

Hennepin County

# Budget Briefing

June 11, 2026





# Agenda

Budget drivers

Financial management in 2026  
and planning for 2027

Budget planning approach and  
commitments

# Mission

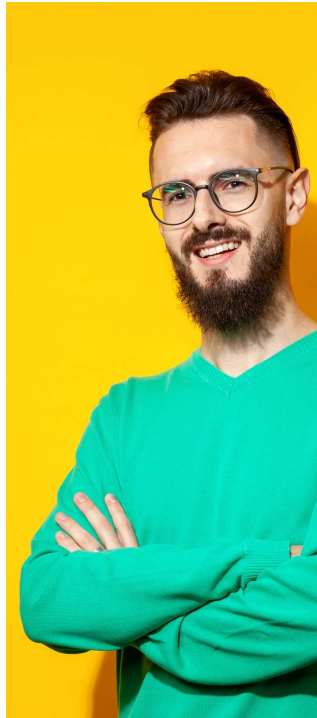
To serve residents through transformative services that eliminate disparities, eliminate inequities, and create opportunity for all.

# Vision

A community where all people are healthy, all people are valued, and all people thrive.

# Values

- People First
- Stewardship
- Integrity
- Equity
- Innovation





## **Our commitment to disparity elimination**

Through policies, services and programs we will drive disparity elimination and work to benefit people's lives in the areas of connectivity, education, employment, health, housing, income, and justice.

# Budget Drivers

## Increasing expenses

- Personnel
- Capital budget
- Health insurance
- Other cost drivers (IT, Facilities)
- Hospital – Significant state funding mitigated the most significant risks to the County Budget

## Reduced revenue

### Federal cuts: \$67 million total

- SNAP (Food security): \$28 million annually\*
- HUD (Housing security): \$12 million annually
- Medicaid (Hennepin County clinics): \$27 million annually

### Funding Under Protective Orders

- \$102.6 million at risk in 2026

# Preparing our budget in 2026

*Based on our current cost – An additional **\$137 million in property tax** would be needed if we do nothing.*

## 1

### **Position Management**

- Strategic Hiring – 361 new hires as of 5/29/2026 after evaluating needs
- Attrition: 225.4 fewer hired FTEs on payroll in 2026 compared to 2025

## 2

### **Contract and RFP review**

## 3

### **Capital project review**

## 4

### **Review budget structure and alignment of programs and departments**

# Successful development of 2027 budget



**Departments are asked to prepare budgets that come in at a 102% of 2026 property taxes**

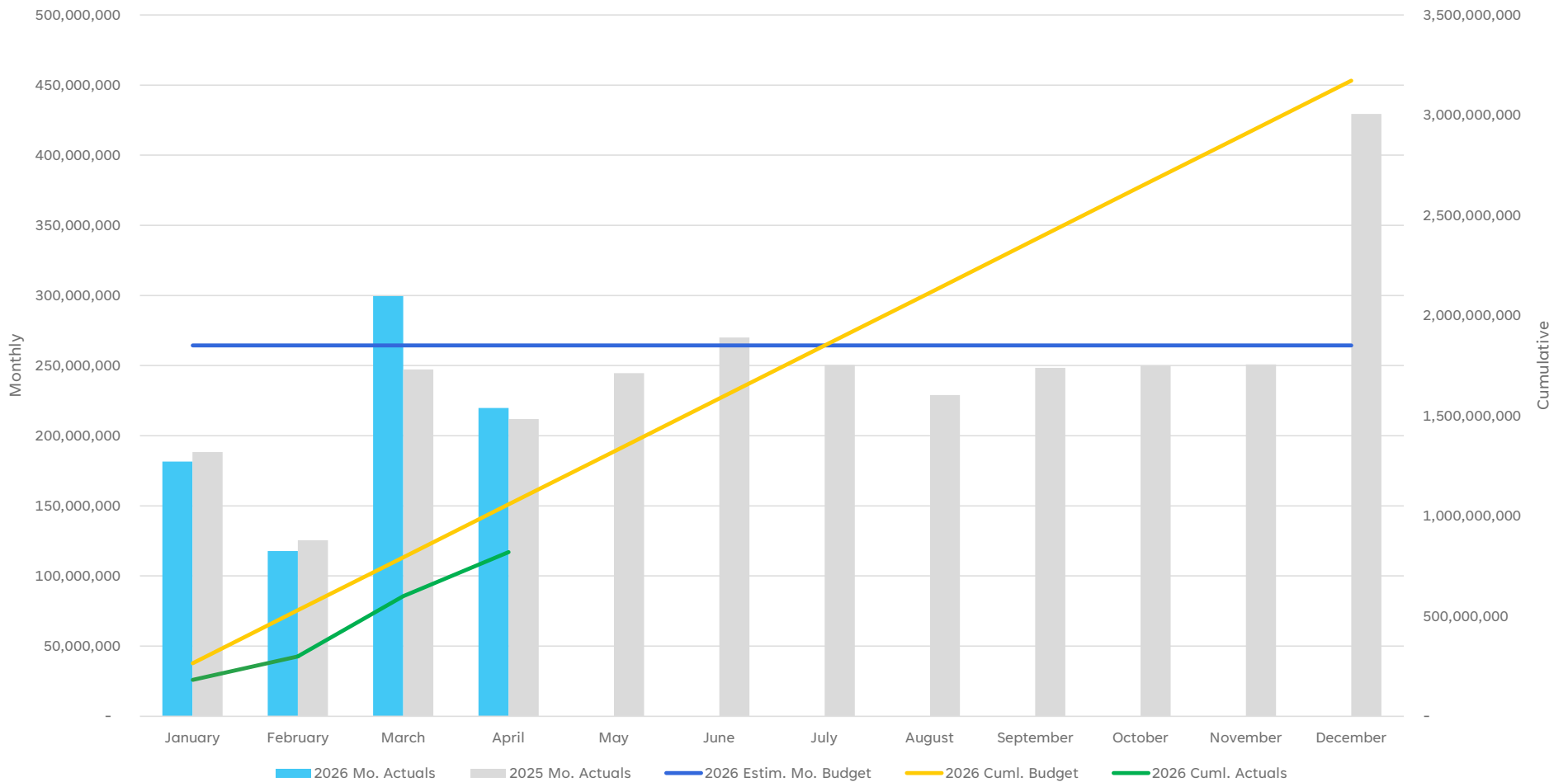


**Goal is to have departments align themselves now to their 2027 budget**



**Maintain commitment to mission, vision and values of Hennepin County**

# Spending under budget through April 2026



# 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
<b>Countywide</b>	<b>9,762.9</b>	<b>9,400.1</b>	<b>362.8</b>	<b>9,136.5</b>
<b>2025</b>	<b>9,995.6</b>	<b>9,625.5</b> as of 5/5/2025	<b>370.1</b>	<b>9,568.7</b> 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.*

# FTE details

Line of Business	Permanent	Limited Duration	On Leave*	Overtime	Actual* as of 4/24/2026
Public Works	430.3	13.9	0.9	4.2	449.3
Law, Safety, Justice	2,248.0	54.6	18.3	129.3	2,450.3
<i>Sheriff's Office</i>	813.9	16.8	9.9	118.3	958.9
<i>Attorney's Office</i>	468.8	22.8	2.2	0.0	493.7
Health	406.5	11.6	3.9	3.4	425.3
Human Services	3,520.4	91.3	16.8	11.9	3,640.4
Operations	1,111.4	24.3	5.2	7.7	1,148.6
Resident Services	862.0	47.3	4.5	0.1	913.9
Disparity Elimination	108.7	0.0	0.0	0.0	108.7
<b>Countywide</b>	<b>8,687.3</b>	<b>243.0</b>	<b>49.6</b>	<b>156.6</b>	<b>9,136.5</b>
2025	8,977.1	291.5	117.3	182.7	9,568.7 as of 4/25/2025

\*Staff who are on MNPL are not included in this column

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

# Committed to serving residents

- Assuring critical services for resident health and safety
- Legally mandated services and work
- Evidence based programs that improve outcomes for residents, reduce deep end services and contribute to thriving communities.
- Core programming central to the vision, mission and values of the organization.



# Mandated and Core Services

## Mandated Services

Functions and services the county is legally required to provide under state or federal law, including:

- Child and adult protection
- Elections administration
- Environmental health inspections
- Economic support programs
- 911 emergency communications
- Highway and bridge maintenance

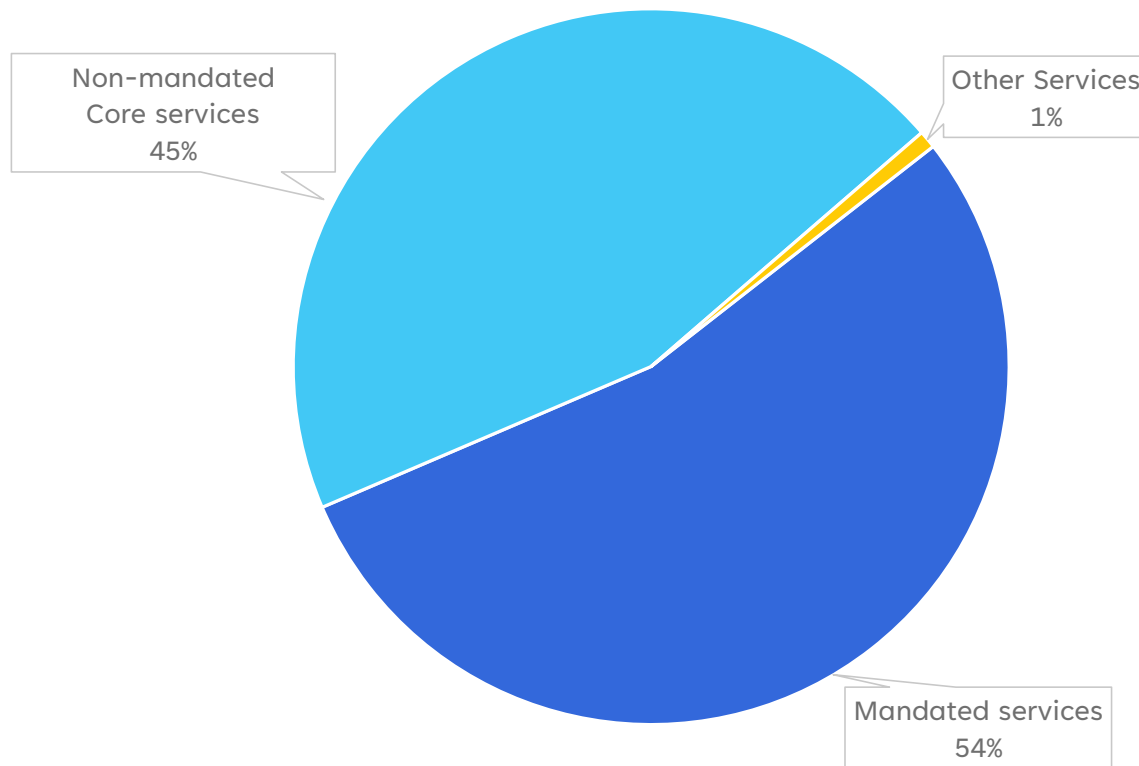
## Core Services

Primary functions of the county and services it chooses to prioritize. They can support mandated services and reflect our core values and strategic commitments, including:

- Libraries
- Hennepin Health
- Vehicle licensing and registration
- Homeless shelters and services
- Operational supports such as IT, Facilities, Human Resources
- Food access and rescue

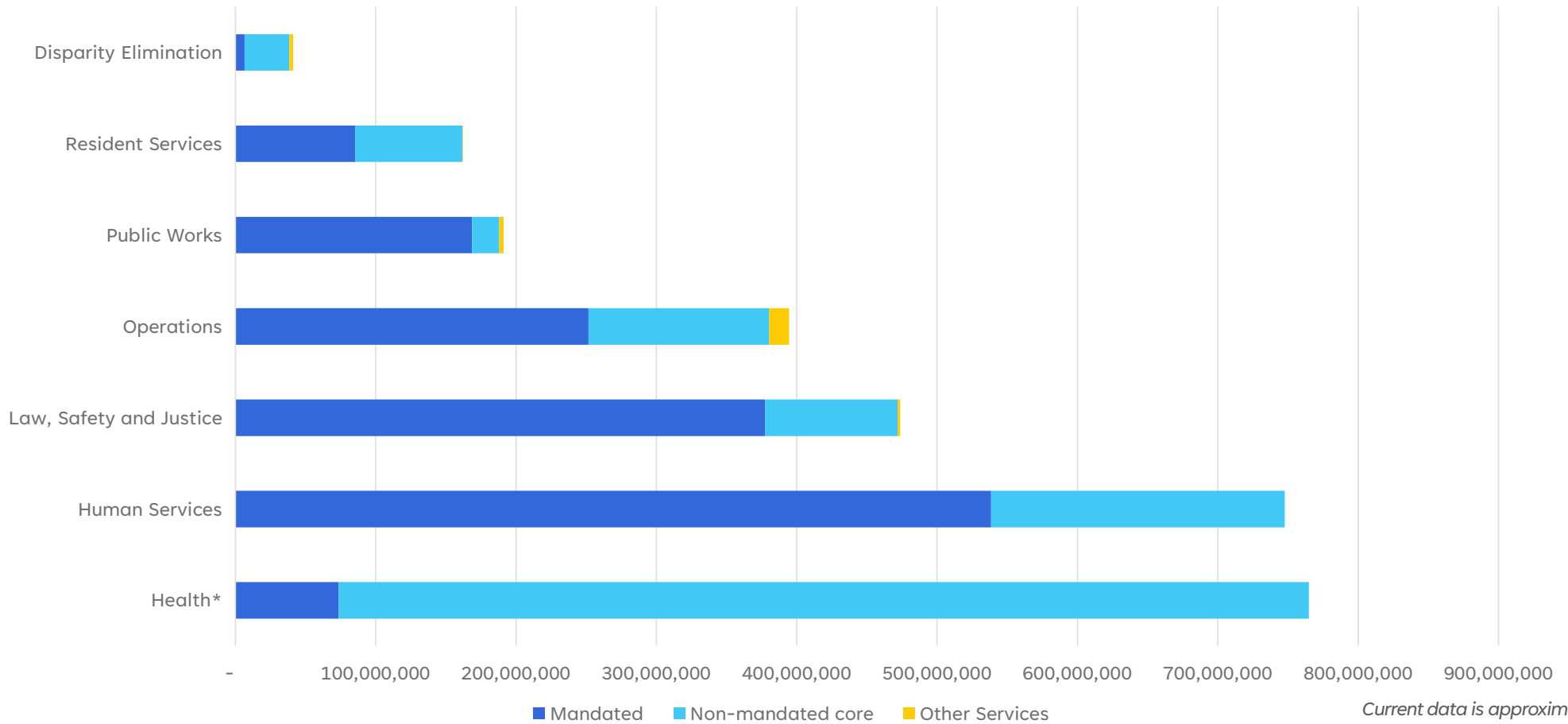
# County services and functions

Services by percent of 2026 adopted budget



# Core and mandated services by Line of business

Sum of services from 2026 LOB adopted budgets



## Timeline / Next steps

**June 30:** Departments submit budget requests

**July-August:** Work with departments to understand impacts

**August Board Briefing:** Budget update and property tax impacts

**September:** County Administrator Proposed Budget and Max Levy is set

# Discussion

