

**2024 Governor's Supplemental Budget Recommendations All Funds by Agency  
(Dollars in Thousands)**

<b>E-12 Education</b>	<b>FY 2024-25</b>	<b>FY 2026-27</b>
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**Voluntary Prekindergarten (VPK) Reserve Allocation.** The Governor recommends allocating \$42.1 million from the voluntary prekindergarten (VPK) reserve established in Laws 2023, Chapter 55 to provide an additional 5,200 VPK seats in fiscal year 2025. This recommendation includes changes to equalization formulas to ensure the additional VPK seats have no net impact on local property tax levies on a statewide basis. The cost of the VPK seats and equalization changes is \$38.0 million in fiscal year 2025 and \$4.1m in fiscal year 2026. The remaining \$7.9 million of the onetime \$50 million VPK reserve cancels and falls to the bottom line of the general fund under the Governor's recommendation.

<b>General Expenditures</b>	<b>(\$12,004)</b>	<b>\$4,128</b>
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**Transition to New Department of Children, Youth, and Families.** The Governor recommends ongoing funding for the Minnesota Department of Education (MDE) to maintain its current level of service after identified existing staff and resources transition to the new Department of Children, Youth, and Families (DCYF). Minnesota Management and Budget in partnership with MDE have identified the proportional amount of central office functions that support programs transitioning to DCYF. Transferring these resources to the new agency creates gaps in some critical operating functions at MDE that require additional resources to ensure continuity of services across the department's remaining programs.

<b>General Expenditures</b>	<b>\$173</b>	<b>\$690</b>
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**Grow Your Own Program Modifications.** The Governor recommends modifications to the Grow Your Own (GYO) grant program including allowing scholarships to be used at community colleges, adding Tribal contract schools to the list of eligible grantees, and providing existing grantees flexibility to operate under the program's current statute. The GYO program is a competitive grant program that awards two types of grants for recipients to support GYO programs. One allows recipients to partner with teacher preparation programs for adults who want to become teachers, and the other allows recipients to run a GYO program for high school students who have an interest in teaching. This recommendation is budget neutral.

<b>General Expenditures</b>	<b>\$0</b>	<b>\$0</b>
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**Head Start Administrative Support.** The Governor recommends allowing up to two percent of Head Start funds appropriated in Laws 2023, Chapter 54 to be used for state-level program administration and funding distribution support. Head Start and Early Head Start programs are appropriated \$35.1 million annually in state general funds that supplement federal funds. Laws 2023, Chapter 54 increased the funding level and expanded the uses of state Head Start funds. Additional administrative resources would allow the Minnesota Department of Education (MDE) to better manage the increase in funds and expand capacity to support recipients. This recommendation is budget neutral.

<b>General Expenditures</b>	<b>\$0</b>	<b>\$0</b>
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**Human Services****FY 2024-25****FY 2026-27**

**Weighted Risk System for Licensed Child Care.** The Governor recommends ongoing funding to support the implementation of a tiered weighted risk system (WRS) to evaluate licensing compliance for child care centers and family child care providers. This would replace Minnesota’s child care fix-it tickets. The new WRS would tier regulation violations by risk level and would ensure that resources are prioritized for child care providers who are most in need of assistance and support. Child care licensing will transfer to the Department of Children, Youth, and Families (DCYF) on July 1, 2025.

**General Expenditures****\$228****\$244**

**Transition to New Department of Children, Youth, and Families.** The Governor recommends ongoing funding for the Department of Human Services (DHS) to maintain its current level of service after identified existing staff and resources transition to the new Department of Children, Youth, and Families (DCYF). Minnesota Management and Budget in partnership with DHS have identified the proportional amount of central office functions that support programs transitioning to DCYF. Transferring these resources to the new agency creates gaps in some critical operating functions at DHS that require additional resources to ensure continuity of services across the department’s remaining programs.

**General Expenditures****\$824****\$3,296****Children, Youth and Families****FY 2024-25****FY 2026-27**

**Transition to New Department of Children, Youth, and Families.** The Governor recommends ongoing funding to establish the operating budget for the new Department of Children, Youth, and Families (DCYF). Appropriations from 2023 legislative session cover operating dollars to the new agency for hiring key leadership positions and directed impacted agencies to transfer resources to DCYF that support program delivery. This recommendation is for critical central office functions and resources necessary to set up the new state agency for success, such as legal, finance, grants management, and other key functions. It also includes new positions to coordinate policies and services for children, youth, and families. These positions would support an intergovernmental advisory committee with representation from DCYF, counties, and Tribal nations. Additional staff would be dedicated to interagency and cross-agency initiatives to support family navigation and children with disabilities and mental health needs.

**General Expenditures****\$1,024****\$8,142****Family Child Care Ombudsperson****FY 2024-25****FY 2026-27**

Office of the Family Child Care Ombudsperson. The Governor recommends ongoing funding for the Office of the Family Child Care Ombudsperson state agency. The Office will support providers with licensing, compliance, and other needs of family child care providers. The current Office is operating with onetime child care development federal funds allocated to the Department of Human Services that expire in September 2024.

**General Expenditures****\$350****\$700**