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AT A GLANCE

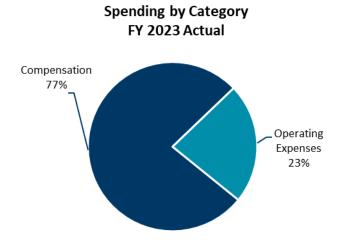
- Minnesota has 1,309,503 children with 32,341 children alleged victims of maltreatment.
- Minnesota ranks 5th in the US for overall child well-being (2024 KIDS COUNT Data Book).
- African American children and children who identified as Hispanic, of any race, were both two times more likely than white children to be in out-of-home care.
- Children who identify as two or more races were seven times more likely to be in out-of-home care, based on Minnesota population data from the 2020 U.S. census estimates.
- A 5-year trend (2017-2021) in out-of-home care showed small reductions in the rates of African American, Hispanic, and kids of two or more races being placed in out-of-home care. Moreover, little has been effective in reducing the disproportionality between white children and every other racial or ethnic population.

PURPOSE

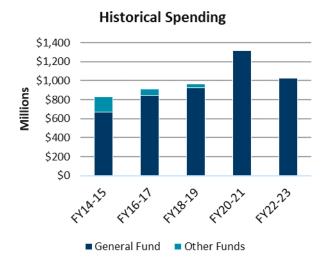
The Office of Ombudsperson for Families (OBFF) is an independent state agency whose goals are to: (1) reduce racial and ethnic disparities and disproportionality in Minnesota's child welfare system; (2) improve outcomes for children and families involved in child protection cases; (3) ensure all laws governing the protection of children and families are implemented in a culturally and linguistically competent manner; and (4) ensure adherence to laws protecting children and families in decision-making processes. We work to resolve complaints from families who have been negatively impacted by child welfare social service agencies.

Our mission is to ensure that children and families are protected by law in all child placement proceedings conducted by public and private agencies and organizations.

BUDGET



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

Characteristics of Children in Out-Of-Home Care: Number and percentage by race/ethnicity of children in care										
in 2020 through 2023.										
	2020	2020	2021	2021	2022	2022	2023	2023		
	# of	%								
Race/Ethnicity	children		children		children		children			
African American/Black	1,959	14.6%	1,718	13.8%	1446	12.9%	1,466	13.9%		
American Indian/	2,454	18.3%	2,246	18.1%	2,020	18.0%	1,908	18.1%		
Alaska Native***										
Asian Pacific Islander	202	1.5%	209	1.7%	194	1.7%	167	1.6%		
Two or more races**	3,027	22.6%	3,010	17.3%	1,029	24.2%	2,734	26.0%		
Unknown/declined	114	.9%	116	.9%	121	1.1%	145	1.4%		
White*	5,631	42.1%	5,122	41.2%	4,534	40.4%	4,093	38.9%		
Total	13,387	100%	12,421	100%	11,217	100%	10,513	100%		
Hispanic (any race)	1,397	10.4%	1,318	10.6%	1,200	10.7%	1,091	10.4%		

Source: MN Department of Children, Youth and Families, Child Safety and Permanency, Research and Evaluation Unit. Data compiled August 2024. *White children remain the largest group in Out-of-Home Care, accounting for 38.9%. ** Children of 2 or more races are the next race/ ethnic group most likely placed in Out-of-Home Care. ***Cases involving American Indian/ Alaska Native children fall under the jurisdiction of the Ombudsperson for American Indian Families (OAIF).

STRATEGIES

The OBFF works in these four strategic areas:

- Taking Complaints Complaints include a person making a specific claim against a county child welfare
 agency, or its agent; a public or private child placing agency, or its agent; the courts; the Guardian Ad
 Litem Program; and others. A person may call to complain about current laws, policies, and practices.
 Specific examples of types of complaints include but are not limited to the following: Children not placed
 with their families or relatives; relatives and families not being considered for permanency placement;
 transportation limitations; untimely or unavailable treatment; inadequate housing; confusion from the
 court process/system; unhelpful public entities (e.g., county child protection, public defender office); and
 lack of cultural sensitivity.
- 2. **Investigation** The Ombudspersons make recommendations on cases regarding non-compliance with state or federal laws and policies. These cases include, but are not limited to possible bias, discrimination, lack of culturally appropriate services, and inadequate linguistic and cultural sensitivity.
- 3. Monitoring (a) Monitor agency compliance with all laws governing child protection and placement that impact children of color; (b) document and monitor court activities in order to heighten awareness of diverse belief systems and family relationships; (c) ensure experts from the appropriate community of color are used as court advocates and are consulted in placement decisions that involve children of color; (d) ensure Guardians ad Litem and other individuals from communities of color are used in court proceedings to advocate on behalf of children of color; and (e) provide training programs for bilingual workers.
- 4. Public Policy Development The Ombudspersons work to effect policy changes when current policies do not reflect best practices. Examples of some of the initiatives on which the Ombudspersons have worked include the Minnesota Supreme Court Children's Justice Initiative (CJI); Minnesota Department of Human Services Children's Justice Act (CJA) Task Force; Minnesota Child Welfare Training System (MNCWTS); Ramsey County Citizen Advisory Panel; and Hennepin County Child Protection Task Force. These initiatives and task forces have had an ongoing and positive impact on reducing racial disparities and disproportionality in child welfare; and improving outcomes for children and their families involved in child protection cases.

As a recommendation under Governor Walz's and Lieutenant Governor Flanagan's One Minnesota Plan, the Department of Children, Youth, and Families (DCYF) was created. Although Minnesota is ranked as one of the top states to live, work, and raise children, that has not been true for many of our families. The creation of DCYF allows us to reimagine Minnesota's government structure by prioritizing funding that will provide holistic support for children, youth, and families of every race, religion, and zip code and allow all an equal opportunity to succeed. Investing in our state's future is fundamental because our children are our future. The Office of Ombudsperson for Families (OBFF) supports this initiative and has been actively involved in advancing its creation. Below are examples of the OBFF's One Minnesota Plan successful collaborations:

Minnesota African American Family Preservation and Child Welfare Disproportionality Act Overview

The Minnesota African American Family Preservation and Child Welfare Disproportionality Act (the Act) passed. As a result, these key measures are included:

- 1. Active Efforts: There will be an emphasis on continuous efforts to preserve a child's family and prevent out-of-home placement. This includes consistent engagement with the family in case planning and selecting services and providers. Additionally, the court is required to verify that the local agency has utilized these active efforts.
- 2. **Safety Plan Requirements:** A safety plan must be established with the family before a court petition is filed to place a child in out-of-home care. Exceptions to this requirement will apply in cases involving allegations of sexual abuse, egregious harm, non-compliance with the safety plan by the parent, parental abandonment, or chronic substance abuse that impairs the parent's ability to care for the child.
- 3. **The Act aligns with Governor Walz's One Minnesota initiative**, which aims to ensure that children and families of every race, ethnicity, and culture have equitable opportunities for success while prioritizing the safety and well-being of children within their homes and communities.

Collaboration with the Office of Ombudsperson for Foster Youth and the OBFF

The OBFF provided recommendations to the Legislative Task Force on Child Protection about legislation for direct access to the Social Services Information System (SSIS), which contains data utilized in child protection case management. This access would facilitate prompt reviews of documents related to SSIS Child/ren in Need of Protection and/or Services (CHIPS) cases, significantly reducing the time required to obtain these case files from the respective counties. Enhanced access will empower ombudspersons to perform their duties more effectively and better serve the communities involved. Furthermore, under the OBFF's enabling legislation, there is a commitment to uphold the integrity of the data within the SSIS CHIPS files, adhering to the mandates of Minnesota Data Practices (Chapter 13).

Ongoing Engagement with the Children's Justice Act Task Force

The OBFF has actively participated in the Children's Justice Act (CJA) Task Force for over 20 years. In collaboration with the Task Force, the OBFF will contribute to three major projects planned for 2024-2027, which include:

- 1. **Training Initiatives:** Continued training for multi-disciplinary child protection team (MDT) members in basic forensic interviewing skills through CornerHouse and First Witness, alongside developing advanced, culturally responsive training options for MDT members statewide.
- 2. **Screening Tools:** The establishment of a child and youth-centered commercial sexual exploitation (CSE) and trafficking (both sex and labor) identification tool for MDT members across Minnesota.
- 3. **Legal Representation Enhancement:** Researching successful national programs aimed at attracting attorneys and other legal professionals to accept CHIPS cases, as well as creating innovative methods to provide accessible court-appointed representation for all participants in CHIPS hearings.

This report highlights the ongoing efforts to improve child welfare practices and ensure equitable treatment for all families in Minnesota.

RESULTS

Name of Measure	Measure Type	Measure data source	Historical trend (2022)	Most recent data (2023)
Complaints and Inquiries received*	Quantity	Annual report	619	540
Consultations/resolutions	Quantity	Annual report	352	383
Investigations	Result	Annual report	57	33

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

Agency Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governo Recommen	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
Expenditures by Fund								
1000 - General	494	534	688	847	777	777	792	808
2001 - Other Misc Special Revenue				101	172	177	172	177
Total	494	534	688	948	949	954	964	985
Biennial Change				607		267		313
Biennial % Change				59		16		19
Governor's Change from Base								46
Governor's % Change from Base								2
Expenditures by Program								
Ombudspersons for Families	494	534	688	948	949	954	964	985
Total	494	534	688	948	949	954	964	985
Expenditures by Category		ı						
Compensation	378	410	562	733	803	826	818	857
Operating Expenses	115	122	124	215	146	128	146	128
Capital Outlay-Real Property	0							
Other Financial Transaction	1	2	1					
Total	494	534	688	948	949	954	964	985
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Full-Time Equivalents	4.86	4.92	4.56	6.50	7.00	7.00	7.00	7.00

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		249		71				
Direct Appropriation	733	744	759	776	777	777	792	808
Transfers Out		400						
Cancellations		59						
Balance Forward Out	239		71					
Expenditures	494	534	688	847	777	777	792	808
Biennial Change in Expenditures				506		19		65
Biennial % Change in Expenditures				49		1		4
Governor's Change from Base								46
Governor's % Change from Base								3
Full-Time Equivalents	4.86	4.92	4.56	5.75	6.00	6.00	6.00	6.00

2001 - Other Misc S	pecial Revenue
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Balance Forward In	565	493	562	631	599	496	599	496
Transfers In	69	69	69	69	69	69	69	69
Transfers Out	140							
Balance Forward Out	493	562	631	599	496	388	496	388
Expenditures				101	172	177	172	177
Biennial Change in Expenditures				101		248		248
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents				0.75	1.00	1.00	1.00	1.00

Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 1000 - General				
FY2025 Appropriations	776	776	776	1,552
Base Adjustments				
Minnesota Paid Leave Allocation		1	1	2
Forecast Base	776	777	777	1,554
Change Items				
Operating Adjustment		15	31	46
Total Governor's Recommendations	776	792	808	1,600
Dedicated				
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	101	172	177	349
Forecast Base	101	172	177	349
Total Governor's Recommendations	101	172	177	349

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	15	31	31	31
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact =	15	31	31	31
(Expenditures – Revenues)				
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$15,000 in FY 2026 and \$31,000 in each subsequent year from the general fund to help address operating cost increases at the Ombudsperson for Families.

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 the Ombudsperson for Families, 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	15	31	46	31	31	62
Total All Funds	15	31	46	31	31	62

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	Compensation	15	31	46	31	31	62

Results:

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