



Hennepin County

# 2026 budget update

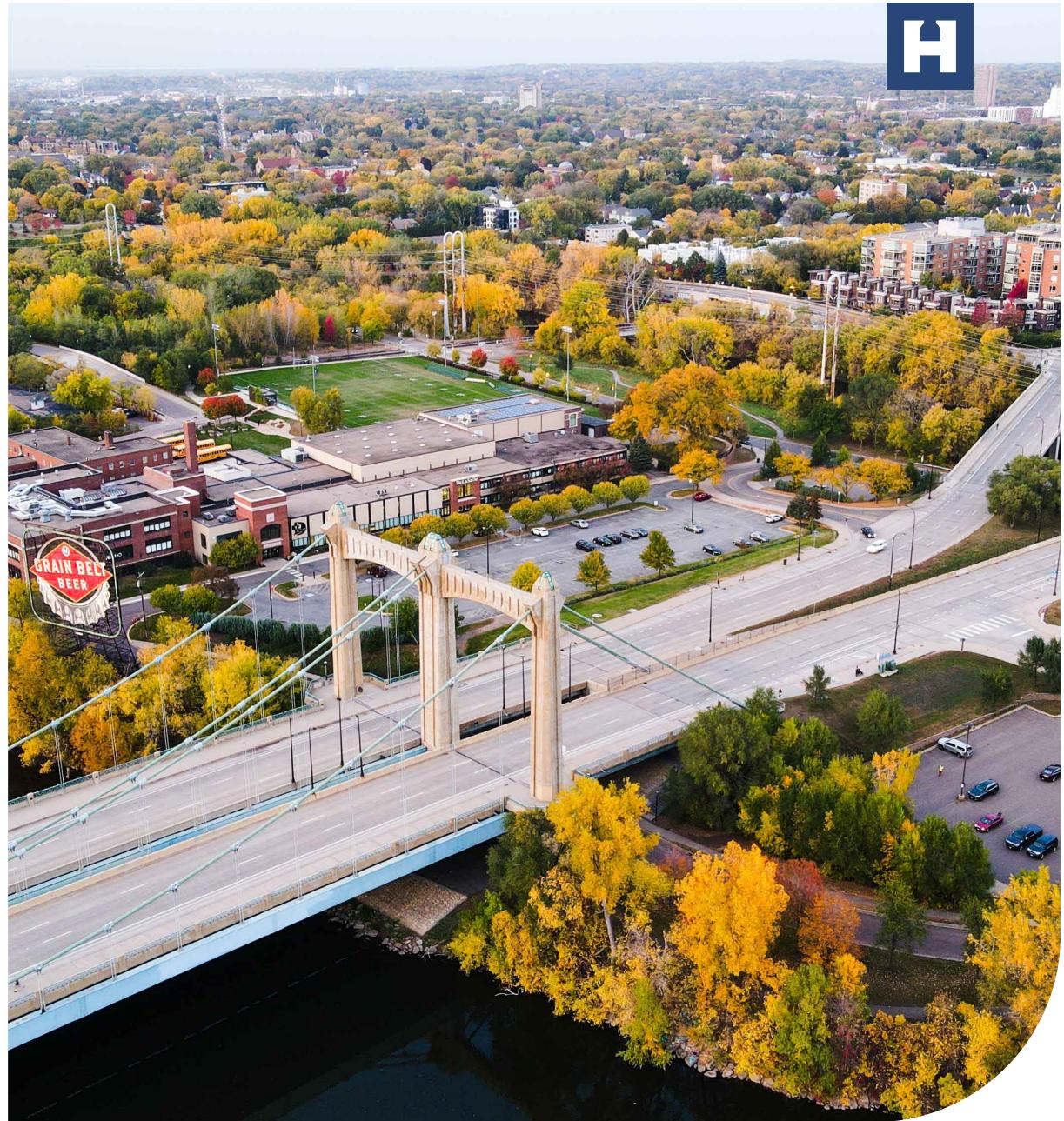
Administration, Operation, and  
Budget Committee

January 13, 2026



# Background

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



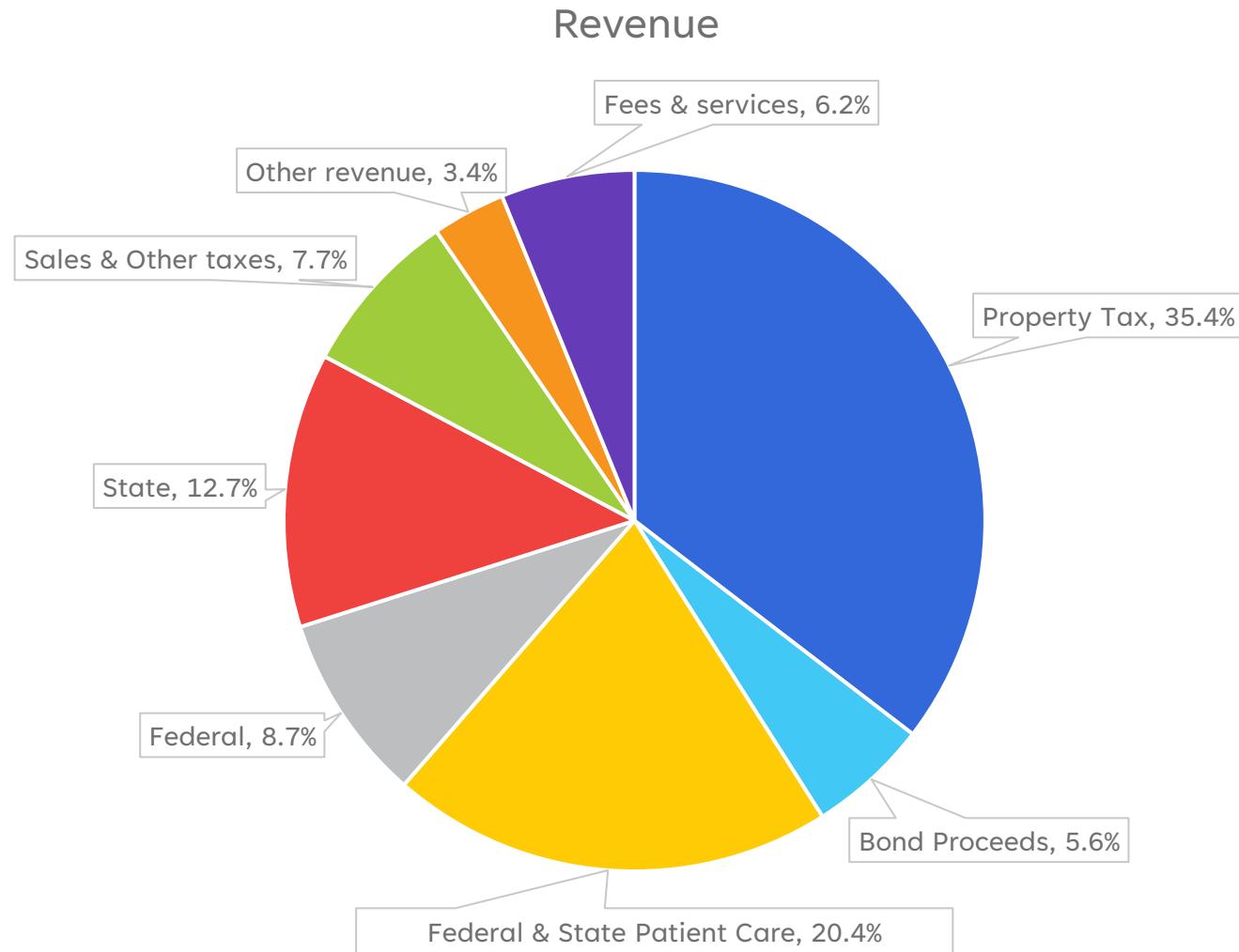
# Agenda

Adopted budget

Federal impacts

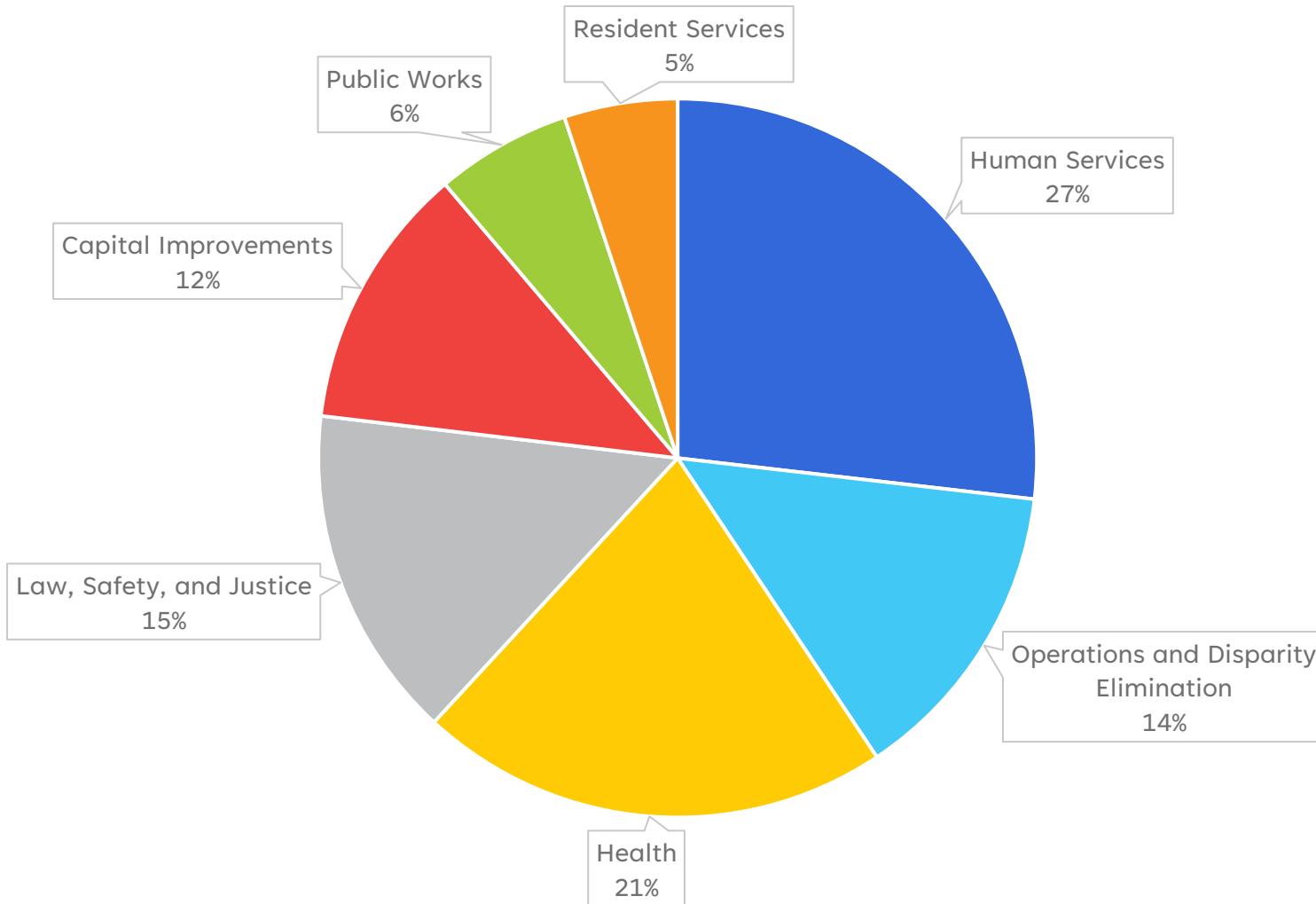
Budget management strategies

# 2026 adopted budget – \$3.15 billion



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## Expenditures by line of business



## Current budget drivers



Healthcare



**State and Federal cost shifts**



**County service delivery**

# Ongoing federal budget impacts



# Current federal impacts

Program area	Amount Annually
SNAP (Food security)	\$8 million
<b>Total</b>	<b>\$8 million</b>

# 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
<b>Total</b>	<b>\$8.6 million</b>	<b>\$2.76 million</b>

# Anticipated cuts

<b>Program area</b>	<b>Date</b>	<b>Amount Annually</b>
SNAP (Food security) Error Rate	2027	\$20 million
HUD (Housing security)	2027	\$12 million
Medicaid	2027	TBD
<b>Total</b>		<b>\$32+ million</b>

# Budget management strategies



# Staffing

Reduced 249 FTEs from 2025 budget to 2026 budget

– 9,763 FTEs budgeted for 2026, 261 FTEs currently open

– 9,502 FTEs as of 1/1/2026

All open positions are being evaluated

# Additional strategies



## Unpaid leave

In 2025, the county saved almost \$2 million through staff unpaid leave

Continue to leverage in 2026



## Reduction targets for 2026 and 2027

Work with departments to find opportunities to realign staffing and services across the organization



## Opportunities for new revenue

Next update:  
March

## Next steps:

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

