

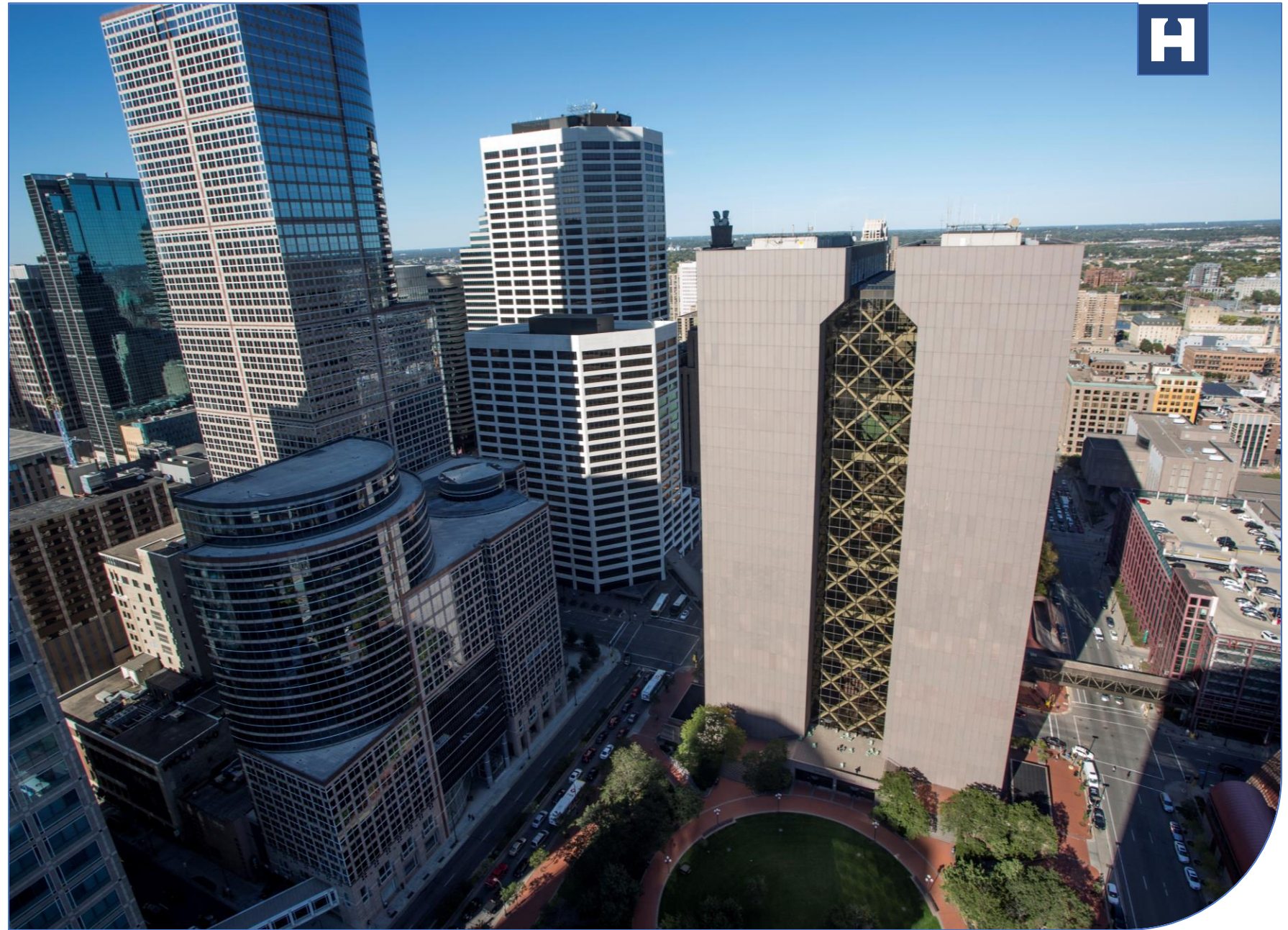


Hennepin County

2026 budget update

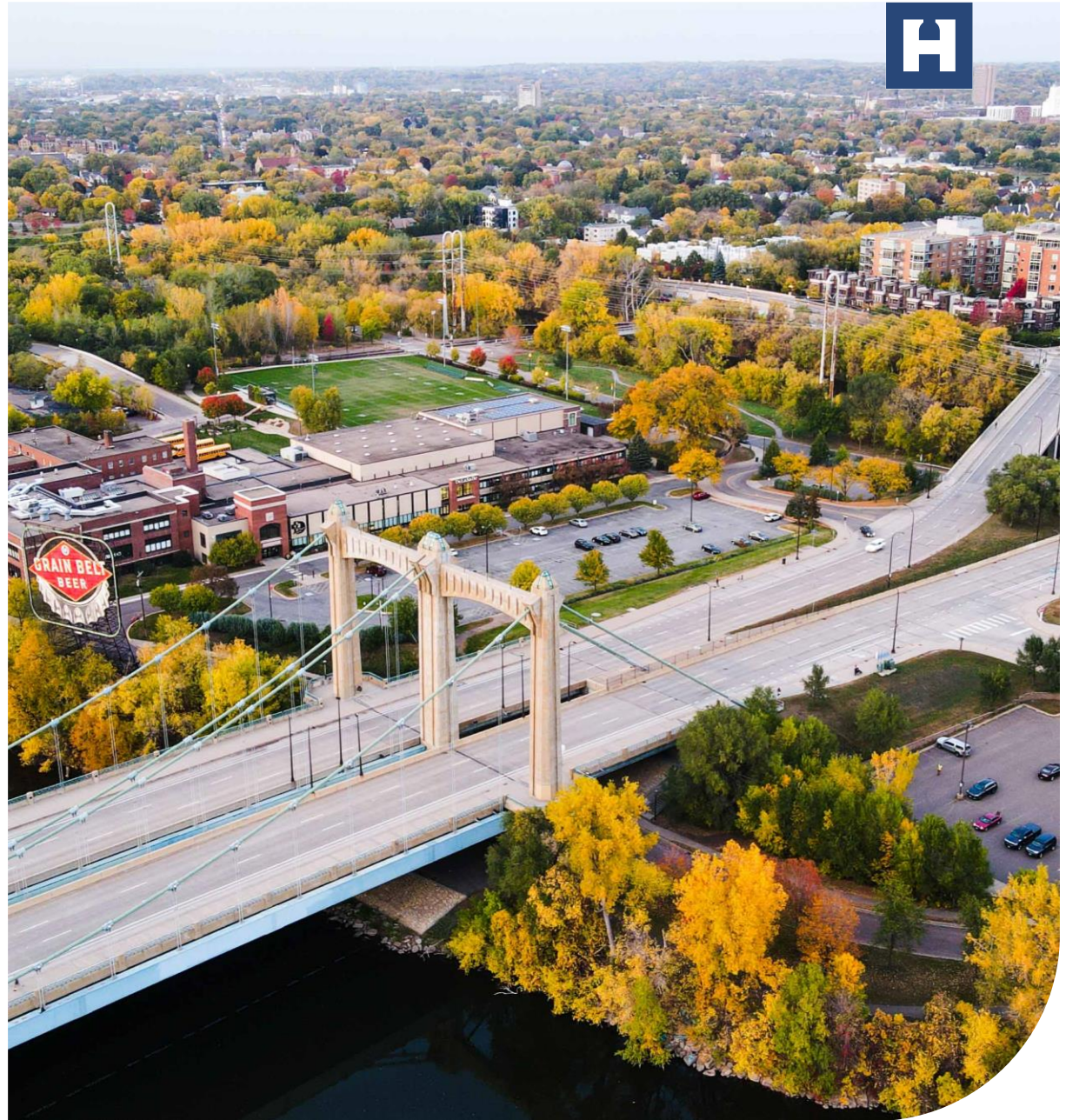
Administration, Operation, and Budget Committee

June 2, 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 5/4/2026	Variance	Actual FTE as of 4/24/2026
Public Works	512.3	459.1	53.2	449.3
Law, Safety, Justice	2,501.2	2,427.5	73.7	2,450.3
<i>Sheriff's Office</i>	883.0	879.1	3.9	958.9
<i>Attorney's Office</i>	521.6	506.3	15.3	493.7
Health	484.5	429.8	54.7	425.3
Human Services	3,718.4	3,799.0	(80.6)*	3,640.4
Operations	1,328.1	1,222.3	105.9	1,148.6
Resident Services	1,093.9	948.1	145.8	913.9
Disparity Elimination	124.5	114.5	10.0	108.7
Countywide	9,762.9	9,400.1	362.8	9,136.5
2025	9,995.6	9,625.5 as of 5/5/2025	370.1	9,568.7 as of 4/25/2025

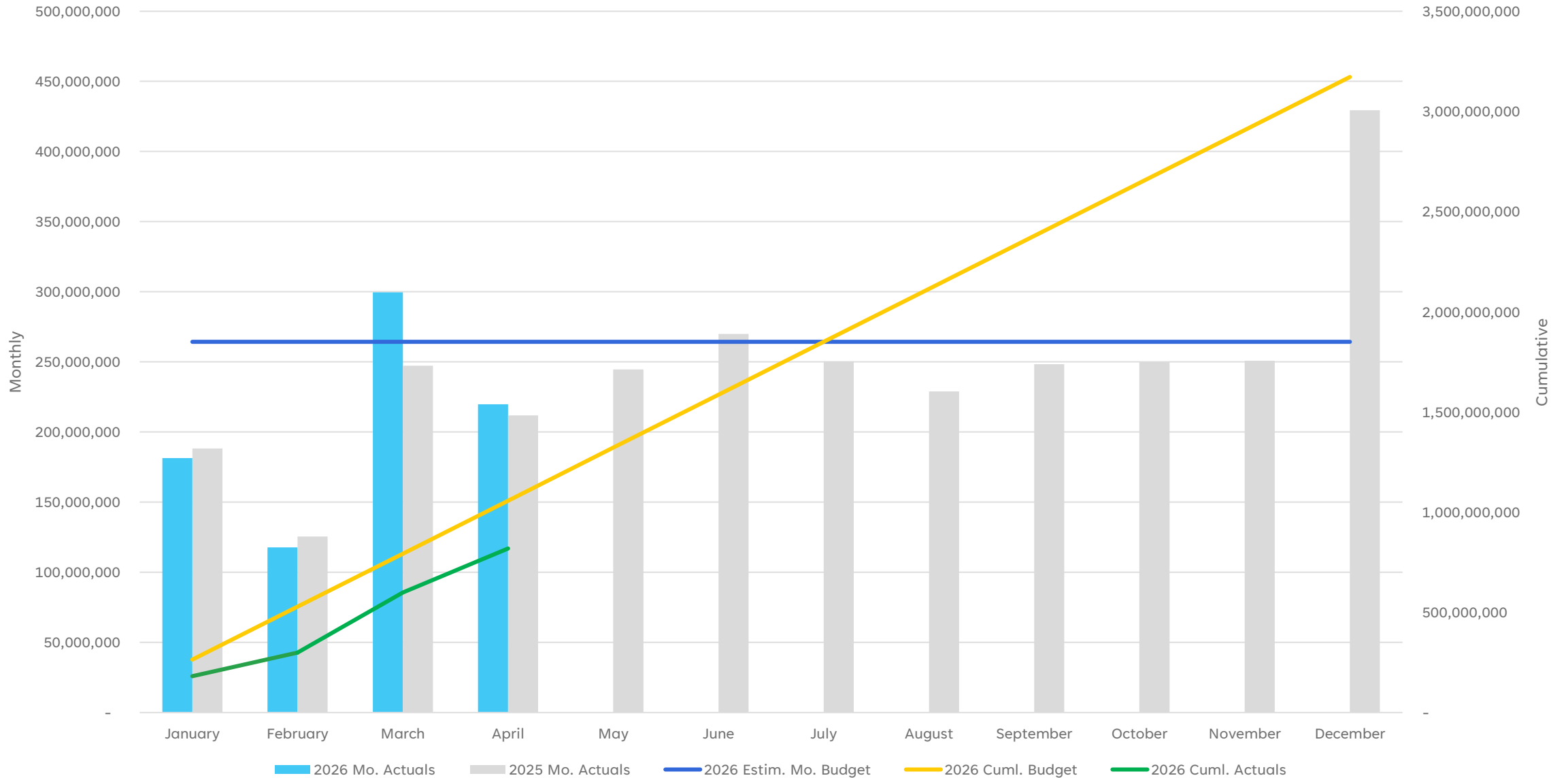
Budgeted FTE: 2026 Adopted Budget

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 through April 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

\$102.6 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 (Hennepin County clinics)	2027	\$27 million
Total		\$59 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 and RFPs
- Capital project reviews
- Transition planning with hospital and state



Next update:

- June 11 - board briefing
- July 28 – Committee presentation
- August - briefing
- September proposed 2027 budget

Next steps:

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

