



Federal Update to Association of MN Counties

January 20, 2026

Current Landscape

- ❖ Daily uncertainty
- ❖ Managing to numerous data and media requests
- ❖ Monitoring official federal communications and guidance
- ❖ Analyzing and assessing functions supported with federal funds
- ❖ Continuing business as usual until we have clear guidance and evidence of financial interruption

Update on Federal & State Actions on Funding

| Federal Funding | DCYF Programs | Status of Federal & State Action |
|---|---|--|
| Child Care and Development Fund (CCDF) | <ul style="list-style-type: none"> • MFIP Child Care Assistance (CCAP) • Basic Sliding Feed Child Care Assistance (BSF) • Child Care Development Grants • Program Administration & Oversight | <ul style="list-style-type: none"> • Jan 8th MN joined four other states in filing an injunction against funding freezes and restricted draw downs • Jan 9th the courts granted a two week temporary restraining order preventing ACF from freezing funding or requiring atypical justifications • Minnesota is operating programs as usual, processing federal draws, monitoring for impacts, and preparing for any potential future funding interruptions |
| Social Services Block Grant (SSBG) | <ul style="list-style-type: none"> • Vulnerable child & adult (VCAA) county allocation • Grants • Program Administration & Oversight | |
| Temporary Assistance for Needy Families (TANF) | <ul style="list-style-type: none"> • Minnesota Family Investment Program (MFIP) • MFIP Consolidated Fund • Grants • MDH Programs • Program Administration & Oversight | |
| USDA Awards | <ul style="list-style-type: none"> • SNAP • SNAP Administration • SNAP Ed • SNAP Outreach • SNAP Employment & Training • Summer EBT • Summer EBT Administration & IT • Grants | <ul style="list-style-type: none"> • Jan 8th MN received a letter USDA will suspend payments on all active and future USDA awards • Jan 12th MN sought a court order in response to the SNAP Pilot to prevent interruption in SNAP benefit payments • Jan 14th courts granted a preliminary injunction against USDA withholding SNAP admin funds in response to a Jan. 14th letter from USDA • Minnesota is operating programs as usual, processing federal draws, monitoring for impacts, and preparing for any potential future funding interruptions |

Programs NOT Impacted by a Funding Interruption (SFY2026)

| Program | Description | SFY 2026 Funding |
|--|--|--|
| Child Care Assistance Program (MFIP/DWP) | Forecasted program funded with state and federal funds providing assistance to MFIP & DWP participants | Total: \$195 million <ul style="list-style-type: none"> Fed: \$125 million State: \$70 million |
| Basic Sliding Fee Child Care Assistance Program | Annual allocation to counties & tribes for child care assistance | Total: \$258 million <ul style="list-style-type: none"> Fed: \$124 million State: \$134 million |
| Minnesota Family Investment Program | Forecasted program funded with state and federal funds providing cash assistance to approximately 60,000 people each month | Total: \$217 million <ul style="list-style-type: none"> Fed: \$106 million State: \$111 million |

Upcoming Payments to Counties & Tribes

| Expenditure | Funding Source | Description |
|----------------------------------|----------------|--|
| MFIP Consolidated Fund | TANF | Annual county allocation to provide support to MFIP participants and program administration. <ul style="list-style-type: none"> • The February quarterly payment will reimburse for Oct. to Dec. expenditures (\$18-20 million) • First quarter advance (\$8 million, 8% of annual allocation) |
| VCAA Allocation | SSBG | Monthly allocation to counties and Tribes to administer the Vulnerable Children and Adult Act (VCAA) <ul style="list-style-type: none"> • \$2.5 million per month |
| SNAP Administrative Match | SNAP Admin | Federal reimbursement for county and tribal administration of the SNAP program <ul style="list-style-type: none"> • Monthly advance payment in early February (\$1.3 million) • February quarterly payment will reimburse for Oct. to Dec. expenditures (\$13 million) |

Additional Programs & Operations: CCDF, SSBG, and TANF

| Program | Description | Funding Overview |
|---|---|---|
| Child Care Development Grants & Program Administration | Grant and administrative funds that pay for program integrity, oversight, quality improvement, and other child care development activities, including state staff | Source: CCDF <ul style="list-style-type: none"> • \$30-35 million currently obligated • Many contracts braid CCDF and other funding sources |
| SSBG Grants & Program Administration | Grants and administrative funds that support child safety and permanency, program administration, and oversight, including state staff | Source: SSBG <ul style="list-style-type: none"> • \$2.3 million in contracts and staffing costs |
| TANF Program Administration | Program administration and oversight, including cross-agency contracts and state staff | Source: TANF <ul style="list-style-type: none"> • \$3.7 million in contracts and staffing costs • \$2.2 million in IT reimbursement |
| TANF Funding for Minnesota Department of Health | Long-standing appropriation to MDH to administer family planning, infant mortality, and home visiting programs | Source: TANF <ul style="list-style-type: none"> • \$11.7 million in program costs |

Additional Programs & Operations: USDA Awards

| Federal Grant Name | Brief Description | Funding Overview |
|--|--|---|
| Supplemental Nutrition Assistance Program (SNAP) Benefits | Issuance of monthly benefits to over 440,000 Minnesotans that are used for the purchase of food at authorized retailers as well as nutrition education. | \$75 million per month (\$900 million per year) |
| SNAP Administrative Match (DCYF) | At DCYF, federal reimbursement for SNAP administration funds IT systems and operations – primarily MAXIS | \$2-3 million per quarter (\$8-10 million per year) |
| SNAP Employment & Training (E&T) | Funds counties, Tribes, and other community partners providing training, career planning, and other supports to help SNAP participants find employment opportunities | \$4.7 million per year |
| SNAP Education | Final year of the federal award supporting eight Tribes, UMN, and DCYF staff administering public health initiatives to help low-income families eat healthily | \$3.5 million per year |
| SNAP Outreach | Grants support about 30 community partners providing information, outreach, and application assistance, and state administration. | \$4.2 million per year |
| The Emergency Food Assistance Program (TEFAP) | Funds storage and distribution costs incurred by The Emergency Food Assistance Program (TEFAP) State agencies and local organizations | \$3.7 million per year |
| SNAP Fraud Framework Implementation Grant | Supports State agency efforts to improve and expand recipient fraud prevention, detection and investigation efforts using the procedures, ideas and practices outlined in the SNAP Fraud Framework. | \$76 thousand through FFY27 |
| Summer Electronic Benefit Transfer Program for Children (SUN Bucks) | Summer EBT provides food benefits to children who lose access to free and reduced price meals through the National School Lunch Program (NSLP) and School Breakfast Program (SBP) during the summer when school is not in session. | \$85 million per year |
| SNAP E&T Data and Technical Assistance Grants | Funds state and local agencies collecting and reporting outcome data for SNAP E&T as required by Section 16(h)(5)(B) of the Food and Nutrition Act, | \$624 thousand per year |

Timeline

2025

November 12

Federal shutdown ends

December 15

The Federal Administration for Children and Families (ACF) sent multiple letters to Governor Walz requesting data in seven programs, for all available years, and at least 2022-2025. Programs included Child Care and Development Fund (CCDF), Social Services Block Grant (SSBG), Title IV-E, Community Services Block Grant (CSBG), Refugee Cash Assistance (RCA), Medical Assistance (MA) and Low-Income Heating and Energy Assistance Program (LIHEAP)

December 16

The U.S. Department of Agriculture (USDA) sent a letter to Governor Walz requiring Minnesota to participate in a SNAP Pilot Project. The pilot would require recertification, including in-person interviews, of all SNAP households in Hennepin, Ramsey, Washington and Wright counties, within 30 days.

December 23

MN Attorney General filed a lawsuit against the USDA to challenge the SNAP Pilot Project, citing concerns about the feasibility of the request and the risk of disrupting benefits for eligible families.

December 29

MN Attorney General filed an emergency motion asking the court to temporarily block the USDA from enforcing the SNAP Pilot Project requirement while the case moves forward.

December 30

ACF sent a letter to Governor Walz expanding the data request for CCDF and TANF child care funds

Timeline

2026

- January 5** DCYF received notice from ACF that CCDF, TANF and SSBG funds were all on restricted drawdown.
- January 8** MN Attorney General Office joined attorneys general in four other states in filing an injunction to prevent the ACF from freezing funds or restricting draw downs in CCDF, TANF and SSBG.
- January 9** MN Attorney General Office and attorneys general in four other states won a temporary restraining order to prevent the ACF from freezing funds or restricting draw downs in CCDF, TANF and SSBG. This temporary restraining order is for two weeks.
- January 9** DCYF received notice from U.S. Department of Agriculture Secretary Brook Rollins announcing that federal government is suspending USDA payments to Minnesota.
- January 12** Minnesota filed a response replying to arguments submitted by the USDA related to the SNAP Pilot Project. Minnesota sought a court order to pause the federal requirement during litigation, to help ensure SNAP benefits continue uninterrupted for families who rely on them
- January 14** Following a hearing in U.S. District Court, Minnesota's motion for a preliminary injunction was granted. The temporary relief prevents the USDA from enforcing its SNAP Pilot Project requirements while the lawsuit proceeds and prevents the federal government from withholding SNAP administrative funds in Q1 of 2026 – a sanction USDA intended to impose through a letter dated January 14.

Questions?