

# **Children and Families Information Technology Systems Modernization:**

**July 1 - August 31, 2025**

Report to the Legislature

October 1, 2025

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## I. Legislative Charge

Minnesota Laws 2025, 1<sup>st</sup> Spec. Sess. chapter 3, article 13, section 17, requires the Department of Children, Youth, and Families (DCYF) to report quarterly to the legislative committees with jurisdiction over programs for children and families the Department's progress towards establishing and implementing the information technology systems under the section. This requirement was effective July 1, 2025, with the first report due October 1, 2025.

## II. Background

In 2023 the Minnesota Legislature appropriated \$20 million to develop and implement a plan to transform and modernize the information technology (IT) systems that support the programs impacting children and families, including youth programs and child care and early learning programs, then administered by the Departments of Education and Human Services and other departments with programs impacting children and families as identified by the Children's Cabinet [see Laws of Minnesota 2023, chapter 70, article 12, section 32, and Laws of Minnesota 2023, chapter 70, article 20, section 2, subdivision 4, paragraph (g)].

During the 2025 legislative session, the amount of funding was reduced to \$9.594 million under Laws of Minnesota 2025, 1<sup>st</sup> Spec. Sess. chapter 3, article 22, section 22, and additional specificity for the use of the funding and the requirement for this report were added under Laws of Minnesota 2025, 1<sup>st</sup> Spec. Sess. chapter 3, article 13, section 17.

### **CHILDREN AND FAMILIES INFORMATION TECHNOLOGY SYSTEMS MODERNIZATION.**

Subdivision 1. Direction to commissioner. To the extent there is funding available under Laws 2023, chapter 70, article 12, section 32, for these purposes in the state systems account established under Minnesota Statutes, section 142A.04, subdivision 2, the commissioner of children, youth, and families must establish and implement the information technology systems described under this section and support ongoing maintenance for the systems.

Subd. 2. Family common application tool. The commissioner must establish and implement an application tool that allows families to apply for available early care and education support programs. The application tool must:

- (1) provide integrated support in multiple languages, including real-time translation capabilities;
- (2) include an eligibility screener;
- (3) to the extent possible, include capability for automatic pre-population of known family data aligned with state identity validation tools and processes;
- (4) enable application completion and submission across multiple programs and services;
- (5) integrate selection tool for early care and education programs; and

(6) operate using the software as a service model that ensures frequent maintenance and user experience updates.

Subd. 3. Payments system. The commissioner must establish and implement a centralized, integrated payment system for early care and education funding streams that:

- (1) integrates seamlessly with the existing provider licensing and reporting hub;
- (2) implements real-time payment processing and cash management capabilities, including instant fund transfers and automated reconciliation;
- (3) incorporates robust security measures, including fraud detection and prevention;
- (4) enables automated compliance with state and federal reporting requirements;
- (5) provides a user-friendly interface with mobile accessibility for child care providers to manage invoices and payments;
- (6) ensures interoperability with other relevant state systems and databases; and
- (7) implements data quality monitoring and reporting tools to support decision making.

Subd. 4. Reporting requirements. The commissioner must provide quarterly implementation updates to the chairs and minority leads of the committees with jurisdiction over programs for children and families. The quarterly updates must describe the department's progress toward establishing and implementing the information technology systems under this section. The quarterly updates must continue until either the systems are fully implemented, or the department no longer has sufficient funding for the purposes identified in this section.

Prior to the 2025 change modifying the use of funds and reducing the amount available for the newly described purposes, \$750,000 had been dedicated to a contract with BerryDunn to develop a roadmap for meeting the goals associated with the originally appropriated \$20 million. That work began in November 2024 and is expected to conclude in October 2025. While the resulting roadmap will no longer inform the use of the remaining \$8.844 million, it may be instructive for future efforts outside the scope of this report and the directed uses under the 2025 law.

### **III. Status Update**

This October 2025 report is the first in a series of quarterly reports on the progress towards implementing a family common application tool and payment system for early care and education programs. As such, the reporting period is July 1, 2025, to August 31, 2025. Future reports will reflect subsequent three-month periods.

## Progress Overview

Deliverable	Cost	Start Date	Current Status
Request for Offers (RFO)	Not applicable	7/1/2025	Being drafted to publish

## Request for Offers

The first step towards meeting the objectives of the 2025 law to implement a family common application tool and centralized payment system is to draft an RFO to solicit bids from vendors to partner with for discovery and implementation planning. An RFO began being drafted and reviewed in July following the conclusion of the 2025 legislative session. The RFO is being drafted within a broader context of other early care and education work that is best supported through a coordinated RFO versus multiple RFOs. Specifically, a single RFO ensures coordination and alignment during planning and implementation across multiple early care and education IT needs and supports the creation of a “clear front door” for early care and education programs and providers and families.

## Next Steps

The RFO is planned to be published for responses during the second quarter of fiscal year 2026, with a contract beginning in the third quarter. Subsequent reports will provide information about the results of the RFO and work underway.