



November 2025 Forecast



Executive Summary and Trend Data

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Table of contents

Executive summary.....	3
Minnesota Family Investment Program.....	5
Child Care Assistance.....	7
Northstar Care for Children	9
Early Childhood Family Education	11
Early Childhood Health and Developmental Screening	13
November 2025 forecast changes: In a nutshell	15
Contacts and additional resources	16

Executive summary

The Minnesota Department of Children, Youth, and Families (DCYF) prepares a forecast of its expenditures in major programs twice annually. Forecasted programs include the Minnesota Family Investment Program (MFIP), Child Care Assistance Program (CCAP), Northstar Care for Children, Early Childhood Family Education (ECFE), and Early Childhood Health and Developmental Screening.

Projected expenditures for these programs are used in statewide budget forecasts released by Minnesota Management and Budget in November and February each year. These forecasts are used to update fund balances and provide financial information to the Governor and the Legislature as they work together to set budgets. Forecast changes within these DCYF programs are described in the pages that follow.

All November 2025 Forecast highlights in this document represent changes from the End-of-Session 2025 forecast.

NOVEMBER 2025 FORECAST HIGHLIGHTS

General Fund

Changes from the End-of-Session 2025 forecast

- Increase of \$4.8 million in the 2024-2025 biennium (1.0%)
- Decrease of \$20.5 million in 2026-2027 biennium (-2.6%)
- Increase of \$7.8 million in 2028-2029 biennium (0.8%)
- Overall decrease of \$12.7 million across the entire forecast horizon

Reasons: General Fund spending on CCAP is \$51 million lower than previously forecast in the 2026-2027 biennium (-21.5%) and \$22.6 million lower in the 2028-2029 biennium (-6.5%). These savings are due to a decrease in the expected caseload in each year, and the carry-forward of unused federal funds from the prior biennium into 2026-2027, reducing state spending. These decreases are partially offset by an increase in average payments, which reflects higher-than-expected actual payments per case in recent months.

This decrease in CCAP is offset by increases in General Fund expenditures for Northstar Care for Children and MFIP relative to other types of funding. In Northstar Care for Children, state expenditures are expected to increase by \$24.4 million over the 2026-2027 biennium (10.8%) and \$27.7 million over the 2028-2029 biennium (11.2%), reflecting a shift in the share of families receiving locally funded legacy and foster care assistance compared to state and federally funded assistance. Similarly, General Fund spending on MFIP is \$6.4 million higher over the 2026-2027 biennium (2.9%), and \$2.5 million higher over the 2028-2029 biennium (1%), because a greater share of MFIP cases are expected to receive state-funded food benefits instead of benefits through the federal Supplemental Nutrition Assistance Program (SNAP).

The forecasts for the Early Childhood Family Education and Health and Development Screening programs changed by less than 1% in each biennium. Those changes are primarily due to updates to the projected number of children under the age of 5, and the number of children participating in screening.

WHO IT SERVES

- Over 80,000 people a year receive financial assistance through DCYF forecasted programs.
- Over 53,000 children receive early learning services through DCYF forecasted programs.

HOW MUCH IT COSTS

- \$795 million total spending in DCYF forecasted programs
- \$289 million state spending in DCYF forecasted programs

Data for FY 2025

Summary of forecast changes

The following is a list of the large and/or noteworthy changes in this forecast.
Further detail for each change can be found on the specific budget activity pages noted below.

Forecast Decreases:

- Reductions in the caseload and state share of funding for CCAP
- Reduction in total caseload for MFIP, based on most recent data on participation

Forecast Increases:

- Increases in the state share of funding for MFIP and Northstar
- Increase in the monthly average payments for families in Northstar, based on most recent data
- Increase in the number of children participating in Early Childhood Health and Developmental Screening

FY 2026 AND FY 2027 FORECASTED EXPENDITURES

Program	FY 2026		FY 2027	
	Total Dollars	State Share	Total Dollars	State Share
Minnesota Family Investment Program (MFIP) ¹	368,488,243	108,390,962	409,094,977	126,646,085
MFIP/TY Child Care Assistance	195,541,161	70,154,319	229,043,157	116,389,638
Northstar Care for Children	278,099,844	122,433,636	295,845,011	128,303,505
Early Childhood Family Education	62,310,641	39,369,000	64,458,716	41,500,000
Health and Developmental Screening	4,135,600	4,135,600	4,098,000	4,098,000
Total	908,575,489	344,483,517	1,002,539,861	416,937,228

¹ Includes cash and food assistance

Minnesota Family Investment Program

The Minnesota Family Investment Program (MFIP) provides cash and food assistance for low-income families with children. MFIP operates as Minnesota's federal Temporary Assistance for Needy Families (TANF) program. As such, MFIP cash assistance is funded with a mixture of federal TANF Block Grant and state General Fund dollars determined primarily by the federally mandated Maintenance of Effort (MOE) requirement for state spending on its TANF program. MFIP food assistance is primarily funded by federal funds through the Supplemental Nutrition Assistance Program (SNAP), though some families receive state-funded benefits.

WHO IT SERVES

- 62,800 average monthly recipients

HOW MUCH IT COSTS

- \$314 million total spending
- \$81 million state funds

Data for FY 2025

NOVEMBER 2025 FORECAST HIGHLIGHTS

General Fund

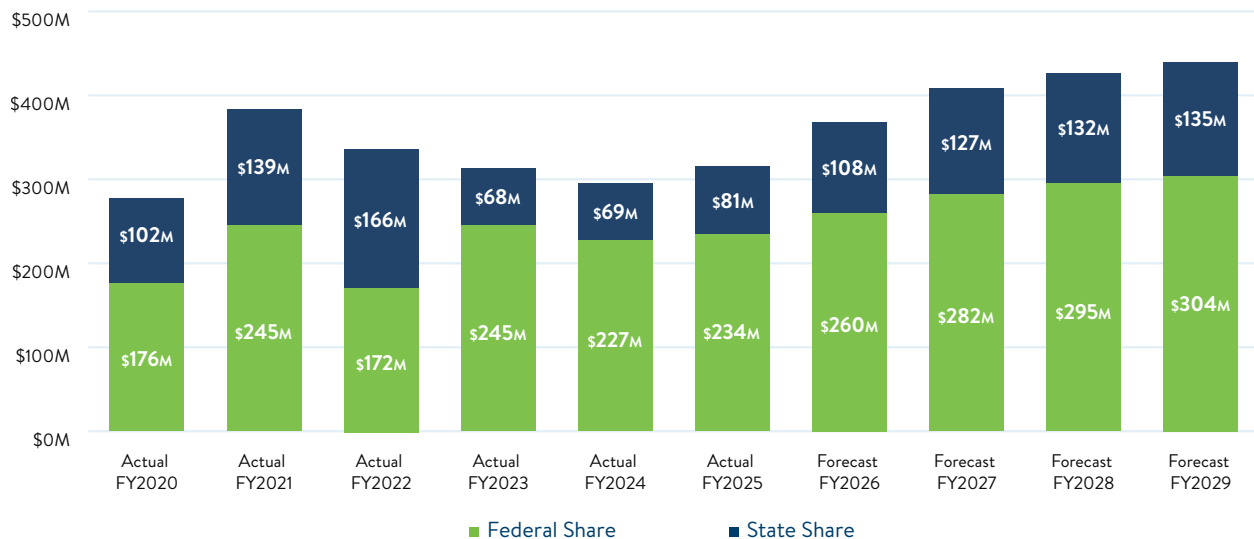
Changes from End-of-Session 2025 forecast

- Decrease of \$1.5 million in 2024-2025 biennium (-1.0%)
- Increase of \$6.4 million in 2026-2027 biennium (2.9%)
- Increase of \$2.5 million in 2028-2029 biennium (1.0%)

Reasons: Total spending on MFIP is expected to decrease, while General Fund expenditures are expected to increase in both the 2026-2027 and 2028-2029 biennia. The previous forecast projected average monthly participants to increase by 6% from 2024 to 2025; actual participation grew by 1%. While MFIP participation is still expected to increase in the following years, this forecast projects that growth off the lower base. As a result of changes to participation, total MFIP expenditures (excluding federally-funded food benefits) are expected to decrease by \$28.6 million over the 2026-2027 biennium (-6%) and \$11.3 million over the 2028-2029 biennium (-2%).

However, more participants are anticipated to receive state-funded benefits, instead of federally-funded benefits. Federal policy changes in July 2025 (Public Law 119-21) included eligibility changes that reduce the number of people eligible for federally funded food benefits. As a result, some of these people will be eligible for state-funded food benefits instead. Overall, General Fund spending on MFIP is \$6.4 million higher over the 2026-2027 biennium (3%), and \$2.5 million higher over the 2028-2029 biennium (1%).

Minnesota Family Investment Program Expenditures



HISTORICAL TABLE

FY	Minnesota Family Investment Program (MFIP) Total Expenditures	
	Total \$	% Change
2013	322,457,424	
2014	297,431,102	(7.8%)
2015	279,723,824	(6.0%)
2016	301,750,210	7.9%
2017	312,674,443	3.6%
2018	293,095,053	(6.3%)
2019	266,620,941	(9.0%)
2020	277,577,083	4.1%
2021	383,876,457	38.3%
2022	337,161,691	(12.2%)
2023	313,191,770	(7.1%)
2024	296,081,171	(5.5%)
2025	314,237,550	6.1%
2026*	368,488,243	17.3%
2027*	409,094,977	11.0%
2028*	426,610,365	4.3%
2029*	439,723,279	3.1%
Avg. Annual Increase 2013-2025		0.5

*Projected

Child Care Assistance

The Child Care Assistance Program (CCAP) provides child care assistance to MFIP families who are employed or are engaged in other work activities or education as part of their MFIP employment plan. This activity also provides transition year (TY) child care assistance for former MFIP families. As with the MFIP grant program, child care assistance is funded with a mixture of federal and state General Fund dollars. The federal child care funding comes from the Child Care Development Fund (CCDF). The forecast does not include the Basic Sliding Fee child care program.

WHO IT SERVES

MFIP/TY Child Care

- 4,900 families served on average each month

HOW MUCH IT COSTS

MFIP/TY Child Care

- \$157 million in total spending
- \$56 million state funds

NOVEMBER 2025 FORECAST HIGHLIGHTS

General Fund

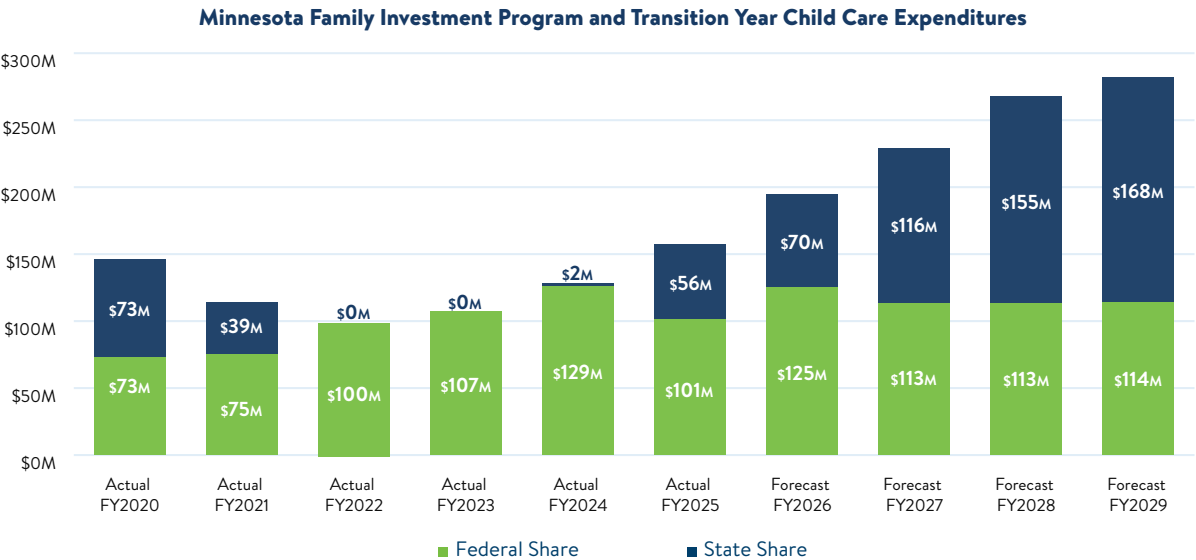
Changes from the End-of-Session 2025 forecast

Data for FY 2025

- Increase of \$1 thousand in 2024-2025 biennium (0.0%)
- Decrease of \$51.0 million in 2026-2027 biennium (-21.5%)
- Decrease of \$22.6 million in 2028-2029 biennium (-6.5%)

Reasons: The November CCAP forecast produces state savings in the 2026-2027 and 2028-2029 biennia. These forecast reductions are primarily driven by lower caseload, and an increase in costs covered by federal funds.

The November forecast reduces CCAP participation by 14% on average over the entire forecast period compared to the End-of-Session forecast, because of slower-than-expected growth, as well as reduction in the number of families expected to be served by MFIP. Because of lower spending in prior years, \$12 million in used federal funding is expected to carry forward into 2026, offsetting state funds by the same amount. This reduction in total spending is partially offset by an increase in average CCAP payments per family, reflecting higher-than expected average payments in recent months.



HISTORICAL TABLE

FY	MFIP/TY Child Care Assistance Total Expenditures	
	Total \$	% Change
2013	118,035,920	
2014	128,982,296	9.3%
2015	141,994,040	10.1%
2016	150,602,122	6.1%
2017	161,122,098	7%
2018	165,175,205	2.5%
2019	157,475,004	(4.7%)
2020	146,909,847	(6.7%)
2021	114,044,955	(22.4%)
2022	99,960,837	(12.3%)
2023	106,611,175	6.7%
2024	130,866,816	22.8%
2025*	156,973,569	19.9%
2026*	195,541,161	24.6%
2027*	229,043,157	17.1%
2028*	268,027,075	17.0%
2029*	281,539,189	5.0%
Avg. Annual Increase 2013-2025		3.2%

*Projected

Northstar Care for Children

Northstar Care for Children is designed to help children who are removed from their homes and supports permanency through adoption or transfer of custody to a relative if the child cannot be safely reunified with parents. Financial support is provided to adoptive and foster parents to encourage permanent placement of children in safe homes. Northstar Care for Children consolidates and simplifies administration of three existing programs: Family Foster Care, Kinship Assistance and Adoption Assistance.

WHO IT SERVES

- 18,300 average monthly recipients

HOW MUCH IT COSTS

- \$259 million total spending
- \$110 million state funds

NOVEMBER 2025 FORECAST HIGHLIGHTS

Data for FY 2025

General Fund

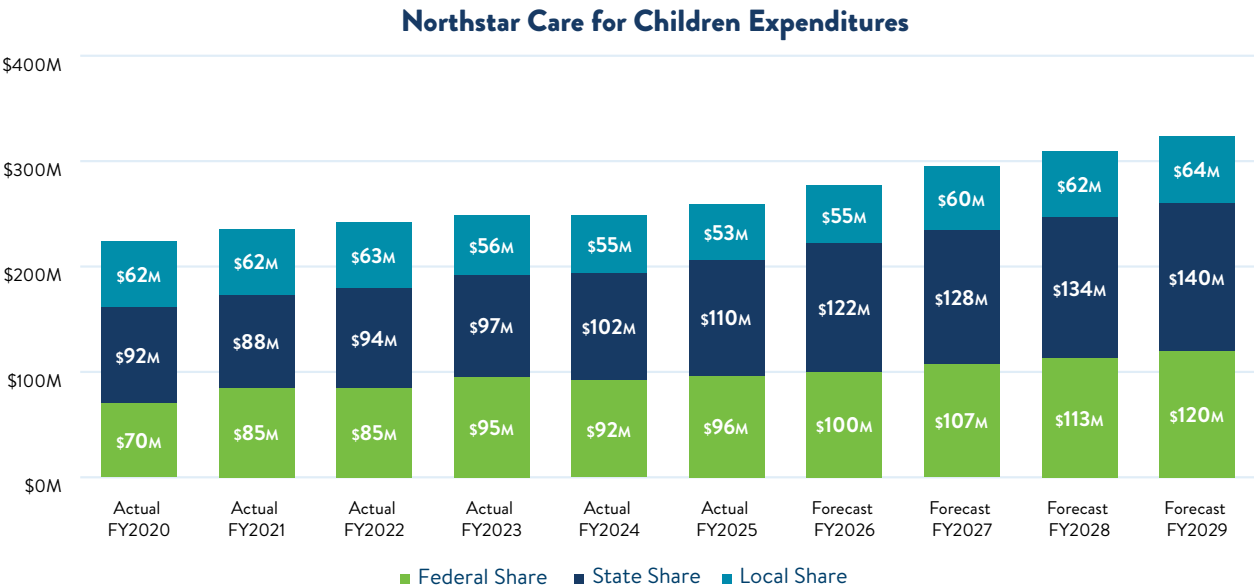
Changes from End-of-Session 2025 forecast

- Increase of \$6.4 million in 2024-2025 biennium (3.1%)
- Increase of \$24.4 million in 2026-2027 biennium (10.8%)
- Increase of \$27.7 million in 2028-2029 biennium (11.2%)

Reasons: The November forecast for Northstar Care produces General Fund increases in the 2026-2027 and 2028-2029 biennia, because of higher-than-expected average payments for Foster Care and Kinship Assistance, and a shift in costs expected to be covered by state funding instead of local funding.

The November forecast includes higher than projected payment increases for the current year, with consistent projections from the higher base. This increase is partially offset by a projected decrease in the number of Foster Care and Adoption Assistance families relative to the End-of-Session forecast.

Counties and Tribes pay a share of Foster Care and Legacy program services. Spending for the Legacy programs decreased more than expected during the 2024-2025 biennium. As a result, the local share of services is expected to be lower, and the relative state share is expected to be higher than previously projected. Overall, General Fund expenditures for Northstar are expected to increase by \$24.4 million over the 2026-2027 biennium (10.8%), and \$27.7 million over the 2028-2029 biennium (11.2%) compared to the previous forecast.



HISTORICAL TABLE

	Northstar Care for Children Total Expenditures	
FY	Total \$	% Change
2016	132,201,226	
2017	155,510,705	17.6%
2018	187,750,651	20.7%
2019	211,165,176	12.5%
2020	223,705,208	5.9%
2021	235,489,829	5.3%
2022	242,150,792	2.8%
2023	247,940,229	2.4%
2024	249,773,507	0.7%
2025	259,028,865	3.7%
2026*	278,099,844	7.4%
2027*	295,845,011	6.4%
2028*	309,844,662	4.7%
2029*	324,637,469	4.8%
Avg. Annual Increase 2016-2025		8.0%

**Projected*

The program began being forecasted in 2016.

Early Childhood Family Education

Early Childhood Family Education (ECFE) provides educational and supportive services to expectant parents and caregivers of children from birth to kindergarten enrollment, to support the learning and development of parents and children. Programs are offered through school districts, and those with prekindergarten through third grade initiatives may continue to serve families through 3rd grade. In addition, there is funding available to school districts to provide these services through a home-visiting program. ECFE programs are funded through a combination of state aid and local property tax levy.

WHO IT SERVES

- 16,000 children annually

HOW MUCH IT COSTS

- \$61 million total spending
- \$38 million state funds

Data for FY 2025

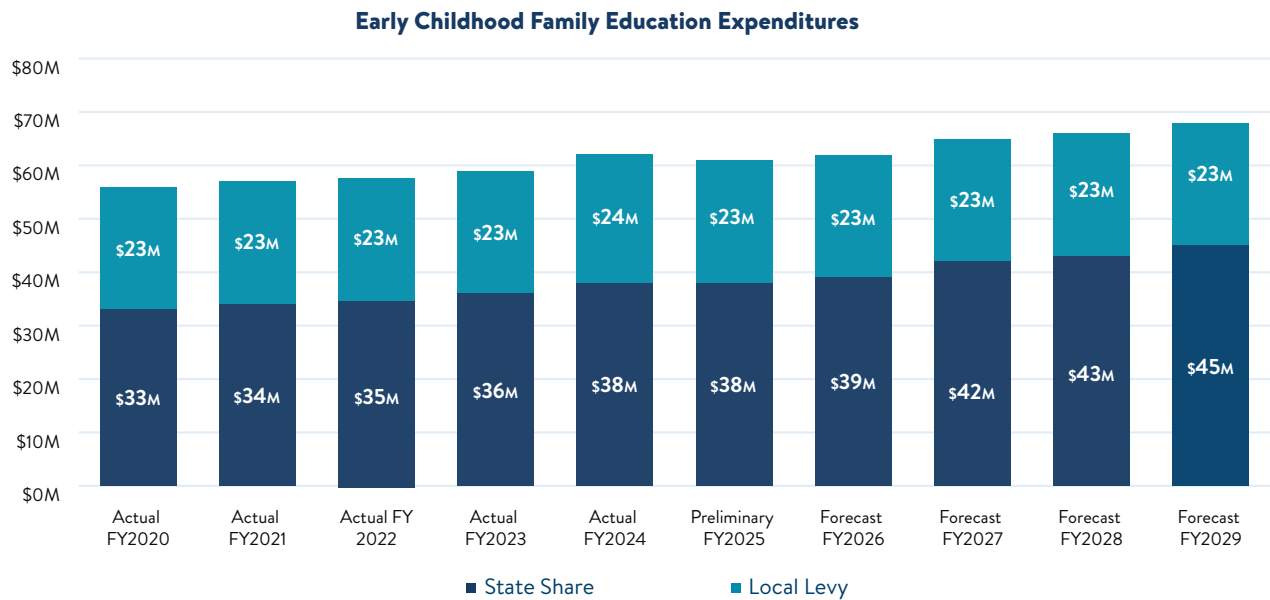
NOVEMBER 2025 FORECAST HIGHLIGHTS

General Fund

Changes from End-of-Session 2025 forecast

- No change in the 2024-2025 biennium
- Decrease of \$0.3 million in 2026-2027 biennium (-0.3%)
- Increase of \$0.2 million in 2028-2029 biennium (0.2%)

Reasons: The November forecast for Early Childhood Family Education programs lowers state aid for the 2026-2027 biennium and increases it for the 2028-2029 biennium. These changes reflect updated numbers and projections of children under the age of 5 by school districts, and the adjusted net tax capacity (ANTC) of school districts. When school districts have a lower ANTC, it receives more state funding for the home visiting program.



HISTORICAL TABLE

FY	Early Childhood Family Education Total Expenditures	
	Total \$	% Change
2020	55,180,885	
2021	56,409,368	2.2%
2022	57,157,560	1.3%
2023	58,367,704	2.1%
2024	61,520,634	5.4%
2025†	61,104,640	0.7%
2026*	62,310,641	2.0%
2027*	64,458,716	3.4%
2028*	66,389,078	3.0%
2029*	68,245,084	2.8%
Avg. Annual Increase 2020-2024		2.8%

† Preliminary

* Projected

Early Childhood Health and Developmental Screening

The Early Childhood Health & Developmental Screening program helps caregivers detect factors that may impede children’s learning, growth, and development. School districts use screenings to link families with health and early learning opportunities and resources, including Head Start, Early Childhood Family Education, prekindergarten programs, Early Childhood Special Education, Early Learning Scholarships, and more. Screening is required for children entering public schools and offered between age 3 and the first 30 days of kindergarten or first grade. School districts receive state aid for every child screened prior to, or within 30 days of entering kindergarten. The amount that a district receives varies by a child’s age.

WHO IT SERVES

- 53,000 children annually

HOW MUCH IT COSTS

- \$4 million state funds

Data for FY 2025

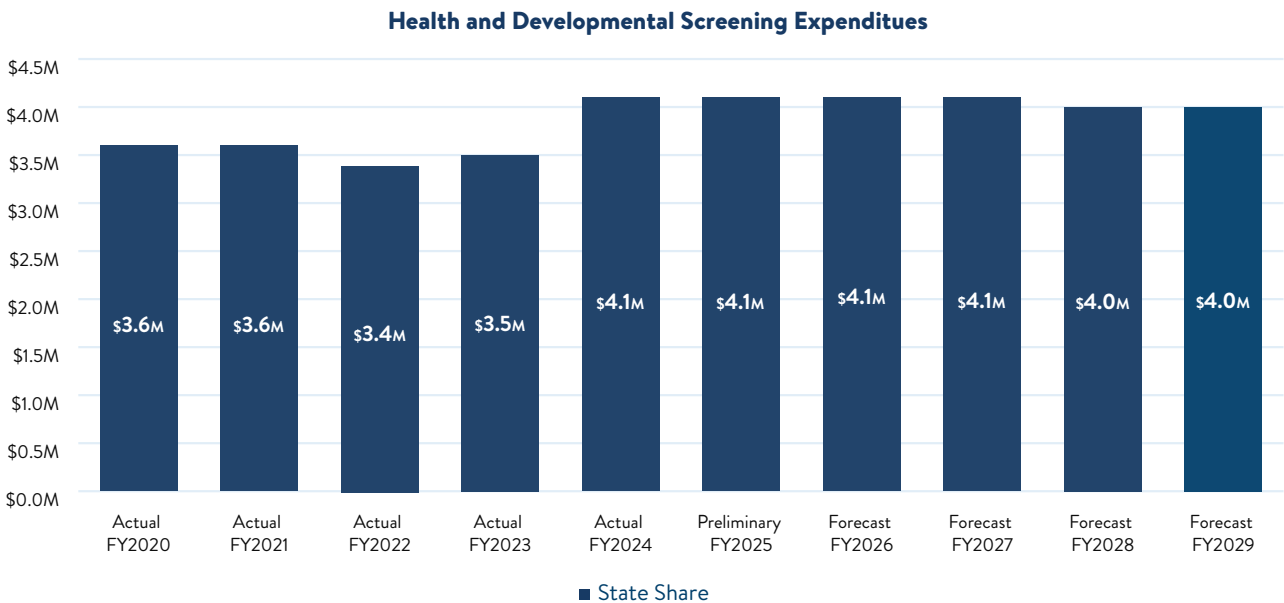
NOVEMBER 2025 FORECAST HIGHLIGHTS

General Fund

Changes from End-of-Session 2025 forecast

- Decrease of \$87 thousand in 2024-2025 biennium (-1.0%)
- Increase of \$24 thousand in 2026-2027 biennium (0.3%)
- Increase of \$31 thousand in 2028-2029 biennium (0.4%)

Reasons: The November forecast for Early Childhood Health and Development Screening reflects increased state aid by less than \$0.1 million for the 2026-2027 and 2028-2029 biennia. The number of children expected to be screened is expected to increase compared to the previous forecast.



HISTORICAL TABLE

FY	Health and Developmental Screening Total Expenditures	
	Total \$	% Change
2020	3,611,000	
2021	3,608,000	(0.1)%
2022	3,373,000	(6.5)%
2023	3,503,000	3.9%
2024	4,148,000	18.4%
2025†	4,067,900	(1.9)%
2026*	4,135,600	1.7%
2027*	4,098,000	(0.9)%
2028*	4,037,000	(1.5)%
2029*	4,013,000	(0.6)%
Avg. Annual Increase 2020-2024		3.9%

† Preliminary

* Projected

November 2025 forecast changes: In a nutshell

<i>Millions of dollars</i>	2026-2027 Biennium	2028-2029 Biennium
General Fund Total Change	(\$20.5M)	\$7.8M
General Fund Percent Change	(2.6%)	0.8%
General Fund Detail Changes By Budget Activity		
Minnesota Family Investment Program	\$6.4M	\$2.5M
Effect of H.R.1 (Public Law 119-21)	\$14.7M	\$19.5M
Other changes	(\$8.3M)	(\$17.0M)
Child Care Assistance	(\$51.0M)	(\$22.6M)
Lower caseload	(\$40.6M)	(\$37.3M)
Other changes	(\$10.4M)	\$14.7M
Northstar Care for Children	\$24.4M	\$27.7M
Early Childhood Family Education	(\$0.3M)	\$0.2M
Health and Developmental Screening	*	*
Total MFIP Changes †	(\$29.0M)	(\$41.2M)
TANF Total Change	(\$35.4M)	(\$43.7M)
TANF Percentage Change	(13.0%)	(14.2%)

Note: Represents the change from the End-of-Session 2025 forecast.

† Includes both federal and state funding.

* Between \$0 and \$100,000.

Contacts and additional resources

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RESOURCES

Minnesota Department of Human Services Reports and Forecasts Division
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Minnesota Department of Human Services Reports and Forecasts Division
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Minnesota Department of Education Data Reports and Analytics
<https://public.education.mn.gov/MDEAnalytics/Data.jsp>

State of Minnesota forecast
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