (department) technology systems prevent us from supporting Minnesota's children and families in a more person-centered, holistic way. Our aging technology systems create inefficiencies for workers and audit findings for noncompliance with state and federal statutes and regulations. The department identified the steps contained in this proposal as critical both to the experience of the people we serve and to program integrity. This proposal was identified in partnership with administrations across the department and is informed by regular feedback from frontline workers about the inefficiencies of our technology, as well as deficiencies identified in state and federal audits. This proposal relies on three strategies:

1. Stabilize existing systems so that they serve us better now, while also positioning us for future modernization of those systems.
2. Implement innovative solutions to transform the experience of the families we serve and streamline the worker experience, with an eye for alignment with compliance-related findings and agency-wide technology strategy.
3. Prepare for future transformation based on stakeholder feedback and strategic alignment to the agency-wide vision for service delivery transformation.

#### Proposal:

This proposal seeks critical funds for existing technology, builds on current innovative work, and plans for future technology innovations to improve the experience and outcomes of the people we serve.

#### Strategy 1: Stabilize Legacy Systems (MAXIS/MEC<sup>2</sup>/SSIS)

Together, MAXIS and MEC<sup>2</sup> (Minnesota Electronic Child Care) are responsible for delivering more than \$1.9 billion in benefits to hundreds of thousands of Minnesotans. MAXIS is used by state and county workers to determine eligibility for public assistance and health care, such as Minnesota Family Investment Program (MFIP), refugee cash assistance and food support, as well as for determining and issuing benefits for cash and food support programs. MEC<sup>2</sup> is used to deliver Child Care Assistance Program (CCAP). SSIS was implemented in 1999 to meet 1993 federal requirements for gathering data regarding child protection investigations and the out-of-home placement of children. Several additional program areas also use the system, such as adult protection. The system

has approximately 11,000 users and served 596,000 distinct clients in 2021. PRISM is a federally mandated system that supports child support enforcement with receiving and disbursing child support payments, identifying non-custodial parents and other tasks.

- Tackling the backlog for eligibility systems

Increased costs and stagnant or decreased investments over time have eroded staffing levels to support MAXIS and MEC<sup>2</sup> to less than half the IT staffing capacity (40 FTEs) that existed in 2010. Reduced staffing capacity for these critical systems has resulted in a less-than-functional eligibility system in which workers are doing manual workarounds while identified updates, fixes and efficiencies sit in a growing queue for years at a time. This also results in slower, inaccurate services for the Minnesotans receiving assistance. The State is under a program improvement update from the USDA to bring down the error rate in the Supplemental Nutrition Assistance Program (SNAP) and millions of dollars are lost to the department via interim assistance recovery.

This proposal invests \$2.2 million annually from FY2024 to FY2026 for program and technical staffing to eliminate the MAXIS/MEC<sup>2</sup> backlog, resulting in an improved experience for Minnesotans receiving assistance and improved program integrity. Bringing the systems up to date will also prepare them for a smooth transition to newer technology. Federal matching funds will pay 45% of that cost. The state share is \$1.198 million per year from FY2024 to FY2026. The project is estimated to be completed by FY2026.

- MAXIS, PRISM, and MEC<sup>2</sup> System Sustainability

MAXIS, PRISM, and MEC<sup>2</sup> are mission-critical systems for DHS, counties and Tribal Nations to serve the citizens of Minnesota. As modernization efforts have slowed, dependency on these important legacy systems has continued, despite decreasing available funding. Staffing has been reduced by 60% over the last 5 years, yet the number of changes required continues to grow. Additional staffing is needed to continue to keep the systems viable for the next 5-10 years and replace staff as they retire.

Increasing staffing levels will ensure the following critical work is performed:

- Software upgrades, monitoring, applying security patches, batch support, documentation and security diagrams.
- Projects and system change requests will be completed in a timely manner and reduce resource contention for critical efforts.
- MAXIS reporting position for WEBI and Tableau tools

This includes 8 permanent FTEs for the department who will provide subject matter expertise and complete user acceptance testing to ensure long term sustainability for MAXIS, MEC<sup>2</sup> and PRISM. The state share of the cost for the system is \$2.1 million from FY2024 through FY2026.

- SSIS Sustainability

Funding is needed to sustain SSIS until it can be modernized, and to address the SSIS Performance and Sustainability Workgroup Recommendations that resulted from the work of the Minnesota Association of County Social Service Administrations (MACSSA). This funding will ensure significant improvements in the performance of SSIS for county and tribal workers.

The total cost of this proposal is \$1 million in FY2024. The state share would be \$520,000 (52%).

**Strategy 2: Implement Innovative, Modern Solutions**

This strategy builds on existing innovative work using three different processes:

- Child support modernization

This proposal invests in modernizing the child support system, which is used by approximately 1,500 county staff and serves 324,000 parents and 226,000 children. The approach to systems modernization includes moving from an unsustainable legacy platform and programming language to a newer language (such as Java or .net) and enhancing user experience. The first process is refactoring, which converts older code into a modern programming language, which requires minimal staffing. Refactoring would result in updated screens for county child support workers, making PRISM easier to navigate.

The second process is replatforming which moves the child support system off the mainframe into a modern web-based environment. This approach was found to be the least costly option identified by the federal Office of Child Support Enforcement (OCSE) and has been successfully used by other states. It has the added advantage that the department would not need to complete a feasibility study or apply for system recertification, which are both lengthy processes.

The third process involves transformation of the participant portal following replatforming and refactoring, to increase the capacity to update information for the participant, which was widely identified as a desired improvement by focus groups, surveys, and staff. This will be achieved through an off-the-shelf product, which fits into the State's "Rent, buy, build" model. Transformation could also result in more flexible payment options, and an easier process for requesting modifications to orders.

This request takes an incremental approach. The three processes are expected to be completed by FY 2026 after which the department would seek ongoing funding to enhance case management functions and automate business functions which would lead to increased efficiency.

The total MNIT cost for this provision is \$23.3 million in FY2024-25 and \$18 million in FY2026-27. Federal matching funds will cover 66% of this cost. The state share is \$7.939 million in FY2024-FY2025 and \$6.12 million in FY2026-2027. Additionally, DHS will hire one permanent FTE to support this work, at a total cost of \$286,000 in FY 2024-25 and \$306,000 in FY 2026-27. State share for this FTE will be \$97,000 in FY2024-2025 and \$104,000 in FY 2026-2027.

- SSIS Review

The amount of data entry, functionality and data storage requirements added to the SSIS system over time have overwhelmed the capacity of the system. In addition SSIS has not adapted to a mobile or remote workforce. The result is that system performance has become inconsistent and sub-standard, creating a significant barrier to effectively serving the needs of families. Common problems experienced by social workers from across the state include repeated outages, system crashes, and missing or unsaved data. Poor SSIS functionality has become an urgent problem. At this time, we are faced with two challenges:

1. Address existing urgent problems in the current SSIS system
  - a. Burdensome or unnecessary data entry requirements necessary as implemented by DHS Policy changes over the years
  - b. Technical problems that may require changes in the application, the supporting software and hardware, as well as infrastructure at the state and county levels.
2. Determine the best platform for a modernized system that best serves social workers and families.

This proposal would pay for an independent consultant to do a thorough examination of the existing system. The consultant would use their experience in Enterprise Architecture, Agile methodologies, and user-centered design to help improve how the department and local agencies are doing our work. The department would work with a consultant who can help determine a platform for future development and determine if MNIT has the existing capacity to do that work or if a customizable off-the-shelf (COTS) product would be a better option to replace SSIS.

The cost of this provision is \$1 million in FY2024 and \$1 million in FY2025.

- Child Welfare Data Integration and Exchange

In 2018, the department declared to the federal Administration of Children and Families that it would comply with new regulations for the Social Services Information System (SSIS), the technology system that provides child welfare case management. These federal requirements are known as Comprehensive Child Welfare Information System (CCWIS) requirements. The Department has made some progress toward implementing the new standards. The next steps include investment in data sharing and integration along with user support and training.

Specifically, we will implement cross-agency data sharing to promote comprehensive and coordinated child welfare services across agencies/departments to improve outcomes for children, adults and families in Minnesota. This proposal will create bi-directional data exchanges with the Minnesota Department of Education and Minnesota Judicial Branch, as well as an improved exchange with the Medicaid Management Information System (MMIS). This will result in the reduction of duplicate or unnecessary data entry (including entry of the same or similar data in multiple data systems, e.g., SSIS, MNCIS, or MDE applications). We will also plan and operationalize a process for data collaboration and exchange with child welfare contributing agencies (CWCAs). CWCAs are public or private agencies that, through contract, provide child abuse and neglect investigations, out-of-home placements or child welfare case management.

These improvements, along with increased support for users and quality assurance, will not only improve the system today, but will also pave the way for future modernization of SSIS.

The cost for this proposal is \$573,000 annually in FY2024 through FY2026. Starting in FY 2027, the cost is \$115,000 per year to maintain the changes. Federal matching funds will pay 48% of the cost. The state share is \$596,000 in FY2024-2025 and \$358,000 in FY2026-2027. In addition, this proposal includes 9 permanent FTEs for the department to implement needed changes and provide user support. The total cost of these positions is \$1.1 million in FY2024 and \$1.2 million in FY2025 and on. The state share of these positions will be \$1.4 million in FY2024-2025 and \$1.5 million in FY2026-2027.

- Improved Communication

The department will develop an enterprise approach to communicating with program participants through electronic channels, such as secure e-mail, texting, chat, and client portals. In addition, this proposal will fund improvements to notices, including implementing plain language practices to help people understand what actions have been taken with their case and what steps they may need to take. This proposal will also improve our technology so that notices are easier to update as appropriate. This proposal leverages previous and current work related to texting and notices to ensure that we continue to deliver improvements in communication in a way that is aligned across department programs.

The total cost includes \$7 million dollars for notice improvement and \$4.5 million to add texting options in FY2024 in systems costs. The cost is \$875,000 in FY2025 and ongoing. The general fund will pay a share of these costs depending on system, outlined in the fiscal detail below. The state share will be \$6.4 million in FY2024-2025 and \$815 thousand in FY2026-2027. The cost includes 2 temporary FTEs for the department to implement needed changes and provide user support beginning in FY2024 and ending in FY2027. Additionally, FTEs responsible for reducing the MAXIS/MEC2 backlog will also support this transition.

### **Strategy 3: Identify Next Steps**

This strategy provides staff to analyze next steps toward sustainable technology that improves the experience of children and families in Minnesota while enhancing program integrity and reducing the burden on workers. Over the next two years, the department will also identify concrete next steps to build on the items in this proposal to

continue making progress towards modern, sustainable technology. This strategy includes funding for community engagement and staff training.

The cost for this provision is \$1.2 million in FY2024 and \$1.4 million per year thereafter. This investment supports 6 permanent FTE for Business Integration Division (five of which are existing employees) to coordinate planning and implementation of future Children and Family Administration systems work, and to act as business project managers for components of the proposal and 2 permanent FTE for Change Management and Evaluation staff (DHS Operations) to provide strategies to ensure that staff are prepared for service delivery transformation and to measure progress toward expected results.

### **Impact on Children and Families:**

This proposal builds on stakeholder feedback on how best to improve the experience for children and families who participate in human services programs and addresses key program integrity issues that will result in both an improved experience for families and workers and improved accuracy. For example:

- Tackling the MAXIS/MEC2 backlog will help address the SNAP error rate, which has been cited by the Office of the Legislative Auditor and the United States Department of Agriculture. Reducing the error rate is better for families, who by federal law must repay SNAP overpayments.
- Expanding methods of communication will meet families where they are. In a survey of participants from a recent Child Support texting pilot program, 81 percent of respondents stated that they would like to continue to receive information by text message, and 73 percent indicated that they would like to receive more information via text message than they did during the pilot.
- Modernization of the Child Support system will enable functionality that families have been asking for, such as additional payment and self-service options.
- Data from a recent report from the Wilder Research report indicates that people prefer to communicate in mobile-friendly ways.
- Families who are involved with child welfare programs will benefit from the bidirectional data exchanges with the Minnesota Department of Education and State Juvenile Court system, resulting in expedited services, supports, and secure information sharing between state agencies and counties/tribes; eliminating redundant activities and data entry and increasing caseworker time with individuals and families being served.

### **Equity and Inclusion:**

This proposal will help the department reduce or eliminate inequities in several ways.

Child Support: Recently, the Child Support Division worked with counties to engage in a few pilot projects that take a more collaborative approach to enforcement, including using more digital ways to communicate with participants and proactively contacting parents who are in arrears before suspending their driver's license. Moving the system off the mainframe and enhancing the user portal will allow for some of these changes to take place, many of which would be difficult to implement using our current system. The collaborative approaches to enforcement will target inequities in the child support program.

An example of this would be disproportionality in child support enforcement caseloads. For example, we have found that among those who enter the process for their driver's license to be suspended, 18% of white individuals end up having their license suspended, but that rate is much higher for African Americans (32%), American Indians (42%) and Hispanics (22%). The program has been pivoting to an approach that considers the whole needs of the family and tries to remedy this inequity and is currently working with several counties on a pilot program to develop remedies to driver's license suspension in concert with the family. However, our current system does not lend itself to a customized case management approach, which makes it difficult to implement these types of solutions on a wider scale or without significant manual work in the system.

Child Welfare: Improved data sharing and data quality will allow us to better understand and monitor where inequities and disproportionate recommendations exist.

Improved Communication: Our inability to communicate electronically with recipients disproportionately impacts those who are in transition. Expanding texting and implementing standards across the agency would allow us to more efficiently reach recipients via text message. For those who do still receive the paper notices, the notice improvements will lead to easier to understand and more actionable notices for recipients.

Planning and Engagement: This intentional planning step allows us to do the necessary engagement and analysis to determine what the next best steps are for improving our technology and systems to meet the needs of children and families in Minnesota.

## **Impacts to Counties:**

### ***Strategy 1: Stabilize Legacy Systems***

Our eligibility systems are already difficult for county workers to learn to use, and the number of manual workarounds currently in place adds to that challenge. Eliminating those workarounds will reduce that burden. The SSIS sustainability component specifically addresses county concerns about technical problems and performance issues.

### ***Strategy 2: Implement Innovative, Modern Solutions***

Child Support Modernization: Counties have been asking for modernization for more than 15 years. CSD engaged counties in a process improvement study completed by Deloitte in 2009. That study engaged county stakeholders. CSD has several established ways to interact with counties including a County Advisory Board.

Child Welfare Data Integration and Exchange: Counties continue to ask for better data sharing and integration. This proposal allows for increased data integration in order to serve children and families better on a case-by-case basis and more broadly as the integrated data allows the state to identify trends and monitor outcomes.

Improved Communication: Improved notices will lead to clearer information for recipients and fewer calls to county workers with questions about notices. Developing a strategy and standards for text messaging will benefit counties who would like to implement a similar solution.

### ***Strategy 3: Identify Next Steps***

Counties would be an important part of the planning process. They have indicated a desire to co-create solutions and proposals with the department, and this proposal provides additional state resources to ensure that this engagement can occur.

## **Impacts to Tribes:**

These proposals benefit the tribes that use each system. In each case, some tribes may use a particular system, while others may not.

### ***Strategy 1: Stabilize Legacy Systems (MAXIS/MEC<sup>2</sup>)***

Our eligibility systems are already difficult for workers from tribal nations to learn to use, and the number of manual workarounds currently in place adds to that challenge. Eliminating those workarounds will reduce that burden.

### ***Strategy 2: Implement Innovative, Modern Solutions***

Child Support modernization: Workers will benefit from the modernized functionality for child support case management.

Child Welfare Data Integration and Exchange: Tribes will see benefits similar to the county benefits described above: more holistic, person-centered data to serve families better and identify broader trends. In addition, the department will ensure that any potential changes to the use of data from the tribes will be discussed with tribes well in advance.

Improved Communication: Any member of a tribal nation who receives benefits through a department program will benefit from improved communication methods and notices that are easier to understand and act upon, which will lead to less confusion for workers.

### **Strategy 3: Identify Next Steps**

In identifying next steps to serve children and families better with improved technology, it is important that we engage and consult with tribal nations from the beginning. The department will work with tribal nations and the Office of Indian Policy to identify the best methods to authentically engage with tribes in the ways that work best for them.

#### **Results:**

#### **Strategy 1: Stabilize Legacy Systems (MAXIS/MEC<sup>2</sup>)**

Quantity: The department and MNIT are currently in the process of reorganizing the way we track systems work. This will allow us to measure the list of current items that need attention (referred to as the “backlog”) to understand the current state of the backlog. The resources funded by this proposal should lead to a significant reduction of the backlog over the next two years.

Quality: The new governance processes referenced above will lead to a prioritized list of the work. We should see that the top priority work is completed in a timely manner (relative to effective dates and MNIT’s initial level of effort estimates).

Results: This strategy should contribute to decreased negative audit findings and improved customer service (measures to be established). An example of a current finding that should be improved as a result of this effort is the SNAP error rate.

#### **Strategy 2: Implement Innovative, Modern Solutions**

Quantity: PRISM will be refactored and replatformed with an acceptable level of stability.

The department will achieve initial CCWIS compliance and will therefore retain our higher federal reimbursement rate. Without CCWIS compliance, SSIS will lose \$1.2 million per year in federal reimbursement.

The department will have standards for texting recipients.

Notices from the MAXIS/MEC2 programs will federal standards as well as department accessibility standards.

#### Quality:

Child support program’s quadrennial survey will show improved customer service as a result of the changes to PRISM.

Child welfare data will improve under the data quality plan submitted to the Administration for Children and Families.



The department will expand text messaging capability beyond its current use. Standards and technology will be applied consistently across programs (specific measures to be established with standards).

Notices from the MAXIS/MEC2 programs will be easier to understand, as established during SNAP technical assistance (additional measures to be determined).

Results:

The child support program will be able to implement the flexible enforcement measures to reduce disproportionality in the program.

Agencies that collaborate to support child welfare will have access to the data they need to serve families better. This will result in more person-centered services and less duplicate data entry.

As a result of expanded text messaging capability, families will report that they have better access to the information they need about their services (measures to be established).

Improved notices and texting opportunities will lead to fewer questions asked of counties about what action is needed on their cases. Some counties will have data about the number and type of phone calls received. Qualitative research will also be needed.

**Strategy 3: Identify Next Steps**

Quantity: The department will have an actionable plan for the next phase of systems improvements. Stakeholders will have provided input to the plan at key stages throughout plan development.

Quality: The department action items will align with agency strategies around technology enhancements

Results: The department will have a clear and actionable plan for the next phase of systems improvements that build upon demonstrable results from the work in this proposal.

**IT Related Proposals:**

<i>Category</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
<b>Total</b>						
MNIT FTEs	17	17	17	17		
Agency FTEs	27	27	27	27		

**Fiscal Detail:**

Net Impact by Fund (dollars in thousands)			FY 24	FY 25	FY 24-25	FY 26	FY 27	FY 26-27
General Fund			15,326	10,810	26,136	8,635	6,263	14,898
HCAF					-			-
Federal TANF					-			-
Other Fund					-			-
<b>Total All Funds</b>			<b>15,326</b>	<b>10,810</b>	<b>26,136</b>	<b>8,635</b>	<b>6,263</b>	<b>14,898</b>
Fund	BACT#	Description	FY 24	FY 25	FY 24-25	FY 26	FY 27	FY 26-27
GF	11	MAXIS & MEC2 Backlog @ 55% state share	1,198	1,198	2,396	1,198	-	1,198
GF	12	MAXIS & MEC2 Improvements - Children and Families DHS Staff (6 FTE)	813	942	1,755	942	942	1,884
GF	15	MAXIS & MEC2 Backlog - BHDH Staff (2 FTE)	265	306	571	306	306	612
GF	11	SSIS Sustainability @ 52% state share	520					
GF	11	PRISM Sustainability @ 34% state share	306	306	612	306		
GF	11	MAXIS and MEC2 Sustainability @ 55% state share	413	413	825	413		413
GF	11	Child Support modernization (PRISM) @ 34% state share	3,383	4,556	7,939	3,060	3,060	6,120
GF	12	Child Support modernization 1 DHS FTE	133	153	286	153	153	306
GF	12	SSIS Review (PT Contract)	1,000	1,000	2,000			-
GF	11	SSIS Child Family Data Integration Exchange SSIS cost @ 52% state share	298	298	596	298	60	358
GF	12	SSIS Child Family Data Integration Exchange, Children and Families Staff (9 FTEs)	1,063	1,228	2,291	1,228	1,228	2,456
GF	11	Improved Communication (Notices) MAXIS @ 55% state share	3,850	-	3,850			-
GF	11	Improved Communication (Texting), MAXIS, MEC2 @ 55% state share	281	56	338	56	56	113
GF	11	Improved Communication (Texting), METS @ 38% state share	1,068	213	1,281	214	214	427
GF	11	Improved Communication (Texting), PRISM @ 34% state share	187	37	224	37	37	75
GF	11	Improved Communication (Texting), non-state systems	601	100	702	100	100	201
GF	12	Improved communication (Texting and notices) Children and Family Services (2 FTE)	274	318	592	318		318
GF	12	Change management, Children and Family Services (6 FTE)	905	1,065	1,970	1,065	1,065	2,130
GF	11	Change management, Children and Family Services (2 FTE)	283	330	613	330	330	660
GF	REV	FFP @ 32%	(1,515)	(1,709)	(3,225)	(1,389)	(1,288)	(2,677)
<b>Requested FTE's</b>								
Fund	BACT#	Description	FY 24	FY 25	FY 24-25	FY 26	FY 27	FY 26-27
GF			27	27	27	27	25	25

## Human Services

### FY 2024-25 Biennial Budget Change Item

#### Change Item Title: Community Resource Centers

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,388	13,644	17,000	17,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,388	13,644	17,000	17,000
<b>FTEs</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

#### Recommendation:

The Governor recommends \$15 million in FY2024-25 and \$34 million in FY2026-27 from the general fund to implement a network of sustainable Community Resource Centers to promote family and community well-being. Families who have what they need are less likely to experience the child protection system and/or other deep-end service systems. Community Resource Centers have three primary goals aimed at improving child and family well-being:

1. **Make it easier for families to get what they need.** Develop physical and virtual access points for families that support relationship-based, culturally appropriate program/service navigation and/or case management.
2. **Increase access to services.** Partner with the state in using tools for program/service navigation: Help Me Connect, MNBenefits and Children Defense Fund – MN’s Bridge to Benefits; case/data management tools and work to increase service infrastructure where necessary.
3. **Grow community engagement and feedback loops.** Identify and execute feedback loops with community organizations to better support families, remove policy barriers; and build community capacity to better serve families.

Statewide family and community engagement over the past 3 years has indicated that families want more accessibility to supportive programming and concrete supports. Preschool Development Grant (PDG) Community Resource Hubs were created using time-limited federal grant funding with that accessibility in mind. This proposal works to build upon the successes of the PDG Community Resource Hubs, Full Service Community Schools, Family Resource Centers, Community Action Agencies, and more. It aims to serve more families and communities across the state – especially families and communities furthest from opportunity due to race/ethnicity, income, and geography and drive for improved family and community well-being outcomes.

#### Rationale/Background:

Poverty and economic insecurity continue to create adverse environments and experiences for children and families across Minnesota – including, but not limited to, neglect and maltreatment. Economic, social and environmental factors – including structural racism, historical trauma, and adversity ensure that not everyone has access to the conditions and opportunities that support and promote child and family well-being.

Extensive community engagement across the state indicates that families feel that they do not have access to programs and services that promote economic stability and family well-being. This is especially true for families who live in communities with fewer protective factors.

Protective factors are conditions or attributes in individuals, families, and communities that promote the health and well-being of children and families and support families during times of stress. When there are ample protective factors at the family and community level, children and families are more likely to experience healthy functioning and positive short and long-term health and well-being outcomes.

At the family level, protective factors may include (all with regard to the race, ethnicity, and culture of the family):<sup>1</sup>

- Concrete supports for parents
- Nurturing and attachment
- Knowledge of parenting
- Parental resilience
- Social connections

At the community level, protective factors may include (all with regard to the race, ethnicity, and culture of the community):<sup>2</sup>

- Availability of economic and financial help
- Availability and access to medical care and mental health
- Availability and access to safe, stable housing
- Availability and access to nurturing and safe childcare and pre-kindergarten
- Availability and access to after school programs and activities
- Availability and access to family friendly work opportunities
- Partnerships between community and business, health care, government and other sectors
- Availability and access to social connectedness and community involvement
- Communities where violence is not tolerated or accepted

Research from Chapin Hall at the University of Chicago suggests that family economic stability and concrete supports are a best first step in promoting child and family well-being and family protective factors and preventing involvement in the child protection system.<sup>3</sup> Based on population estimates and data collected through SSIS, during 2021, American Indian children are about 4-5x more likely than white children to be reported to the child protection system. Children identified as two or more races are about 4x as likely and Black children are about 2x as likely to be reported to child protection. Creating a network of Community Resource Centers are a documented way to support family and community protective factors over time and reduce child welfare system involvement.<sup>4</sup>

Design and access points for programs and services are less accessible to some families than others. Data collected from current PDG Community Resource Hubs indicates that families are requesting access to economic stability programs at a higher rate than any other programs. Services most asked for by families include financial assistance, health care, food, housing, childcare access, and employment services.

Intended results for the proposal include families having culturally responsive access to critical programs and services that promote family economic stability and well-being and prevent child welfare system involvement.

**Proposal:**

This proposal establishes and funds a network of Community Resource Centers that will offer culturally responsive, relationship based service navigation and concrete supports as well as other community driven programs and services that create protective factors and support family well-being. This proposal builds on the

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<sup>1</sup> [Protective Factors to Promote Well Being and Prevent Child Abuse and Neglect](#)

<sup>2</sup> [CDC Risk and Protective Factors](#)

<sup>3</sup> [Addressing Economic Hardship Key to Preventing Child Welfare System Involvement](#)

<sup>4</sup> [Do Family Support Centers Reduce Maltreatment Investigations? Evidence from Allegheny County](#)

work of several existing efforts, including but not limited to: PDG Community Resource Hubs; Full Service Community Schools; Family Resource Centers; Community Action Agencies; Parent Support and Outreach Program; MN Benefits; and Help Me Connect.

Community Resource Center grants will be available to a broad array of entities including but not limited to: community-based agencies, local governments, Tribal Nations, counties, school districts, community action agencies, and collaboratives including one or more mentioned entity. Entities are encouraged to engage in community planning that includes the following partners to ensure viable referral networks, partnership, co-creation, and community needs are met:

- Parents and families with lived experience (families that have or are using state, county, Tribal social services, public health services, education services or previous involvement in the child welfare system)
- Community based service providers
- Community Action Agencies
- School districts
- County social services
- Local public health
- Local government
- Local law enforcement
- Existing family services or mental health collaboratives
- Local food shelves/banks
- Regional hospitals or clinics

Interested Tribal Nation grantees will self-determine planning partners and engage in community planning as benefits them.

Grantees will provide for the following: relationship-based, culturally responsive service navigation including referrals and follow up; eligibility inquiries; application support; cultural practices related to well-being and light case management for families when appropriate; concrete supports; and robust family and community engagement and feedback loops to determine additional service array. Grantees will form or use an existing parent advisory counsel to guide the work of the grantees. Entities may apply for planning or implementation awards. Awarded grantees will provide a minimum 10% award match.

Infrastructure to support network includes providing training on navigation tools and professional development; communities of practice and networking; research and evaluation; IT support; grant management and planning and interagency support.

DHS will also form an advisory counsel to do the following: advise the commissioner on the development of the request for proposals for community resource center grants; consider how to build on the capacity of communities to promote child and family well-being and address social determinants of healthy child development; review responses to requests for proposals and advise the commissioner on the selection of grantees and grant awards, advise the commissioner in the development of outcomes, ongoing oversight and necessary support in the implementation of the program. The advisory counsel will include up to 14 individuals including parents, DHS staff, Tribes, counties, community based organizations and with demographic and geographic diversity.

#### Use of funds

This proposal assumes serving approximately 60,000 families and their communities per year.

- Planning and implementation grants of up to \$300,000 per grantee
- A community of practice and community engagement activities
- Training and conference support

- Mental health consultation with grantees
- Research and evaluation
- Advisory council facilitation
- Case management platform licensing

The proposal would be fully implemented in FY2025 with planning occurring in FY2024. The funds will support 10 FTE, including:

- 1.0 FTE Community Resource Center Lead 17L
- 1.0 FTE Community Resource Center Consultant 14L
- 1.0 FTE Community Resource Center Concrete Support Specialist 14L
- 1.0 FTE Community Resource Center Operations Specialist 14L
- 1.0 FTE Community Resource Center Indigenous Liaison 17L
- 1.0 FTE Mental Health Consultation Coordinator 17L
- 1.0 FTE Information Technology Spec 4
- 1.0 FTE Information Technology Spec 5
- .5 FTE DHS Financial Operations 14L
- .5 FTE Department of Education Liaison/TA Specialist 14L
- .5 FTE Department of Health Liaison/HMC and TA Specialist 14L
- .5 FTE Department of Management and Budget Children’s Cabinet Liaison 14L

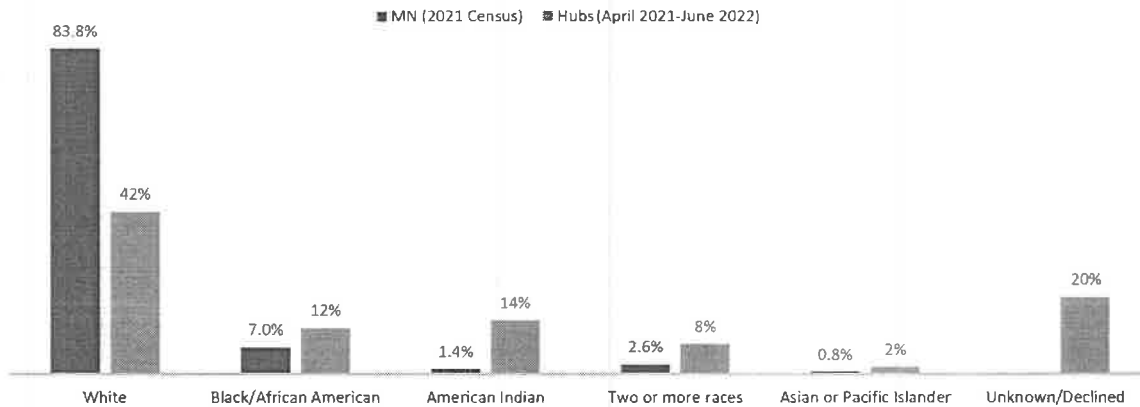
**Impact on Children and Families:**

Families accessing services and concrete supports promotes family protective factors. This proposal provides solutions for the development of community and family protective factors through creating more access for more families to programs and services at the community level – making it easier for families to get what they need to achieve economic stability and well-being. Family economic stability and well-being is associated with lower rates of child welfare involvement and neglect reporting. Other outcomes may involve school readiness and school success; child development and growth; community violence; community economic stability; and more.

**Equity and Inclusion:**

Black, Indigenous, and Families of Color have historically been overrepresented within the child welfare system starting with the reporting process. Engagement and feedback loops with families and communities experiencing inequities due to race/ethnicity, income, and geography indicate families do not feel safe in stepping into county buildings to ask for support. The PDG Needs Assessment and Strategic plan as well as the Thriving Families Safer Children priorities are focused on increasing access to services in a culturally responsive and inclusive way through Community Resource Centers. Initial pilot data from the PDG Community Resource Hubs indicate that Hubs are serving a greater percentage of African American families and Indigenous families than their respective populations in the state.

Community Resource Hubs have served a greater percentage of Black/African American Families and Indigenous families than their respective populations in the state



As with the current PDG Community Resource Hubs, the proposed network will focus on promoting well-being for communities and families furthest from opportunity due to race/ethnicity; income; and geography through increased access to economic supports and critical services and seeks to reduce the disproportionality of Black, Indigenous, and Families of Color involved in the child welfare system. Additionally, ensuring grants go first to communities that are furthest from opportunity due to race/ethnicity, income, and geography moves toward less disproportionality within the child welfare system.

**Tribal Consultation:**

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Tribal nations and urban tribal entities would be eligible for Community Resource Center grants. Tribes participating in the American Indian Child Welfare Initiative (Initiative) could see similar reductions in family involvement in child welfare systems. Serving the Indigenous/American Indian population through Community Resource Centers, including trauma informed, relationship based, culturally responsive service navigation and provision could also result in lower rates of disproportionality within the child welfare continuum.

**Impacts to Counties:**

The department has worked in collaboration with many partners including MACSSA to develop this proposal. County partners believe Community Resource Centers and similar models will broadly reduce entry into the child welfare system and eventual out of home placement.

Implementing Community Resource Centers creates more options for referral and supports for families who counties don't believe belong in the child welfare system yet need critical supports to promote well-being. In particular, county administrators and advocates note similar models as critical resources in meeting the needs of families at risk of entry into the child welfare system due to educational neglect and other related neglect allegations.

**IT Costs:**

Costs include purchase and implementation of case management platform and annual product licensing for each Community Resource Center and any site partners each grantee may have.

Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Payroll	317,199	317,199	317,199	317,199	317,199	317,199
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software	600,000 Purchase case mgmnt. platform	299,250 Product licensing	299,250 Product licensing	299,250 Product licensing	299,250 Product licensing	299,250 Product licensing
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
<b>Total</b>	<b>917,199</b>	<b>616,449</b>	<b>616,449</b>	<b>616,449</b>	<b>616,449</b>	<b>616,449</b>
MNIT FTEs	2	2	2	2	2	2
Agency FTEs						

**Fiscal Detail:**

Net Impact by Fund (dollars in thousands)			FY 24	FY 25	FY 24-25	FY 26	FY 27	FY 27-28
General Fund			1,388	13,644	15,032	17,000	17,000	34,000
HCAF					-			-
Federal TANF					-			-
Other Fund					-			-
<b>Total All Funds</b>			<b>1,388</b>	<b>13,644</b>	<b>15,032</b>	<b>17,000</b>	<b>17,000</b>	<b>34,000</b>
Fund	BACT#	Description	FY 24	FY 25	FY 24-25	FY 26	FY 27	FY 27-28
GF	45	Grants to community resource centers		11,250	11,250	14,528	14,528	29,056
GF	12	Community of practice engagement		200	200	200	200	400
GF	12	Training and conference support		250	250	250	250	500
GF	12	Mental health consultation for grantees		600	600	600	600	1,200
GF	12	Research and evaluation	37	37	74	150	150	300
GF	12	Advisory council facilitation and compensation		64	64	65	65	130
GF	12	Case management platform	600	299	899	299	299	598
GF	12	Children and Family Admin (8)	1,087	1,260	2,347	1,260	1,260	2,520
GF	11	MNIT Admin (2 FTE)	317	317	634	317	317	634
GF	REV1	Admin FFP @ 32%	(653)	(633)	(1,286)	(669)	(669)	(1,338)
<b>Requested FTE's</b>								
Fund	BACT#	Description	FY 24	FY 25	FY 24-25	FY 26	FY 27	FY 27-28
		Children and Family Admin (8)	8	8	8	8	8	8



**Results:**

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of families served		9607 families	April 2021- September 2022
Quality	Number of Referrals/Successful referrals*		6357/4189	April 2021- March 2022
Results	Eventual community and family protective factor outcomes			

\*Multiple barriers for referral success including lack of available service in the geographic area ie transportation, mental health care, child care, and more.

*Evidence base and evaluation*

There is nationally collected evidence that promotion of economic stability and well-being through protective factors at the family and community level provide for lower rates of families entering the child welfare system as well as other broad educational and health outcomes as noted elsewhere in this proposal. See the PDG [Community Resource Hub Interim Report](#) for further information on Community Resource Hubs. As well, similar models such as Family Resource Centers have been found to increase protective factors and prevent child maltreatment. Similar models have also demonstrated cost savings.

While results of the Community Resource Hub model have been positive any expansion would require the development of outcomes and corresponding measures. Using the protective factor survey PFS/PFS2 (developed and validated by FRIENDS National Center in collaboration with the University of Kansas Institute for Educational Research and Public Service and can be found on the California Clearinghouse on Evidence Based Practices). The PFS/PFS2 utilize a pre and post test to measure family protective factors. This coupled with other community based tools would also contribute to continued quality improvement efforts.

**Note:** The U.S. Department of the Treasury requires activities funded with ARPA State and Local Recovery Funds to report on whether the services delivered are evidence-based. Recipients are exempt from reporting on evidence-based interventions in cases where they conduct an evaluation, in particular, one that can assess the causal impact of a program.

**Statutory Change(s):**

This proposal requires a new statute to establish Community Resource Centers.

## Human Services

### FY 2024-25 Biennial Budget Change Item

#### Change Item Title: Preserving American Indian Families

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	5,988	6,242	6,477	5,949
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	5,988	6,242	6,477	5,949
FTEs	14	14	14	11

#### Recommendation:

The Governor recommends investing \$12.2 million in FY 2024-25 and \$12.4 million in FY 2026-27 for the expansion of the American Indian Well-Being Unit (AIW) at the Department of Human Services (DHS), and to increase Indian Child Welfare grants to tribes and urban Indian agencies.

Capacity is needed for the AIW Unit to effectively address the alarming rates of American Indian children entering Minnesota's child welfare system. Additional staff are needed to:

- Develop and expand culturally-based prevention services for American Indian children and families
- Ensure the department has capacity to manage Indian child welfare program grants in accordance with statutory requirements
- Provide legal expertise, navigation and guidance on tribal/county jurisdictional issues, function as American Indian liaison between the judicial branch and department, and provide and/or coordinate judicial training and technical assistance to Children's Justice Initiative team, county and tribal attorney/judges policies, practices impacting American Indian children
- Respond to requests for case consultation to counties in timely technical assistance for improving outcomes of American Indian children and families, and implement regional mapping sessions intended to better understand deficits and create a community engagement model that can be utilized to build and maintain authentic, genuine relationships strengthening tribal/county partnerships
- Develop culturally-based responses and supportive policies to respond to sex trafficking and sexual exploitation of American Indian children and youth
- Convene and facilitate a workgroup to update the Tribal/State Agreement (TSA) for Indian child welfare
- Clear a multi-year backlog of practice and compliance complaints regarding county compliance with federal and state requirements involving American Indian children in the child protection system.

This proposal also recommends increasing the Indian Child Welfare grants (ICW)<sup>1</sup> by \$4 million.

#### Rationale/Background:

##### Indian Children in the Child Protection System

American Indian and Alaska Native children, families and tribes endured multiple generations of family separation at the hands of federal, state and local governments. In the 1970s, studies revealed that 25 percent to 35 percent of Indian children were being removed from their homes, with 85 percent of those children placed in foster care

<sup>1</sup> See: [Minn. Stat. § 260.785](#)

away from their families and communities, even when fit and willing relatives were available.<sup>2</sup> Today, compared to white children, American Indian children experience a higher rate of involvement in the child welfare system. According to 2020 Minnesota child welfare data,<sup>3</sup> American Indian children:

- Have the highest rates of contact with Minnesota’s child protection system.
- Are about five times more likely to be reported as abused or neglected than white children.
- Are 16.4 times more likely to experience foster care than white children.

Even though both state and federal laws have been enacted to address the rates at which Indian children are removed from their homes, data continues to show that Indian children are disproportionately overrepresented in the Minnesota child welfare system. Several contributing factors for ongoing disproportionality are: 1) failure to understand and correctly implement federal/state requirements and best practices, 2) lack of strategies to systematically address and reduce biases and, 3) the AIW unit’s limited bandwidth to routinely provide guidance, consultation and supports to the multitude of systems delivering child welfare services impacting American Indian children and families.

This proposal would fund staff to develop collaborative strategies to address the long-standing chronic disproportionality for American Indian families by providing a culturally specific continuum of services in prevention and family preservation, foster care, adolescent services, adoption, kinship, and continuous quality improvement programs.

#### American Indian Child Welfare Prevention Consultants

The AIW Unit needs prevention-oriented staff to more robustly expand the department’s prevention, preservation and early intervention work with American Indian families and tribes to meet the requirements of government-to-government consultation.<sup>4</sup> Currently, only one FTE is assigned to these tasks, which is inadequate and limits the department’s ability to do this work. Additional capacity is needed to help local social services agencies in accessing the support services available, identify and meet training needs, provide case consultation and cultural guidance on prevention best practices, and deliver technical assistance designed to prevent out of home placement with an emphasis on American Indian communities. This new FTE will help the state advance prevention efforts in the American Indian community that may eventually be eligible for federal Title IV-E reimbursement.

#### Indian Child Welfare Grants Management

In 1999, the legislature appropriated \$1.482 million through the Indian child welfare (ICW) grants to tribes, Indian organizations, or tribal social service agency programs located off-reservation. This funding assists programs that serve Indian children and their families to provide primary support services for child welfare programs; placement, prevention and family reunification services; and crisis intervention to promote family preservation through access and connectivity of culturally appropriate services. These resources are vital in advocating for Indian families who are impacted by county social services agencies’ child welfare work and/or judicial court proceedings. There are three specific primary funding sources: Indian child welfare primary grants, special focus grants, and legal support services. Grant funding does not include administrative costs for grants management.

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<sup>2</sup> For more information on the removal of Indian children from their families and tribal communities, see: [Federal Indian Boarding School Initiative Investigative Report, May 2022](#)

<sup>3</sup> See [Minnesota’s Out-of-Home Care and Permanency Report, DHS 2020](#) and [Minnesota’s Child Maltreatment Report, DHS 2020](#)

<sup>4</sup> See Minnesota Statute, chapter 14, Article 11, section 5, <https://www.revisor.mn.gov/laws/2021/1/Session+Law/Chapter/14/>

Ten tribal communities<sup>5</sup> and five Indian urban agencies<sup>6</sup> receive grant funding allocated through 21 ICW grants established in accordance with Minnesota Statutes, section 260.785.<sup>7</sup> Currently, one full-time staff is managing 10 ICW grants while assisting with the broader work of the AIW Unit and acting as liaison to the American Indian Child Welfare Advisory Council. Another full-time staff manages 11 of the tribal grants. This same staff person is responsible for responding to complaint resolutions and county/tribal disputes (see [below](#)).

Additional staff are needed to ensure the department can manage ICW grants effectively, ensure compliance with grant requirements, and provide timely consultation to grantees.

In addition, the Indian Child Welfare grants provided to tribes and urban Indian agencies have not increased since the original legislation in 1995. At the 2022 Tribal Summit, the department was asked to increase the ICW Primary Grants by \$4 million.

#### Human Trafficking – American Indian Response

American Indian children are disproportionately victims of sex trafficking or sexual exploitation. According to Social Services Information Systems (SSIS) data between June 2017 and April 2022, child welfare agencies in Minnesota received 2,335 reports of sex trafficking or sexual exploitation of children. Data indicates that there is an over-representation of children of color, in particular American Indian children, who are victims of sex trafficking or sexual exploitation. American Indian children were 6.2 times more likely than white children to be victims of sex trafficking or sexual exploitation (according to 2018 census population estimates). According to DHS data from June 2017 through April 2022, 13 percent of child victims in child protection sex trafficking or sexual exploitation investigations were Indian children (16 percent in sex trafficking investigations).

The AIW Unit needs additional staff to work collaboratively with tribal communities to develop and expand upon existing culturally based programs and resources that collaborate with tribal child welfare teams who identify and serve youth that are at risk or are being trafficked and/or exploited.

Additional staff will enable the department to develop technical assistance, provide case consultation, and design training for service providers, and state and county agencies for responding in a culturally appropriate manner to sex trafficking and sexual exploitation of American Indian children and youth.

#### Tribal State Agreement Updates

The Tribal State Agreement (TSA) is an agreement signed by the department's commissioner and the tribal chairpersons from the 11 tribal governments in Minnesota. The agreement reflects a comprehensive state-tribal agreement that reflects the working relationship between the department and each of the 11 tribes in Minnesota for the delivery of child welfare services to diminish duplicative services, and provide guidance around county/tribal relations and collaboration. The agreement outlines policies and procedures agreed to by tribes and the department, specifying the roles and duties of each in implementing child welfare services to Indian families and children.

The purpose of this agreement is to protect the long-term best interests of Indian children and their families by maintaining the integrity of tribal families, extended family and children's tribal relationships, as defined by the tribes. The concept of belonging is inherent to the best interests of Indian children; it is a reality for them only by recognizing the values and way of life of a child's tribe and supporting strengths inherent in social and cultural standards of tribal family systems. The foundation of the TSA is acknowledgement that Indian people understand

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<sup>5</sup> Minnesota tribes that receive ICW grants: Boise Forte Band of Chippewa, Fond Du Lac Reservation, Grand Portage Band of Lake Superior Chippewa, Leech Lake Band of Ojibwe, Lower Sioux Indian Community, Mille Lacs Band of Ojibwe, Prairie Island Indian Community, Red Lake Nation, Upper Sioux Community and White Earth Nation.

<sup>6</sup> Ain Dah Yung Center, ICWA Law Center, Minneapolis American Indian Center, Minnesota Women's Indian Resource Center, and Northwest Indian Community Development Center

<sup>7</sup> See: [Minn. Stat. § 260.785](#)

the needs of their children and families, and that Indian children are the future of their tribes and vital to their existence.

The commissioner and tribal chairs originally signed the TSA in 1999, with amendments made in 2007. The department and the 11 tribes agree the TSA needs to be updated. Temporary staff will be needed to coordinate the work of updating the TSA.

#### Complaints and Ongoing Technical Assistance

As a part of the TSA, the department established a process of maintaining and monitoring county practices and compliance with state and federal laws established to protect American Indian children, families and tribes involved in the child welfare system. Additionally, a process for technical assistance to local agencies to improve compliance with state and federal laws and support best practices for working with American Indian children.

Allegations of noncompliance regarding a county agency can be made by any person, agency or entity that believes noncompliance has occurred through a formal submission of a complaint. The TSA requires that complaints be responded to within three days of receipt, followed by timely research, resolution, and robust technical assistance and training to counties to prevent future noncompliance.

Prior to 2016, the department received approximately one to three complaints each year. In 2016, DHS received 16 complaints. The number of complaints has steadily increased since 2016, averaging 30 complaints per year from 2017 to the present. One staff person in the AIW Unit is charged with responding to complaints received, while also managing 11 tribal grants, providing equity policy consultation, and serving as liaison to the ICWA Advisory Council.

This inadequate staffing level has resulted in a backlog of 120 complaints made since 2017 and gaps in ongoing supports have been identified in county/tribal relations around child welfare specific issues. Additional staff are needed to fulfill these important responsibilities with providing ongoing active and real-time guidance, consultation, engagement and building upon positive county/tribal relations. Additional staff will ensure the department can fulfill its obligation to Indian families and tribes by responding efficiently and effectively to complaints through the design and implementation of a county/tribal engagement framework. Additional staff will also ensure the AIW Unit can provide robust technical assistance and case consultation to counties to improve practice and compliance when working with Indian children, improve tribal relations when there is intersectionality as well as identify gaps in training and other barriers to positive authentic, genuine relationships with tribal and county relations.

#### American Indian Well-Being Attorney

The AIW Unit does not have an attorney with specialized experience in tribal/state laws and practices when concerns or issues arise regarding placement, reunification, adoption, kinship services and well-being for American Indian children under the American Indian Child Welfare Initiative (Initiative), non-initiative, and state court jurisdiction intersectionality. An attorney with this specialization is necessary to advise the agency when developing policy, procedures, and guidance to local agencies, as well as updating statutory provisions that affect Indian children and families. The state has an obligation to engage and consult with Minnesota's Indian tribes and urban Indian communities. Specialized legal knowledge is a key element in ensuring that such engagement and consultation is authentic and grounded in a recognition of tribal sovereignty.

#### **Proposal:**

This proposal would fund nine permanent and three temporary three-year, full-time positions in the American Indian Well-Being Unit.

#### American Indian Child Welfare Prevention Consultants – 2 FTEs

Currently, the department has one prevention services consultant working specifically to address services for Indian families. This proposal provides two additional prevention services staff to partner with rural and urban tribal communities throughout the state. These staff will expand development of culturally specific prevention services to ensure that they are compliant with FFPSA prevention program requirements and are integrated with existing prevention, and family preservation efforts. These positions would strengthen our partnership with staff in Behavioral Health and Development Disabilities Divisions and would enable further support, guidance and resources to be developed around Indian children receiving voluntary services. Other concerns that could be addressed include recruitment of Indian family foster parents, guidance on family preservation, rapid consultation and technical assistance to counties, and consultation with the 11 Minnesota Tribes and urban Indian communities and agencies.

#### Indian Child Welfare Grants – 2 FTEs

Currently, the department has two FTEs assigned to manage ICW grants and fulfill other duties. This proposal provides two additional full-time AIW Unit employees to manage ICW grants, assist tribal communities and urban tribal agencies more effectively and efficiently, and ensure compliance with grant requirements. Historically, inadequate staffing has affected the American Indian Well-Being Unit's ability to execute grant contracts in a timely manner in accordance with Chapter 16A. Additional staff would enable the AIW Unit to better meet statutory timelines, deliver technical assistance to tribes more quickly, and more robustly and authentically engage with tribal nations/communities and Indian urban agencies.

This proposal includes a \$4 million increase in ICW Primary Grants.

#### Human Trafficking American Indian Response – 1 FTE

As of April 2022, the department has hired one staff through the Office of Victims grant funding working collaboratively with tribal nations and American Indian urban organizations to address the trafficking and exploitation of Indian children and youth. In order to continue and expand, this proposal establishes this as a permanent role, providing for long-term goal setting not achievable within short-term grant timelines set to end September 30, 2023. This position would create, in consultation with the Minnesota Department of Health, tribal-specific and culturally responsive child welfare policy and practice for responding to sex and labor trafficking and exploitation, as well as appropriate responses for youth missing from care which may increase the risk for trafficking and exploitation in American Indian children. This work will be specific to American Indian youth at risk of and/or experiencing trafficking and exploitation.

The department will be able to develop closer and long-term partnerships with tribal nations while collaboratively strengthening tribal child welfare agencies' ability to be responsive and collaborative with the support of a multidisciplinary team. This position will be strengthened by ongoing engagement with tribal communities as well as the American Indian Child Welfare Advisory Council. The position will also support and contribute to the ongoing work to improve communication to counties through technical assistance, guidance on culturally appropriate services available, and case consultation.

In addition, \$1,000 is needed for travel expenses each year to adequately engage with communities across the state.

#### Tribal State Agreement – 1 FTE (temporary unclassified)

Currently, the department does not have staff with capacity to manage the lengthy consultation process required to update the TSA. This proposal provides one temporary (three years) unclassified position to coordinate, facilitate, and manage workgroups for engaging tribal, county and department representatives in a process to mutually agree upon updates to the TSA, including those necessary to make the TSA consistent with 2015 legislative changes to federal and state changes.

In addition, \$1,000 is needed for travel expenses each year to adequately engage with communities across the state.

#### Complaints and Ongoing Technical Assistance – 3 FTEs + 2 FTEs (temporary unclassified)

Currently, the department has one FTE assigned part-time to respond to complaints related to how counties are providing services for American Indian families. This proposal provides three additional full-time AIW Unit employees to ensure DHS can respond to complaints, in a timely manner, offer real time case consultation and assist local county agencies in meeting federal and state requirements. These positions will also assist with relationship building and problem solving between tribes and counties; help develop and implement a change in practice to respond in a culturally appropriate manner; assist with continuous quality improvement based on best practices; and facilitate regional mapping sessions to better understand systemic challenges in meeting federal and state requirements. The work of these staff directly benefits Indian families and tribes who have submitted complaints by resolving them and assisting in the quality of county child welfare work with Indian children and families.

This proposal also provides two temporary three-year unclassified positions to respond to and eliminate the backlog of 120 complaints that have built up since 2017 due to inadequate staffing. Indian families, Tribes or agencies who have submitted a complaint at a minimum need notification and/or receive a resolution. Temporary staff would enable the AIW Unit to quickly and efficiently resolve and complete past submissions.

#### American Indian Well-being Attorney – 1 FTE

Currently, the department does not have an attorney specializing in American in law intersectionality with county/tribal practice. This proposal provides one staff attorney to represent the department on Children's Justice Initiative Indian child welfare committee work related to practice around child welfare matters impacting Indian children. This position will also lead development of standardized Initiative and non-initiative guidance for state courts, state attorneys, guardians ad litem, county social services agencies and others. Furthermore, this position would assist with direction and implementation of work with Initiative tribes on issues such as data sovereignty, review and provide guidance on written resources, manuals, bulletins, and forms specific to legal requirements, and provide legal advice on issues involving Indian children in the child protection system.

#### Operational support – 2 FTE

Additional budget and financial staff to support implementation of new initiatives, including increasing tribal consultation across the Children and Families Services administration.

#### **Impact on Children and Families:**

This proposal intends to have a direct impact on reducing the number of Indian children in out of home placement supporting county agency practice when working with American Indian children through a collaborative, non-blaming and shaming process inclusive of agencies, individuals and tribes impacted by the child welfare system. These positions would assist tribal agencies and county agencies in expanding or improving services for successful approaches or enhancement of social structures that increase family self-reliance and links with existing community resources. This will assist in keeping Indian children connected with their family and tribal community.

#### **Equity and Inclusion:**

This proposal creates an expansion of the AIW Unit so staff will be able to respond to counties, tribes, urban Indian communities and agencies, families, and others who are impacted by the social services system. Timely responses, strengthening of county/tribal relations and authentic engagement should help address inequities for Native Americans, and decrease their disproportionate overrepresentation in the Minnesota child welfare system.

**Tribal Consultation:**

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

The proposed additional positions will enable department staff to timely execute contracts, increase county and tribal supports, and foster authentic engagement with tribes and urban American Indian agencies in the AIW Unit’s ongoing efforts to provide guidance and technical assistance in meeting contract goals. This proposal will enable DHS to engage with Minnesota’s 11 tribes to update the TSA, strengthen tribal relations, and support tribes in prevention, family preservation, and other services. An updated TSA will help ensure that counties are following requirements and engaged in best practices, including providing culturally specific services to Indian families.

**Impacts to Counties:**

During AIW Unit technical assistance, county staff have repeatedly indicated that technical assistance and consultation has benefitted their ability to make changes with practice around implementation of federal and state requirement and how they work with American Indian children and families. Ensuring the AIW Unit has capacity to provide technical assistance in a timely way will better ensure counties can make changes and improve practices when working with American Indian children and tribes.

**IT Costs:**

Not applicable.

**Results:**

This proposal will better ensure the AIW Unit can meet statutory timelines for grants and provide technical assistance to grantees in a timely manner. This proposal will allow the department to respond to complaints, clear a backlog of cases, some dating back to 2017, provide real time consultation around culturally appropriate responses and ongoing technical assistance. Funding a position to coordinate updates to the TSA will result in a refreshed agreement between the department and tribal communities that incorporates current culturally based child welfare services and practices that best meet the needs of Indian children and families, and acknowledges and respects tribal jurisdictional authority and sovereignty.

**Fiscal Detail:**

Net Impact by Fund (dollars in thousands)			FY 24	FY 25	FY 24-25	FY 26	FY 27	FY 26-27
General Fund			5,988	6,242	12,230	6,477	5,949	12,426
HCAF					-			-
Federal TANF					-			-
Other Fund					-			-
<b>Total All Funds</b>			<b>5,988</b>	<b>6,242</b>	<b>12,230</b>	<b>6,477</b>	<b>5,949</b>	<b>12,426</b>
Fund	BACT#	Description	FY 24	FY 25	FY 24-25	FY 26	FY 27	FY 26-27
GF	45	Increase in ICWA Grants	4,405	4,405	8,810	4,640	4,640	9,280
GF	12	Children and Family Services Admin	2,328	2,701	5,029	2,701	1,925	4,626
GF	REV1	Admin FFP @ 32%	(745)	(864)	(1,609)	(864)	(616)	(1,480)
<b>Requested FTE's</b>								
Fund	BACT#	Description	FY 24	FY 25	FY 24-25	FY 26	FY 27	FY 26-27
			14	14		14	11	





## Human Services

### FY 2024-25 Biennial Budget Change Item

#### Change Item Title: Family Child Care Continuous Licenses

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	708	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	<b>708</b>	0	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Recommendation:

The Governor recommends implementing a continuous license process for family child care license holders to reduce redundant application requirements. This proposal has a one-time cost to the general fund of \$708 thousand in FY 2024 and will not impact the Licensing Division's base budget. This recommendation would support the infrastructure needed to transition to a continuous license, including IT systems costs. To help with this transition, the department proposes to cover initial application and annual licensing fees for family child care license holders for two years.

#### Rationale/Background:

Laws of Minnesota 2020, 1<sup>st</sup> special session, chapter 2, article 1, section 24 directed DHS to consult with license holders and county agencies to determine whether family child care licenses should automatically renew instead of requiring license holders to reapply for licensure. DHS Licensing held webinars with family child care license holders and licensors who generally supported the idea. This idea was also supported by the Family Child Care Task Force (2019-2021), which recommended that DHS develop a continuous licensing process with input from licensors and license holders.

This proposal reduces redundant application requirements for family child care license holders. Under current rule and statute, licensed family child care license holders are typically given two-year licenses. License holders have to formally reapply to extend the term of their license, which includes filling out the application again. This would streamline the licensing reapplication process and reduce the amount of time license holders and licensors spend on licensing documents. It also mirrors the process used by most other DHS-licensed services.

This proposal makes the licensing review cycle easier for family child care license holders and licensors. License holders will need to track that they completed licensing requirements in a calendar year rather than following a year aligned with their license anniversary date. This will give license holders an easy way to track when requirements such as training are due, and give them the flexibility to complete requirements at any time during the calendar year. It will also give licensors the flexibility to visit programs at different times of the year.

This proposal will increase consistency among counties. Instead of counties using different forms and processes to renew a license, all counties will use the new licensing, registration, and reporting hub to update information between licensing reviews.

**Proposal:**

After consulting with stakeholders, the Governor recommends adoption of a continuous license, or a license that automatically renews, for family child care license holders. All family child care licenses would be on a calendar year cycle (January – December) rather than expiring after one or two years. License holders would not need to complete a new license application when their old license expires, but rather they would provide updates in an online provider hub if any of their information changes. This will reduce administrative burdens for both license holders and licensors.

Annual licensing inspections would no longer align with the license holder’s license anniversary date. This means a licensor could visit a program in the summer one year and in the winter the next year. This will give licensors a better idea of a program’s compliance throughout the year, rather than during the season of their license anniversary date.

Licensing requirements would also be tied to a calendar year cycle. Licensors will review family child care programs for compliance based on the previous calendar year, not the time period between license anniversary dates. This timeline will likely be more straightforward for license holders and licensors alike.

Currently, counties collect licensing fees from family child care license holders throughout the year based on when their license expires. With a continuous license, DHS would collect licensing fees on behalf of the counties at one time of the year and then distribute the funds back to the counties. This proposal seeks one-time funding to cover family child care initial application and annual licensing fees for two years. This will give counties and license holders time to adjust to this new cycle.

**Impact on Children and Families:**

This proposal could benefit families because licensors will review programs at different times of the year and can identify health and safety concerns in different seasons. For example, a family child care program that uses a pool will need to have different safeguards in place in the summer than it does in the winter.

By reducing administrative tasks, this proposal allows license holders to focus on caring for children and planning activities to promote learning and development.

**Tribal Consultation:**

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

**Impacts to Counties:**

This proposal will impact counties in a number of ways.

- It will allow county licensors to have more flexibility in their licensing review schedules. Licensors will be able to visit a program at any time during a calendar year rather than visiting it during a time period tied to its license anniversary date.
- County licensors will need to adjust how they monitor family child care programs. Instead of looking back at the year since their license anniversary date, licensors will review the previous calendar year.
- It will impact the timeline and manner in which licensing fees are collected. DHS will collect family child care licensing fees and then distribute the funds back to the counties. This means instead of collecting fees throughout the year, the counties will need to adjust their budgets and processes to accommodate one lump sum.
- It will make family child care licensing fees consistent across counties.