

# One Minnesota Budget

Proposal to establish and transition to a Department of Children, Youth, and Families



March 17, 2023

*Presented by leaders from the Children's Cabinet and the Departments of Education and Human Services*

# One Minnesota Budget



## Department of Children, Youth, and Families (DCYF) Proposal Presentation

- **Presenters**

- Erin Bailey, MMB Assistant Commissioner and Children's Cabinet Executive Director
- Bobbie Burnham, MDE Assistant Commissioner
- Tikki Brown, DHS Assistant Commissioner

- **Overview**

- Centering Minnesota's children and families
- Proposal to fund and create a transition office and process, core programs
- Opportunities in creating a new child-centered agency

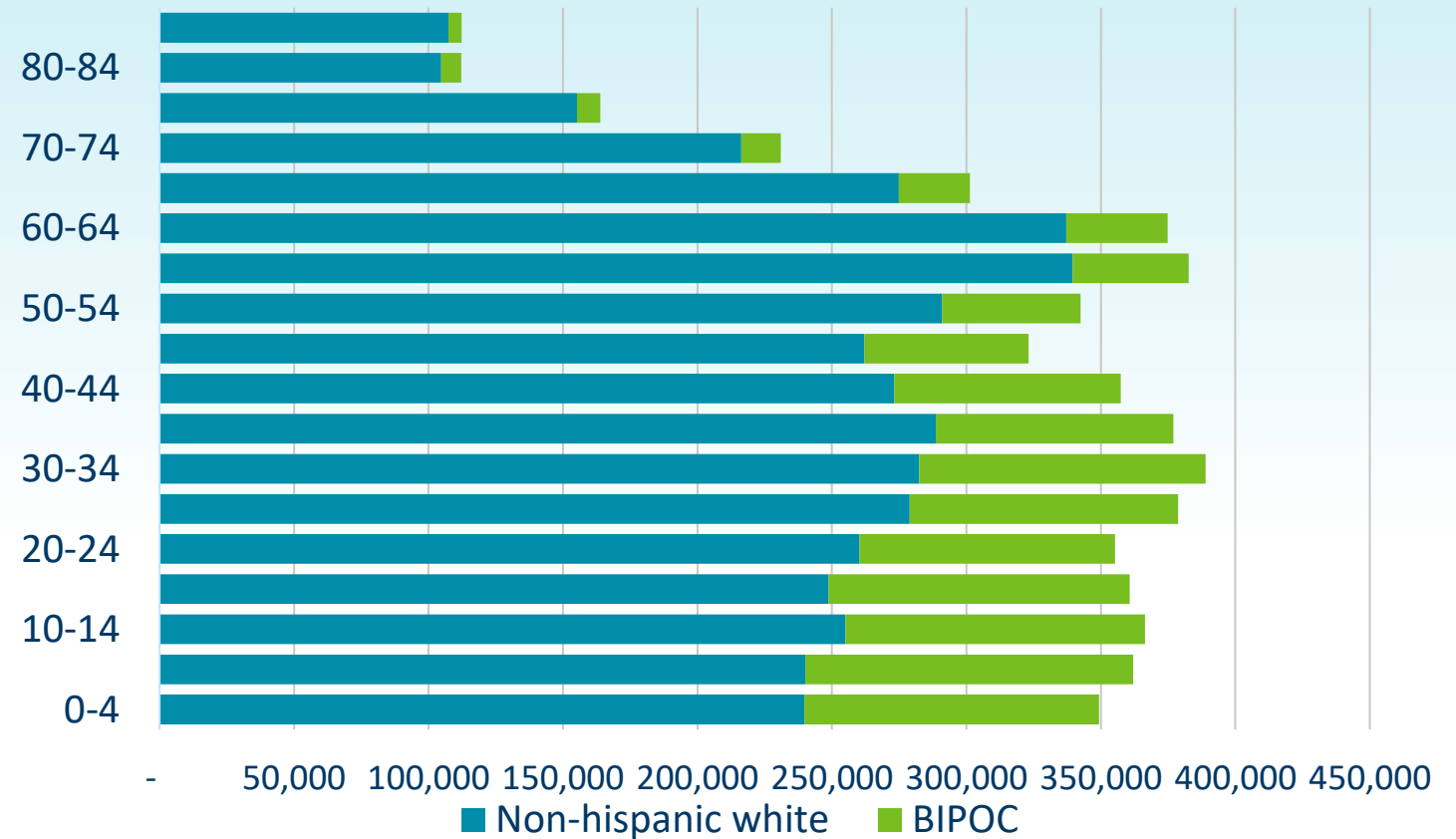
# **Centering Minnesota's Children and Families**

**Erin Bailey, MMB Assistant Commissioner and Children's Cabinet Executive Director**

# Data Snapshot on Minnesota's Children, Youth, and Families

- **1.4 million Minnesotans (1 in 4) are children**
  - 1/3 live in lower income families
  - 347,748 are young children age 0-5
  - 979,696 are school-age age 6 to 18
- **Youth (age 15 to 24) - 730,000 in MN**
  - 5% youth ages 16 to 19 years were not attending school and not working in 2021
- **646,410 Minnesota families with children**
  - 98% of lower income families have at least one adult who works

## Child population is most racially diverse age group in the state



# Practicing Child-Centered Government

*Although Minnesota is ranked as a top state to live and work, this is not yet true for every Minnesotan. Our systems have not led to equitable outcomes for our children, and today race, zip code, and income are too often determinants of opportunity.*



- Families and those who work with them are asking for coordination, engagement, and culturally and individually responsive programs that meet their children’s needs throughout their development.
- Governance reports, cross-agency work, OLA reports, and learnings from other states, have built the case for additional alignment.
- It’s time for Minnesota to create an agency centered on children, similar to governance structures in more than half of states.

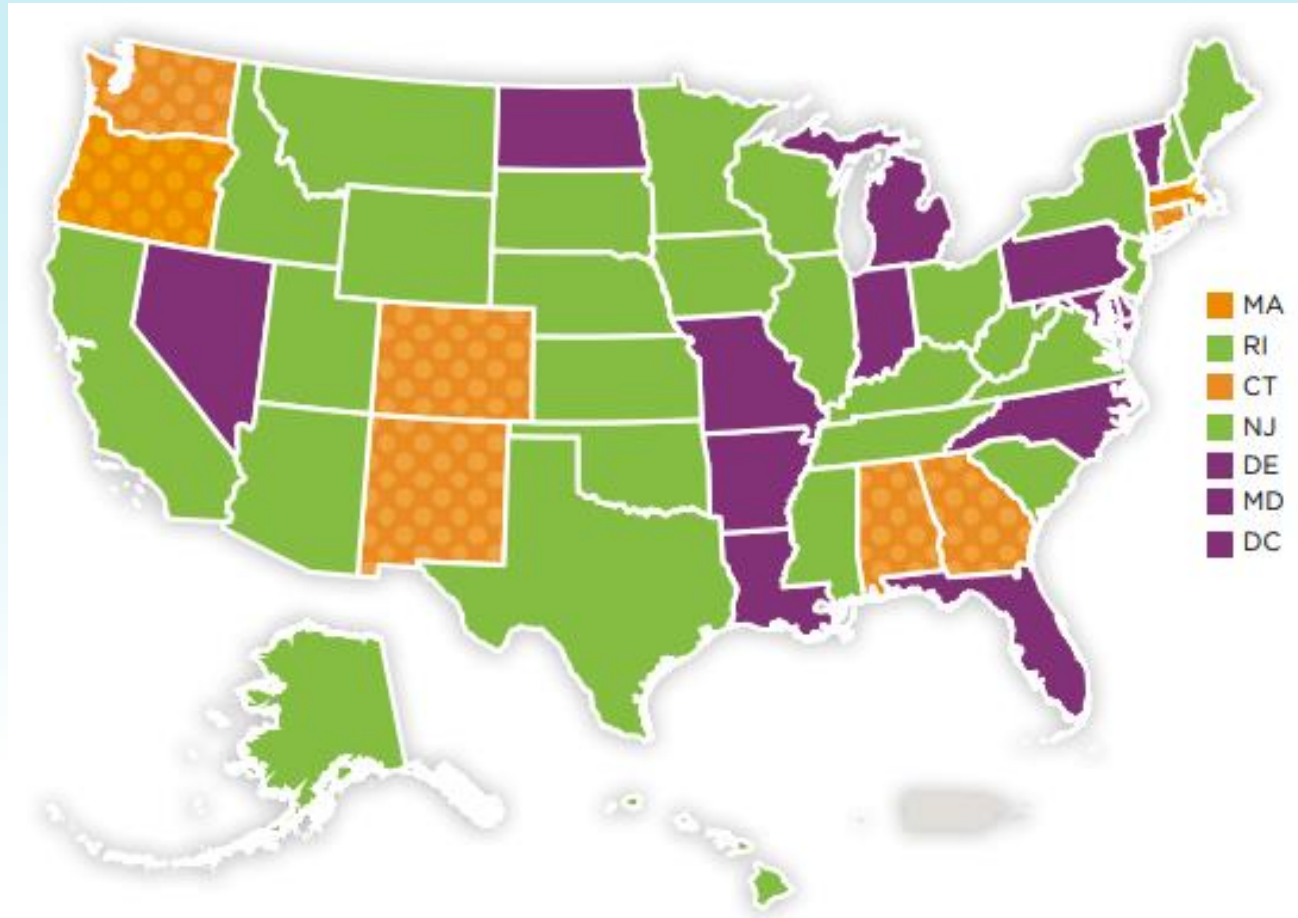
*Source: Early Childhood Minnesota: Indicators and Strategies for Minnesota’s early childhood system, joint report of Minnesota Build and Minnesota Early childhood Comprehensive Systems (Wilder, 2008)*

# Learning from MN History and Governance

- **1995** – Legislation passed to replace the Department of Education with the more broadly-focused Department of Children, Families, and Learning
- **2003** – Programs distributed back to MDE, MDH, and DHS by Governor Pawlenty
- **2010** – Minnesota's Early Childhood Advisory Council task force recommended freestanding, cabinet level office of early learning; Office of Early Learning created in 2011
- **2019** – Preschool Development Grant strategic plan calls on need for enhanced and coordinated early childhood systems, program access, and funding.
- **2022** – Early Childhood Governance Report created roadmap and steps to consider.
- **2023** – Governor Walz and Lt. Governor Flanagan propose a transition process with dedicated time and people to better center children, youth, and families in state governance.



# National Trends & Governance Evolution



- **8 states** have **created** a new entity to oversee early care and education components.
- **13 states plus D.C.** have **consolidated** several agencies or programs into an existing entity that oversees multiple components.
- **29 states** have agencies that provide programs and services that require a **coordinated** approach between agencies.

*Adapted from:*

Education Commission of the States, "Early Care and Education Governance," updated July 30, 2021, <https://www.ecs.org/early-care-and-education-governance/> (download PDF infographic);

# What Minnesota Needs for Successful Governance Change

- **Start with key challenges** (*in this case, feedback from families, communities, and agency staff and programs*).
- **Plan for governance change, using dedicated time, staff, resources** (*proposed in this budget item*).
- **Engage with leaders and secure buy-in** (*ongoing, and an underpinning of the proposal*).
- **Figure out the nuts and bolts of business systems** (*funded through the transition process*).
- **Factor in and sort out the implications of a governance change for local service providers and state-local roles** (*funded through the transition process*).
- **Determine the funding and resources needed to advance the state's childhood efforts** (*ongoing*).



Adapted from *State-level governance for early childhood programs in Minnesota*, January 2011.



# **Proposed Department of Children, Youth, and Families**

**Erin Bailey, MMB Assistant Commissioner and Children's Cabinet Executive Director**

# Why a state agency centered on children, youth, and families?

- **Establishing the Department of Children, Youth, and Families would enable:**
  - A recognizable public face and a clear front-door in the state's quest to prioritize children;
  - Improved communication outlets focused on youth and families;
  - Increased opportunities to maximize and coordinate funding, align outcomes and convene leadership to improve access to services;
  - Consolidated holistic supports moving us closer to ensuring every child has a safe place to call home, no child goes hungry, and youth have the resources and supports to succeed inside and outside of the classroom; and
  - Sharpened focus of current agencies.

# Focus for Department of Children, Youth, and Families

- **Principles:**

- Whole family focus
- Focus on a child throughout their life, from intentional prevention to downstream services
- Consolidation of early childhood programs
- Services are easy to access / navigate (“front door”)
- Cross-agency coordination will still be needed (one agency can’t do everything)
- Improved and more equitable outcomes achieved for all races, incomes, economic statuses or place of being

## Core programs proposed to move into the new agency:

- ❖ Child care and early learning programs
- ❖ Child Support, Child Safety and Permanency, and other family-focused community programs
- ❖ Economic support and food assistance programs
- ❖ Youth opportunity and older youth investments

# Bill to Create the Department of Children, Youth, and Families

The bill obtains the necessary authorities to establish and operate DCYF including by:

- Funding implementation team and transition fund;
- Establishing the Department effective July 1, 2024 with a Commissioner appointed on the same day;
- Adding the Department to existing authorities and establishing administrative controls of the Commissioner;
- Directing transfer of core programs between July 1, 2024 and July 1, 2025;
- Providing employee protections;
- To the extent not prohibited by law, allows coordinating activities, improving service delivery, and implementing innovative practices, research, or evaluation;
- Creates a systems account (modeled after existing DHS system account) to enhance computer systems necessary for the efficient operation of the programs; and
- Providing instructions to the revisor.

	FY2023				FY2024				FY2025				FY2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2023 Session Changes				<i>Proposal</i>				<b>Implementation Office Active</b>								
				<i>Leadership recruitment</i>				<b>New Agency Active</b>								
				<b>Agency Transition Fund Available</b>												
				<i>IT planning and infrastructure</i>				<b>Transfer Core Programs</b>								
2024 Session Changes								<i>Potential Transfer of Non-Core Resp; any continued Core transfers</i>								
				<i>Revisor bill development</i>				<b>Revisor Bill</b>								

# Implementation Team & Transition Fund

**The bill obtains authority and resources to support creation, alignment, and launch of a two-year process of moving core child, youth, and family support programs to the new agency that would begin July 2024.**

**This transition office will be established on July 1, 2023 and:**

- Consist of a team at Minnesota Management and Budget.
- Be responsible for leading the establishment of DCYF and planning for the transition of programs to it, including elements related budget, finance, legal, human resources, IT, policy, public engagement, and project management.
- Leverage the transition account funding for the purposes of building the shell of a new agency, including staff, space, IT, equipment, etc. and supporting existing agencies with one-time transition costs.
  - One-time appropriation to the Commissioner of MMB in FY 2024. The Commissioner may transfer funds to other agencies, including DCYF once established on July 1, 2024.



# Revised Budget Proposal for Transition Office & Appropriation

The Governor's revised budget recommends \$20,341,000 in FY 2024-25 and \$7,042,000 in FY 2026-27 from the general fund to support the creation of DCYF starting July 1, 2024.

- Two-year planning and implementation team and transition appropriation
- Fund the executive team of the new agency
- Upgrade the cost allocation plan to leverage federal resources and execute knowledge transfer

# Programs Proposed to Transfer

## Department of Human Services

**Children and Family Services** –The proposal includes all of Children and Family Services, with the exception of certain housing grants and administration of those grants within the Economic Assistance and Employment Supports Division. Divisions include:

- Management Operations and Business Integration
- Child Care Services (Child Development Services; oversight of Child Care & Development Block Grant)
- Child Safety and Permanency
- Child Support
- Economic Assistance and Employment Supports Division (except housing programs)

## Office of Inspector General & DHS Operations

- Licensing functions for family child care, child care centers, certificated child care centers, and child foster care.
- Program integrity units for related Child and Family Service (CFS) programs
- DHS Central Office functions - Human Resources, Finance, General Counsel, Compliance, and Management Services, among others.

# Programs Proposed to Transfer, continued

## Minnesota Department of Education

### Office of Teaching and Learning

- Early Learning Services division (all programs)
- After-School Community Learning Grant Program (2023 *Governor's Budget Proposal*)

## Department of Public Safety

### Office within Office of Justice Programs

- Youth Justice Office

## Minnesota Department of Health

### Proposed program from Child and Family Health Division

- Help Me Connect



# **Opportunities in Creating a New Child-Centered Agency**

**Assistant Commissioners Bobbie Burnham (MDE) and Tikki Brown (DHS)**

# What is possible

**Consolidating early childhood programs** to better coordinate child care and early learning services:

- Improved outcomes for **children, families**, and the **early childhood workforce**.
- **Improved coordination** of child care and early learning provider registration, communication, payment, and ongoing regulatory requirements.
- **Aligned administration** that allows for **centralized funding prioritization**, including building reimbursement methodologies for child care that better support that critical sector.
- **A common application and entry point** for families to apply for and be referred to early childhood programs and services.





# What is possible, continued

- Create a **central state vision** to ensure Minnesota families are able to reach their full potential.
- **A researched-backed multi-generation approach**, focusing services for adults who play key roles in the lives of children as a source of meaningful, equitable impact.
- Prioritizing **economic and food assistance programs** so every child has access to culturally relevant opportunities to help them learn, grow, and thrive.
- Coordinated **implementation of unified statewide networks of community resource centers**.
- **Prioritizing youth with leadership and aligned outcomes**, focusing **upstream** rather than on costly downstream public safety and corrections as the only strategies.



# Placing Children at the Center of Government

- Our state depends on the success of Minnesota children, youth, and families. The creation of a new DCYF can achieve:
  - A clear front-door and a recognizable public face;
  - Improved communication outlets focused on children and families;
  - Coordinated and maximized funding;
  - Aligned outcomes for children and families; and
  - Improved access to services.

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Thank You!

