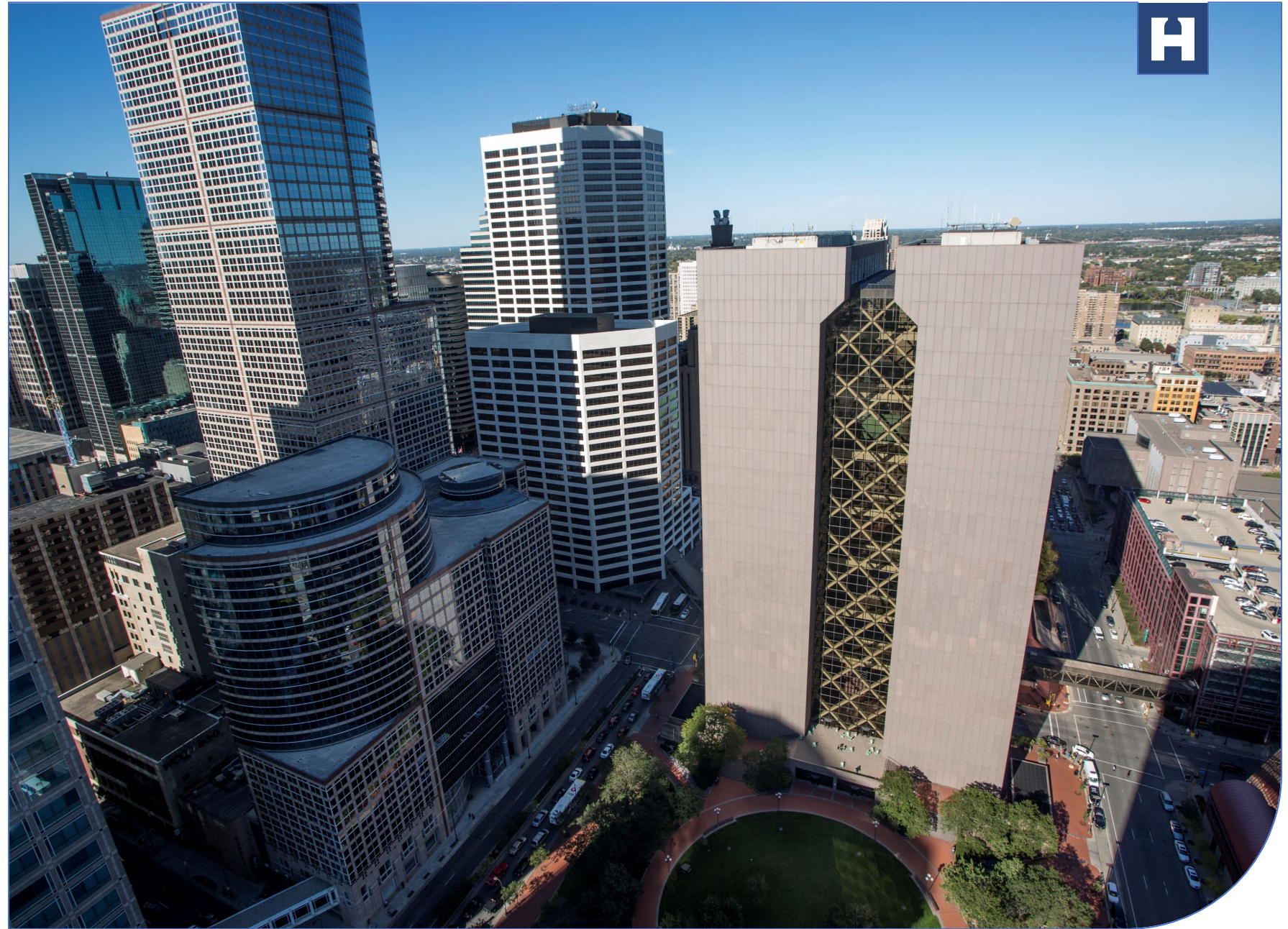


Hennepin County

# 2026 budget update

Administration, Operation, and  
Budget Committee

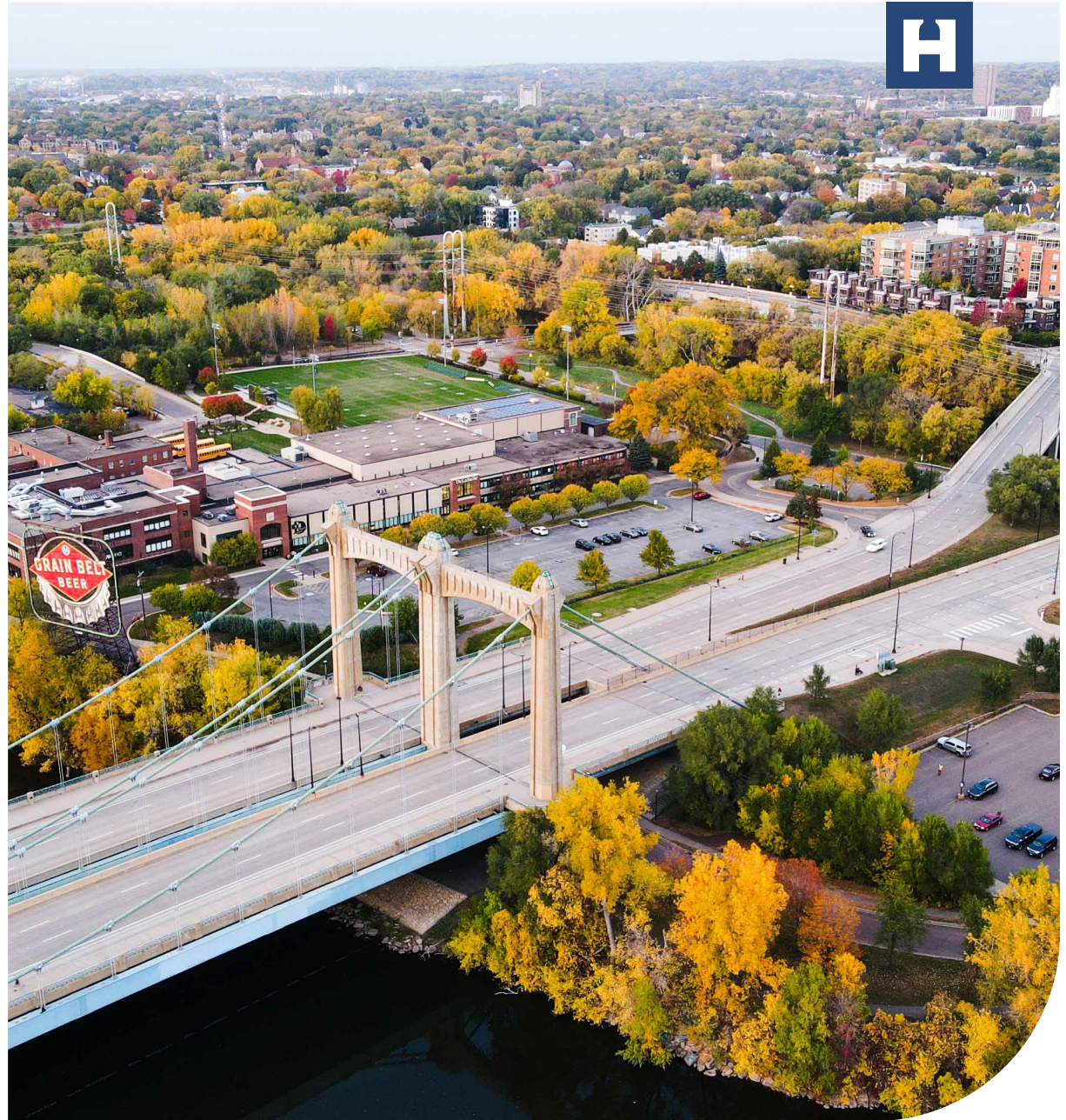
March 24, 2026





# 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<br>as of 3/5/2026      | Variance     | Actual FTE<br>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                             |
| <b>Countywide</b>        | <b>9,762.9</b> | <b>9,493.6</b>                   | <b>269.3</b> | <b>9,280.0</b>                    |
| <b>2025</b>              | <b>9,995.6</b> | <b>9,595.8</b><br>as of 3/3/2025 | <b>399.8</b> | <b>9,575.6</b><br>as of 2/28/2025 |

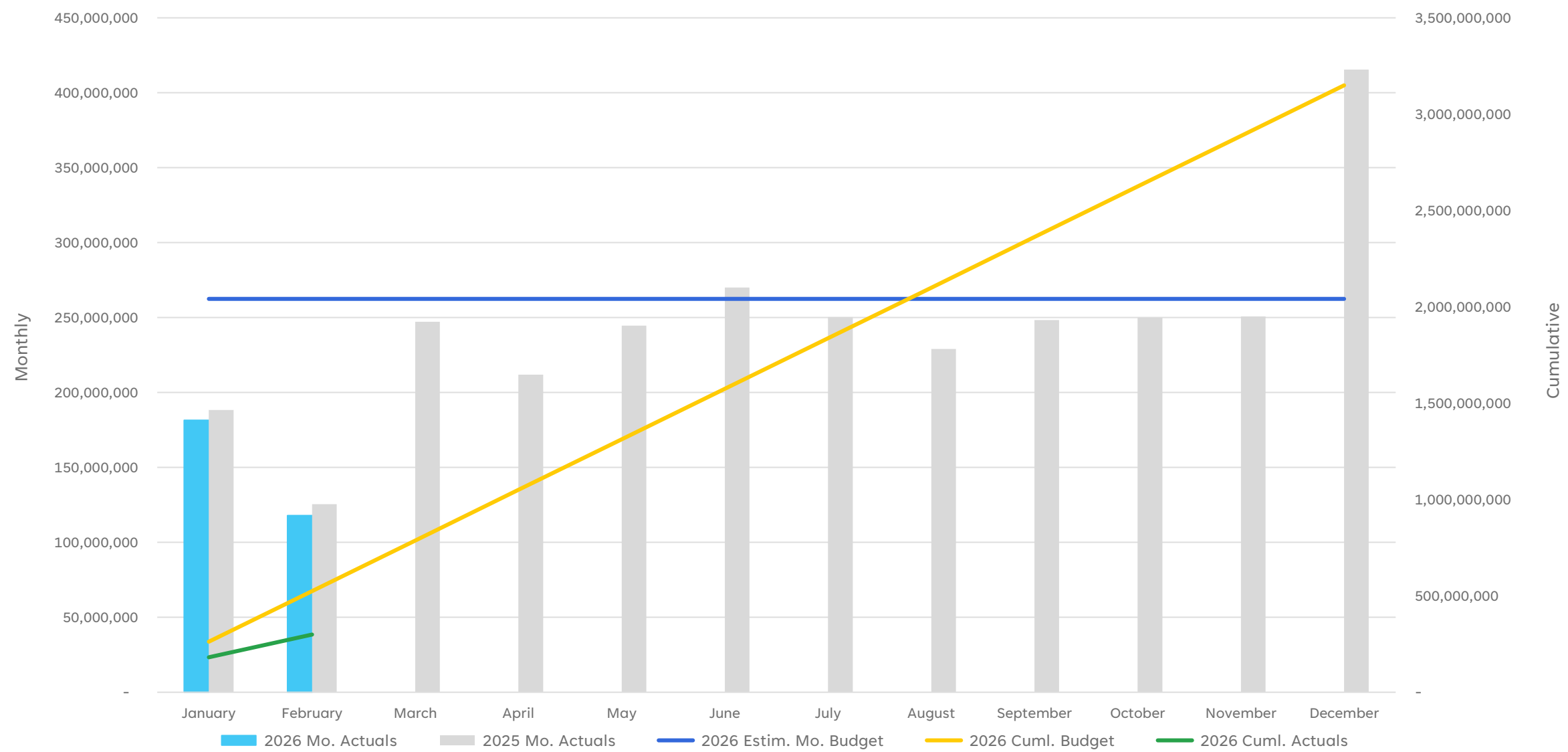
**Budgeted FTE:** 2026 Adopted Budget

**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        |
| <b>Total</b>         | <b>\$8 million</b> |

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:<br>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) |
| <b>Total</b>                                                                                                                  | <b>\$8.6 million</b> | <b>\$2.76 million</b>                      |



# 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                  |
| <b>Total</b>                    |      | <b>\$32+ million</b> |

## 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

