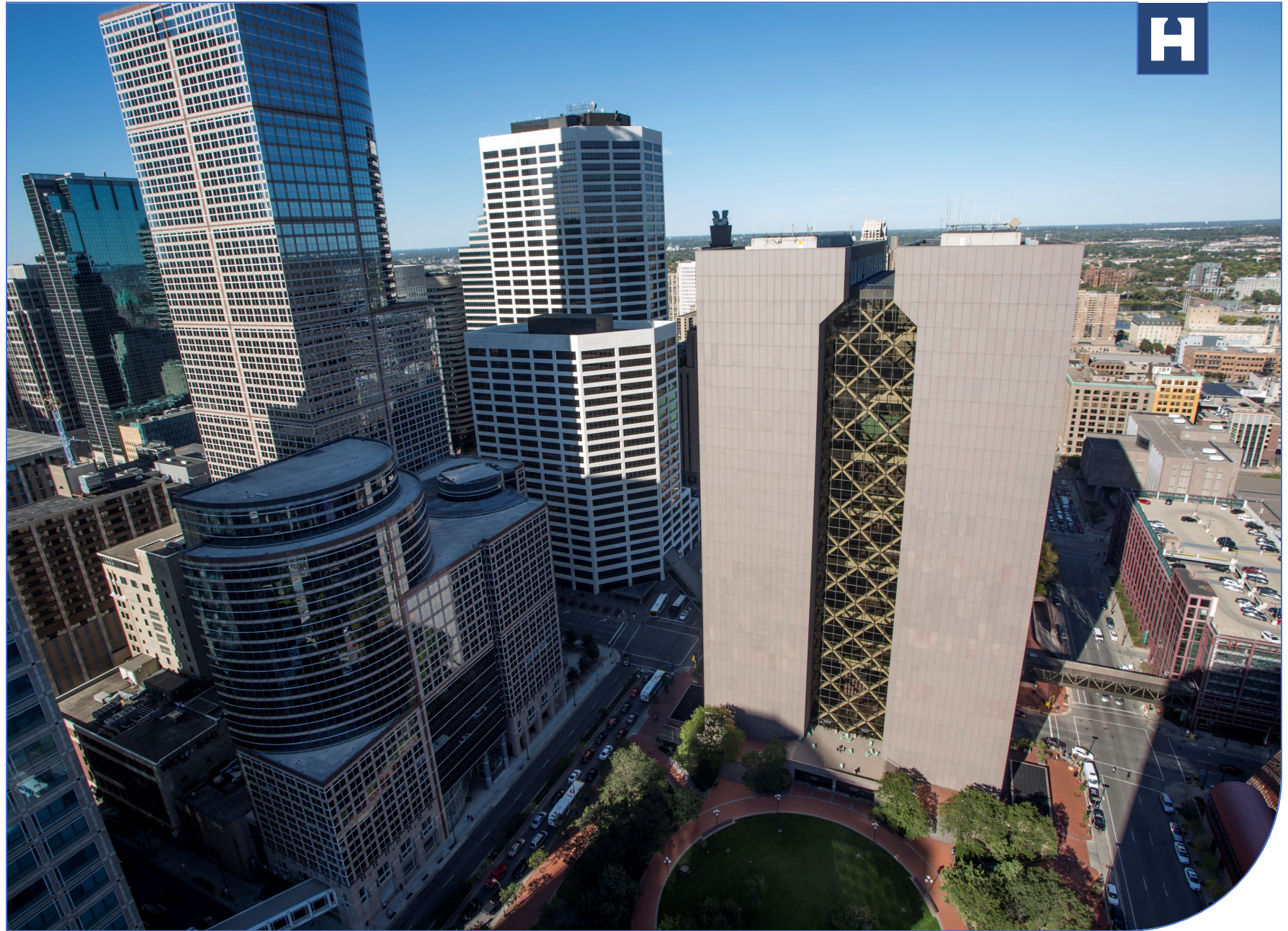


Hennepin County

2026 budget update

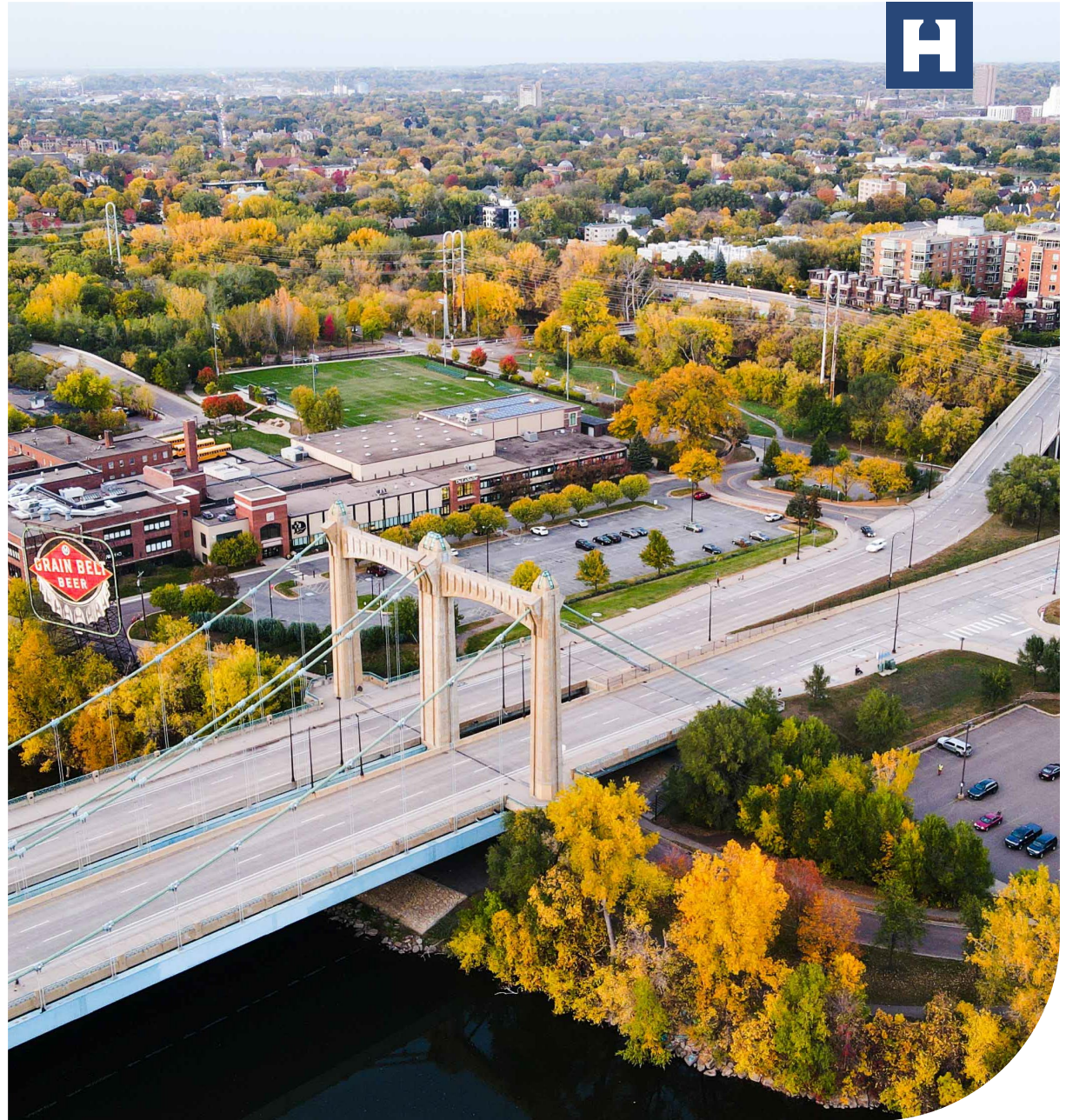
Administration, Operation, and
Budget Committee

January 13, 2026



Background

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





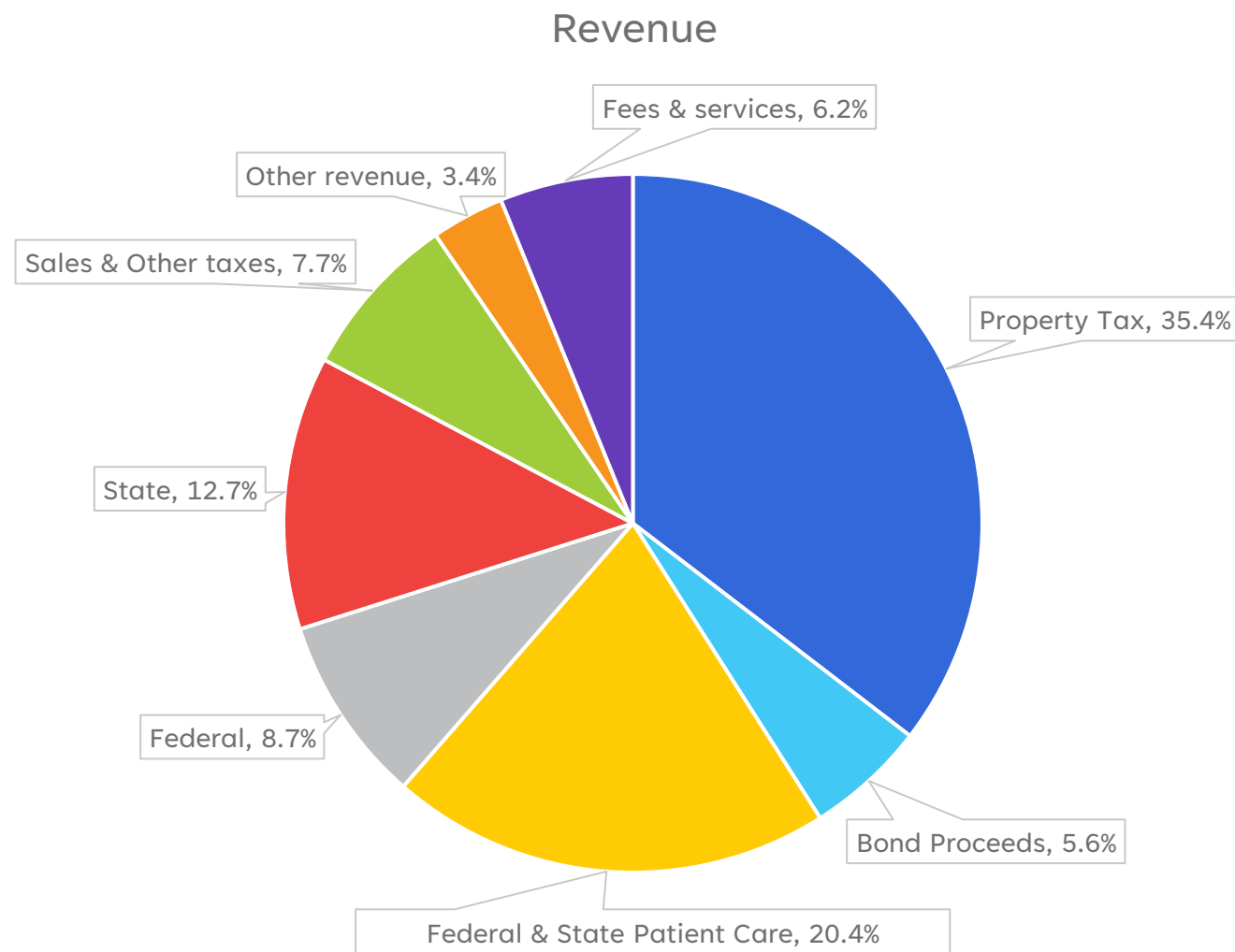
Agenda

Adopted budget

Federal impacts

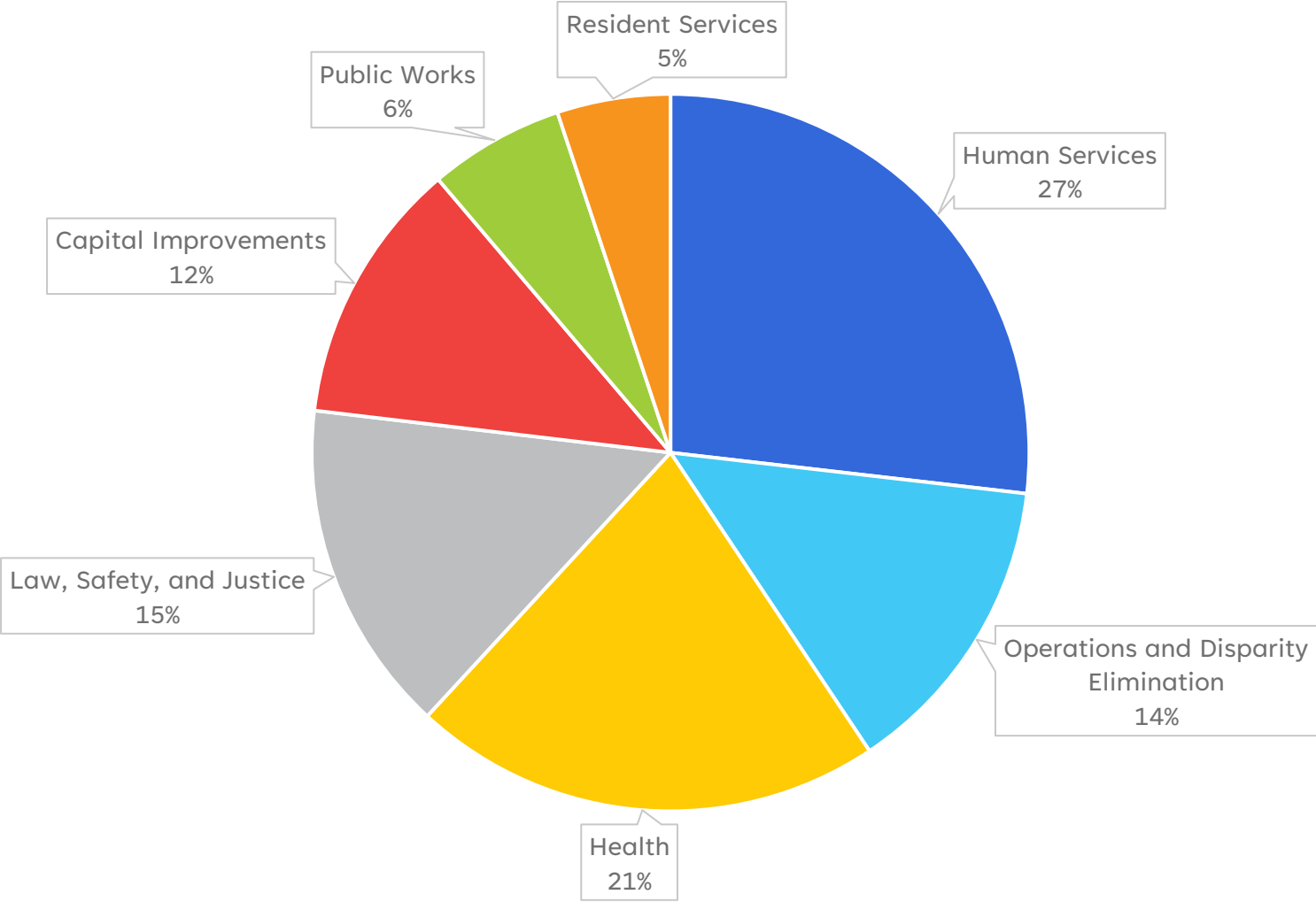
Budget management strategies

2026 adopted budget – \$3.15 billion



2026 adopted budget – \$3.15 billion

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
Total	\$8 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
Total	\$8.6 million	\$2.76 million

Anticipated cuts

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

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

