



**DEPARTMENT OF CHILDREN,
YOUTH, AND FAMILIES**

**Governor Walz and Lt. Governor Flanagan
2026 Supplemental Budget**

Senate Health and Human Services Committee – March 25, 2026

Total:

FY 2026-27: \$46.7 M

FY 2028-29: \$212.3 M

- DCYF investments
 - Address impacts of federal action
 - Invest in legacy systems improvements
 - Enhances program integrity
 - Plans for improved human services delivery

SNAP: Addressing Federal Changes

Pages 2-4

Investment
FY 2027:
\$10.1 million

FY 2028-29:
\$194.1
million

Promotes
payment
accuracy,
better
training

Protects
SNAP for
440,000
Minnesotans

- **Protects SNAP for Minnesotans by paying the state share of benefits**
 - Covers federal cost shifts for SNAP benefit costs based on error rates
- **Prevents payment errors through real-time case reviews**
 - Establishes a quality assurance case review team at DCYF
- **Strengthens training for local agency workers to increase accuracy**
 - Adds more trainings, expands certified train-the-trainer pilot statewide

SNAP: Addressing Federal Changes (continued)

Pages 2-4

Investment
FY 2027:
\$10.1 million

FY 2028-29:
\$194.1
million

New tools
for
payment
accuracy

Enables MAXIS
integration
with modern
technologies

- **Consolidates and enhances policy and system manuals**
 - Supports the subscription costs for a streamlined manual with AI search functionality to increase payment accuracy, ease worker burden
- **Funds the MAXIS integration layer enabling connection to modern tools**
- **Expands income verification tools, adds a secure applicant portal**
 - Sustains DCYF's contract for income verification services, adds a new income verification tool to MNbenefits, expands access to DEED data
- **Covers lost federal reimbursement for state IT systems due to federal cuts**

Program Integrity: Enhancing Fraud Prevention and Detection

Pages 5-7

Investment
FY 2027:
\$3.3 million

FY 2028-29:
\$5.7 million

Expands state
and local
investigation
capacity

Increases
Proactive
anti-fraud
methods

- **Increases investigative capacity**
 - Adds an additional team of investigators to allow for more proactive and unannounced site visits
- **Expands data analytics**
 - Increases capacity to design and build new data pipelines and funds an end-to-end investigation case management system.
- **Increases local agency capacity**
 - Increases resources for the Fraud Prevention Investigation (FPI) grant program that support local agencies to increase their investigation capacity.
- **Requires program integrity training for providers receiving CCAP**
 - Expands training on CCAP administration requirements making the training required and enhancing the program integrity content.

Technical Funding Adjustments

Net change:
FY 2026-27:
\$0 million

FY 2028-29:
\$0 million

Shifts funds
between
originating
agencies

Adjusts
funding to
align with
legislative
intent

- **Continues alignment of funding between originating agencies and DCYF**
 - Realigns Food Shelves funding appropriation
 - Shifts \$832,000 per year from DHS to DCYF
 - Clarifies responsibility for administering child protection grant funding from the Opioid Epidemic Response Fund
 - Shifts \$321,000 per year from DHS to DCYF
 - Shifts preschool assessment funding
 - Shifts \$281,000 per year from MDE to DCYF
- **Extends MAAFPCWDA phase-in funding availability to match phase-in period timing**

Addressing Legacy Systems: Phased Roadmap to Modernized Eligibility

Pages 9-11

Investment
FY 2027:
\$28.3 million

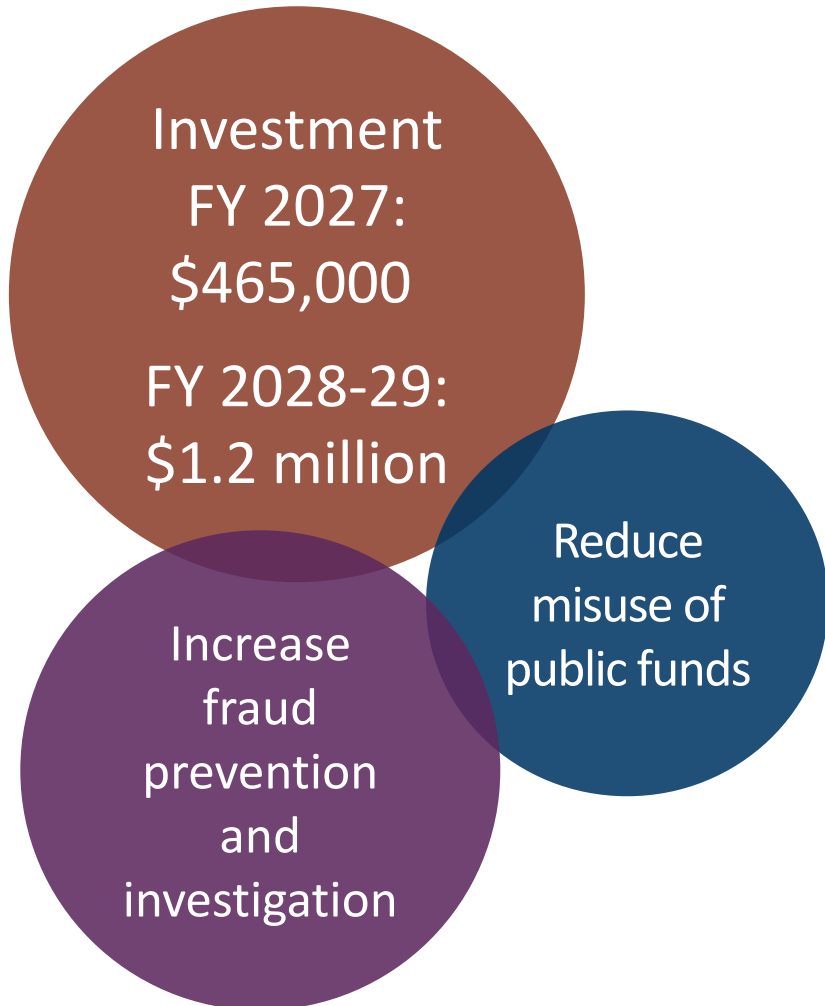
FY 2028-29:
\$7.8 million

Solves short-term MAXIS problems, lays foundation for a modern system

Cross-agency IT alignment

- **Addresses MAXIS inefficiencies, creates bridge to modernization**
 - Funds could be used to support projects such as developing a new web interface and rules engine, and initial development of a worker portal, to improve system usability and eligibility determinations
- **Phased roadmap to modern, cross-agency eligibility technology**
 - Funds a study aimed at technology modernization and alignment of state human services technology systems across agencies
- **Positions for cross-agency modernization work**
 - Funds critical positions across DCYF, MNIT, and DHS to drive and sustain modernization efforts across state technology systems

Program Integrity: Establishing a Statewide Office of Inspector General



- **Statewide OIG will:**
 - Conduct, review, and oversee investigations
 - Consult and establish standards for work of agency OIGs
 - Lead improved data sharing between agencies for improved detection
- **Dedicated team at DCYF**
 - Dedicated staff to coordinate and collaborate with the statewide OIG efforts and data analysis.

Human Services Redesign: Investing in Improved Service Delivery

Pages 13-14

Investment
FY 2027:
\$2.25 million

FY 2028-29:
\$1.30 million

Consider
changes
needed to
improve
human services
delivery

Evaluate
Minnesota's
human services
delivery system

- **Invests in a study to assess state and local agency roles for administering certain human services programs**
 - Economic assistance
 - Child support
 - Child care
 - Licensing
 - Recipient fraud investigations
- **Requires engagement to inform the study**
 - Counties and Tribal nations
 - Individuals with lived experience
 - Licensed providers
 - Law enforcement, AG's Office, BCA, county attorneys

Thank You!