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Office of Ombudsperson for American Indian Families

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<https://mn.gov/oaif/>

AT A GLANCE

- New agency created by the Legislature in 2021
- Collaborates with the Minnesota Indian Affairs Council
- Monitors cases and investigates complaints of non-compliance from American Indian families negatively impacted by child welfare social service agencies

PURPOSE

The Office of Ombudsperson for American Indian Families (OAIF) is a new independent agency, created by legislation in July 2021. However, since 1991, there has been an Ombudsperson for American Indian Families working to serve American Indian Families involved in child protection. The OAIF works independently and in collaboration with the American Indian Community-Specific Board. The Board is appointed by the Minnesota Indian Affairs Council. The Ombudsperson monitors cases and investigates complaints of non-compliance of statutes, rules, and laws, and educates the legal community and the American Indian Community about the Child Protection Process. The OAIF mission is “Preserving the Indian Family.”

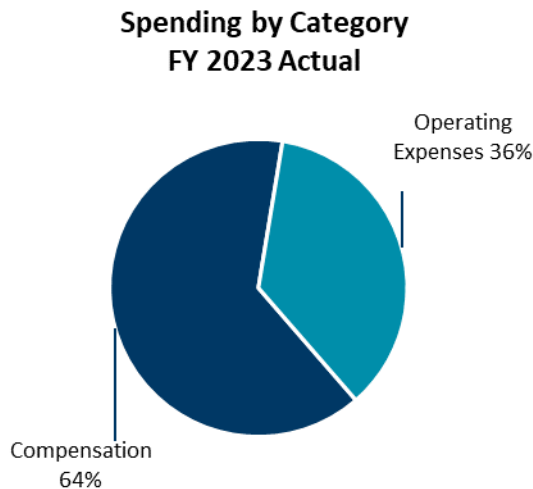
As shown in the figure below, the rate per 1,000 children in out-of-home care has been declining since 2017, and the rate of American Indian children has seen a dramatic reduction from a high of 131.1 per 1,000 children in the Minnesota population in 2017 to 80.3 per 1,000 in 2021. (DHS Legislative 2021 Report, published June 2023.)

[Note: Native children remain the most likely group in the state and nation for removal from their homes.]

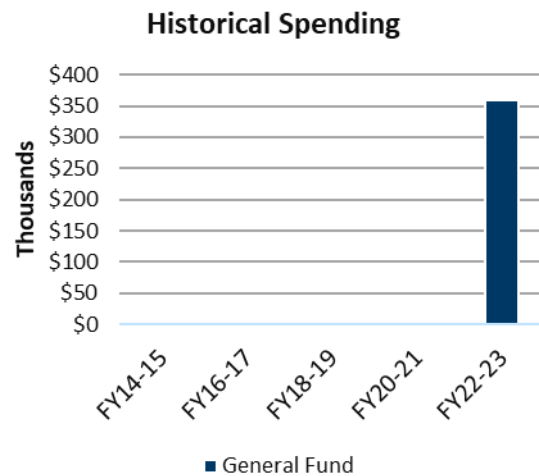
Figure 2. Five-year trend of the rate per 1,000 of children in out-of-home care by race/ethnicity, 2017 - 2021



BUDGET



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

OAIF's budget was seeded with \$190,000; then increased in FY 24 to \$336,000.

STRATEGIES

As shown in the above figure from the DHS Legislative Report published in June 2023, there is great disparity and over-representation of American Indian children who are in out-of-home care. The OAIF seeks to close the gap and emphasize the importance of an antiracist child welfare system that dedicates resources to enable Minnesota's American Indian children and families to achieve their full potential. Effective strategies are needed at every stage of the child welfare continuum process: prevention, screening and assessment, decision-making, providing culturally specific and responsive services, ensuring that fathers are being provided notice and a case plan, and including the tribes at every stage when a child is tribally affiliated.

The OAIF is continuing to learn national best practices and develop creative messaging so children are not removed from their homes at such high rates. When and if children need to be removed, it is the Agency's goal to ensure they are placed with family instead of strangers and to prioritize reunification. The OAIF's plan is to:

- Continue establishing new networks to build effective coalitions.
- Continue to collaborate with existing networks, stakeholders, and partners.
- Continue to stress the importance of providing culturally specific and responsive services to families.
- Assess strategies to address American Indian over-representation in out-of-home care.
- Continue to implement an action plan.
- Continue to propose legislative packages on policy directions on the county, state and federal levels.

The OAIF continues to take complaints and inquiries, monitor cases for non-compliance, investigate cases when necessary, and continue to develop public policy.

RESULTS

Name of measure	Measure type	Measure data source	Historical trend	Most recent data
Complaints and inquiries received*	Quantity	Review of Agency's 2022 and 2023 case files.	Agency is too new to have historical data to compare.	703

Name of measure	Measure type	Measure data source	Historical trend	Most recent data
Cases monitored and investigated	Quantity	Review of Agency's 2022 and 2023 case files.	Agency is too new to have historical data to compare.	97

*This measure tracks the number of calls/complaints to make inquiries, to lodge a complaint, or request information about the child protection system and how to navigate it.

The legal authority for the OAIF is Minn. Stat. 3.9215 <https://www.revisor.mn.gov/statutes/2021/cite/3.9215>

The legal authority for the American Indian Community Specific Board is Minn. Stat. 3.9216
<https://www.revisor.mn.gov/statutes/cite/3.9216>

Ombudsperson for American Indian Families

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26 FY27		Governor's Recommendation FY26 FY27	
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Expenditures by Fund

1000 - General	169	191	234	442	340	340	344	347
2000 - Restrict Misc Special Revenue			6					
2001 - Other Misc Special Revenue				100	20	20	20	20
Total	169	191	240	542	360	360	364	367
Biennial Change				422		(62)		(51)
Biennial % Change				117		(8)		(7)
Governor's Change from Base								11
Governor's % Change from Base								2

Expenditures by Program

Ombudsperson for American Indian Families	169	191	240	542	360	360	364	367
Total	169	191	240	542	360	360	364	367

Expenditures by Category

Compensation	112	122	133	239	259	263	263	270
Operating Expenses	57	68	107	293	101	97	101	97
Capital Outlay-Real Property	0							
Other Financial Transaction	1	0		10				
Total	169	191	240	542	360	360	364	367

Full-Time Equivalents

0.73	1.04	1.00	2.00	2.00	2.00	2.00	2.00
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Ombudsperson for American Indian Families

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Balance Forward In		49		102				
Direct Appropriation	190	190	336	340	340	340	344	347
Transfers Out		42						
Cancellations		6						
Balance Forward Out	21		102					
Expenditures	169	191	234	442	340	340	344	347
Biennial Change in Expenditures				316		4		15
Biennial % Change in Expenditures				88		1		2
Governor's Change from Base								11
Governor's % Change from Base								2
Full-Time Equivalents	0.73	1.04	1.00	2.00	2.00	2.00	2.00	2.00

2000 - Restrict Misc Special Revenue

Balance Forward In			10	4				
Receipts		10		(4)				
Balance Forward Out		10	4					
Expenditures			6					
Biennial Change in Expenditures				6		(6)		(6)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

2001 - Other Misc Special Revenue

Balance Forward In		163	186	209	132	135	132	135
Transfers In	163	23	23	23	23	23	23	23
Balance Forward Out	163	186	209	132	135	138	135	138
Expenditures				100	20	20	20	20
Biennial Change in Expenditures				100		(60)		(60)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<i>Direct</i>				
Fund: 1000 - General				
FY2025 Appropriations	340	340	340	680
Forecast Base	340	340	340	680
Change Items				
Operating Adjustment		4	7	11
Total Governor's Recommendations	340	344	347	691
<i>Dedicated</i>				
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	100	20	20	40
Forecast Base	100	20	20	40
Total Governor's Recommendations	100	20	20	40
<i>Revenue Change Summary</i>				
<i>Dedicated</i>				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	(4)			
Total Governor's Recommendations	(4)			

Ombudsperson for American Indian Families

FY 2026-27 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	4	7	7	7
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	4	7	7	7
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$4,000 in FY 2026 and \$7,000 in each subsequent year from the general fund to help address operating cost increases at the Ombudsperson for American Indian Families (OAIF).

Rationale/Background:

The cost of operations rises each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat year to year.

Agencies face challenging decisions to manage these rising costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For FY 2026-27, agencies will need to continue to find additional efficiencies and leverage management tools to help address budget pressures. Holding open vacancies in certain programs or delaying hiring in other programs are examples of ways agencies manage through constrained operating budgets. Such decisions are difficult and must be weighed against a program's ability to conduct business with less staffing and its impact to service delivery.

This recommendation provides additional resources to help address these cost pressures and pay for agency operations.

Proposal:

The Governor recommends increasing agency operating budgets to support current services. For OAIF, this funding will help cover expected growth in employee compensation and insurance and other operating costs.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	4	7	11	7	7	14
Total All Funds	4	7	11	7	7	14

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	Compensation	4	7	11	7	7	14

Results:

This recommendation is intended to help the Ombudsperson for American Indian Families address rising cost pressures and mitigate impacts to current levels of service and information to the public.