



Hennepin County

2026 budget update

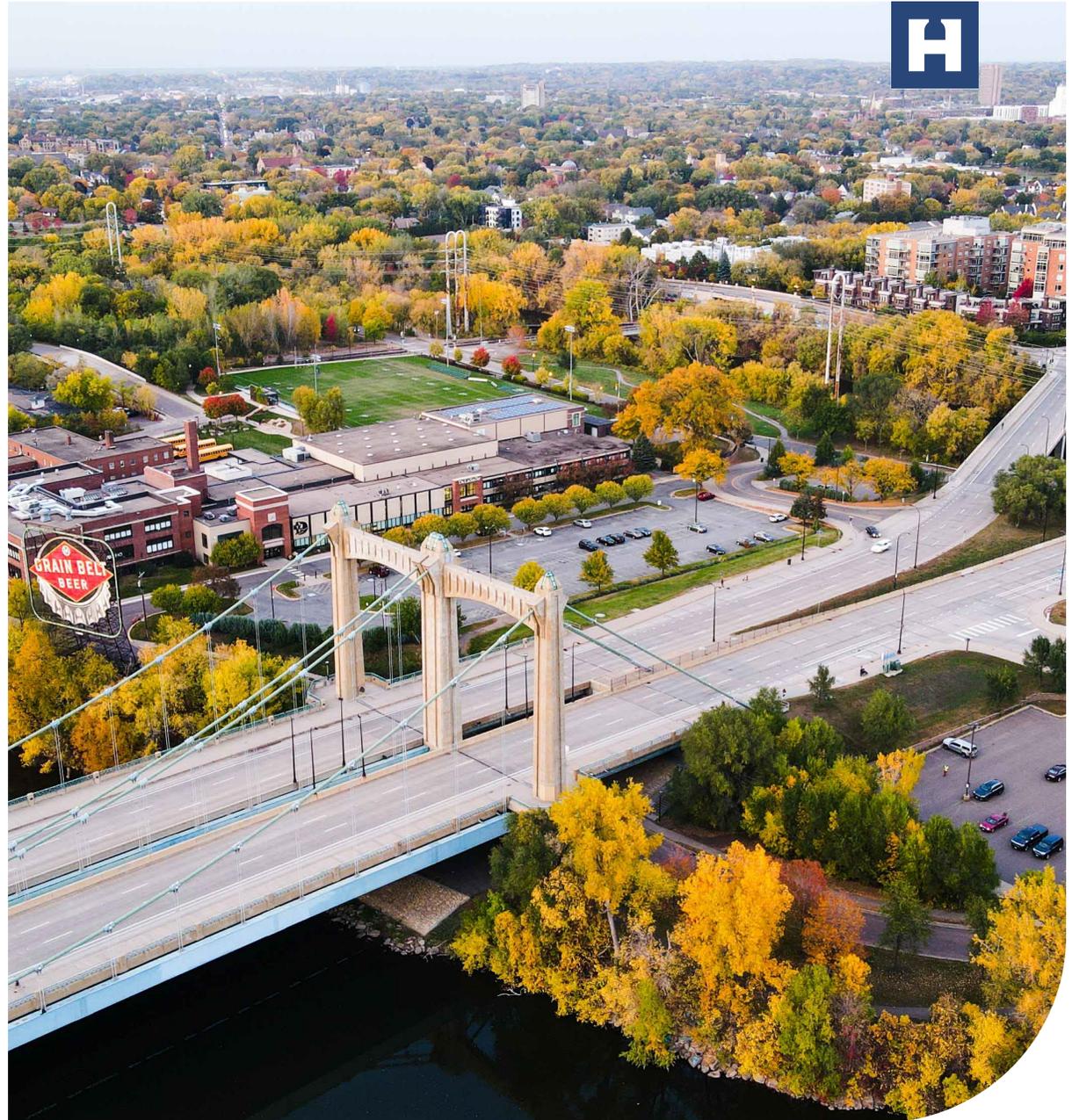
Administration, Operation, and Budget Committee

March 24, 2026



Background

Provide transparency and information to commissioners and residents regarding the tracking and monitoring of the county's financial health.





Agenda

Current year-to-date budget

Federal impacts

Budget management strategies

Current FTEs under budget

| Line of Business | Budgeted FTE | Hired FTE as of 3/5/2026 | Variance | Actual FTE as of 2/27/2026 |
|--------------------------|----------------|----------------------------------|--------------|-----------------------------------|
| Public Works | 512.3 | 442.4 | 69.9 | 437.1 |
| Law, Safety, Justice | 2,501.2 | 2,469.7 | 31.5 | 2,524.1 |
| <i>Sheriff's Office</i> | 883.0 | 898.2 | (15.2) | 994.6 |
| <i>Attorney's Office</i> | 521.6 | 507.6 | 14.0 | 492.7 |
| Health | 484.5 | 428.5 | 56.0 | 424.5 |
| Human Services | 3,718.4 | 3,847.4 | (129.0)* | 3,693.5 |
| Operations | 1,328.1 | 1,241.9 | 86.2 | 1,177.8 |
| Resident Services | 1,093.9 | 952.2 | 141.6 | 919.2 |
| Disparity Elimination | 124.5 | 111.5 | 13.0 | 103.9 |
| Countywide | 9,762.9 | 9,493.6 | 269.3 | 9,280.0 |
| 2025 | 9,995.6 | 9,595.8 as of 3/3/2025 | 399.8 | 9,575.6 as of 2/28/2025 |

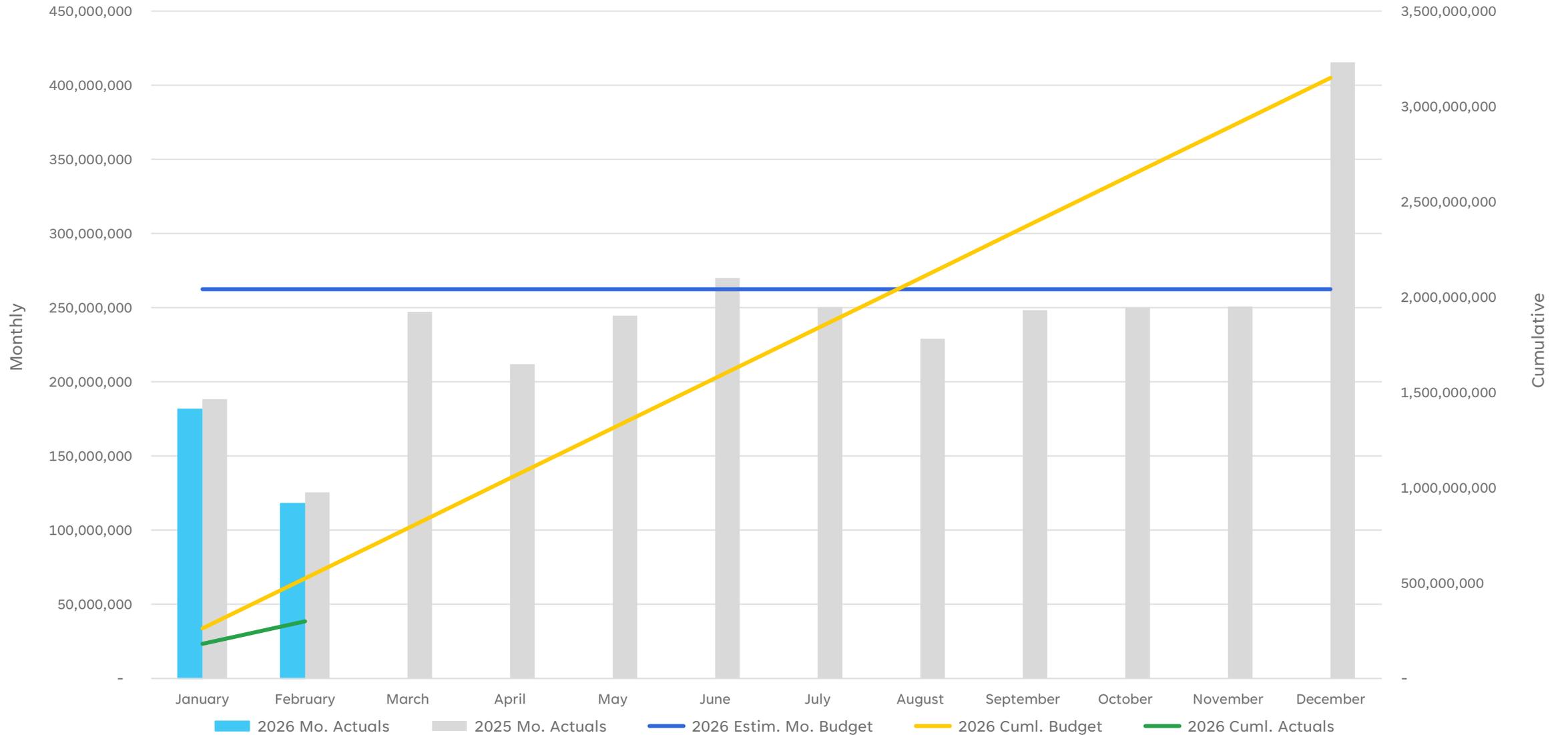
Budgeted FTE: 2026 Adopted Budget

Hired FTE: the number of hours an employee was hired and anticipated to work

Actual FTE: the number of actual hours worked by existing staff, including leave time and overtime

**The 2026 budget for Human Services includes a reduction of 237 FTEs, to be achieved through attrition and prioritized hiring of critical resident facing positions.*

Spending under budget for January and February 2026



Ongoing federal budget impacts



Current federal impacts

Known funding reductions

| Program area | Amount annually |
|----------------------|------------------------|
| SNAP (Food security) | \$8 million |
| Total | \$8 million |

Funding under protective orders – at risk

\$62 million

Grants terminated

| Program area | Total grant award | Amount cancelled |
|---|----------------------|--|
| Department of Homeland Security (DHS)- Federal Emergency Management Agency (FEMA): Shelter & Services Program (SSP), 3 grants | \$8,500,000 | \$2,700,000 |
| DHS – FEMA: Targeted Violence and Terrorism Prevention Program | \$106,284 | \$67,200 |
| HHS/Centers for Disease Control and Prevention: Federal Infrastructure Grant | \$1,786,794 | \$0 (fully expended prior to cancellation) |
| Total | \$8.6 million | \$2.76 million |

Anticipated cuts

| County program area | Date | Amount annually |
|---------------------------------|------|----------------------|
| SNAP (Food security) Error Rate | 2027 | \$20 million |
| HUD (Housing security) | 2027 | \$12 million |
| Medicaid | 2027 | TBD |
| Total | | \$32+ million |

Hennepin Healthcare System Cumulative financial impact (2027-2038)

Total estimated impact: \$1.7B reduction

- \$1.1B from declining directed payments
- \$0.6B from Medicaid disenrollment

Budget management strategies

- Hiring management
- Reviewing contracts
- Capital project reviews



Next update:
June

Next steps:

- Executive team and directors continue to evaluate 2026 budget drivers
- Monitor additional State and Federal budget impacts
- Report back in June with current YTD budget and actuals

