



Budget Overview End of Session 2026

Agenda



BIENNIAL
BUDGET PROCESS



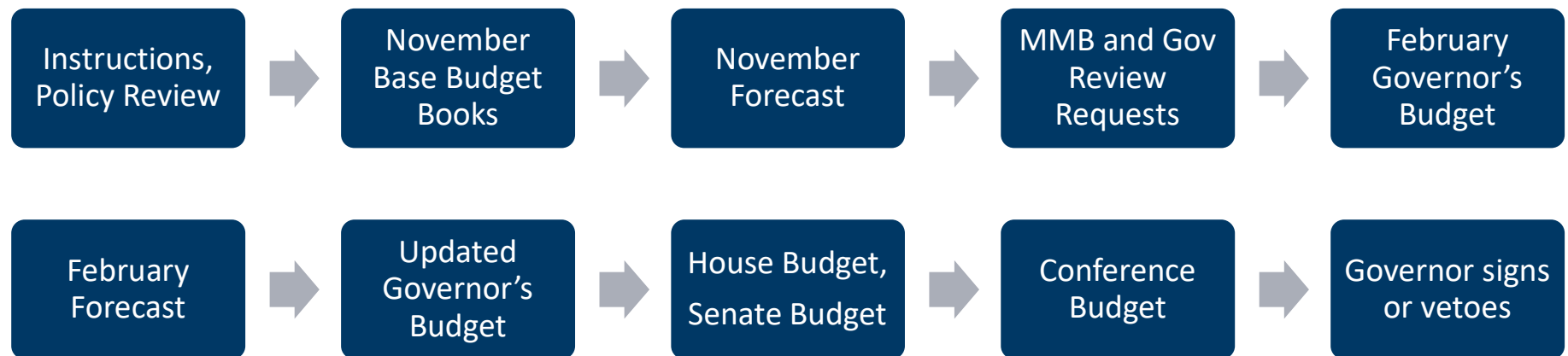
BUDGET
OVERVIEW



DRIVERS OF GROWTH
FOR GENERAL FUND

Operating Budget Process

Each odd calendar year, a biennial operating budget is passed by the Legislature.

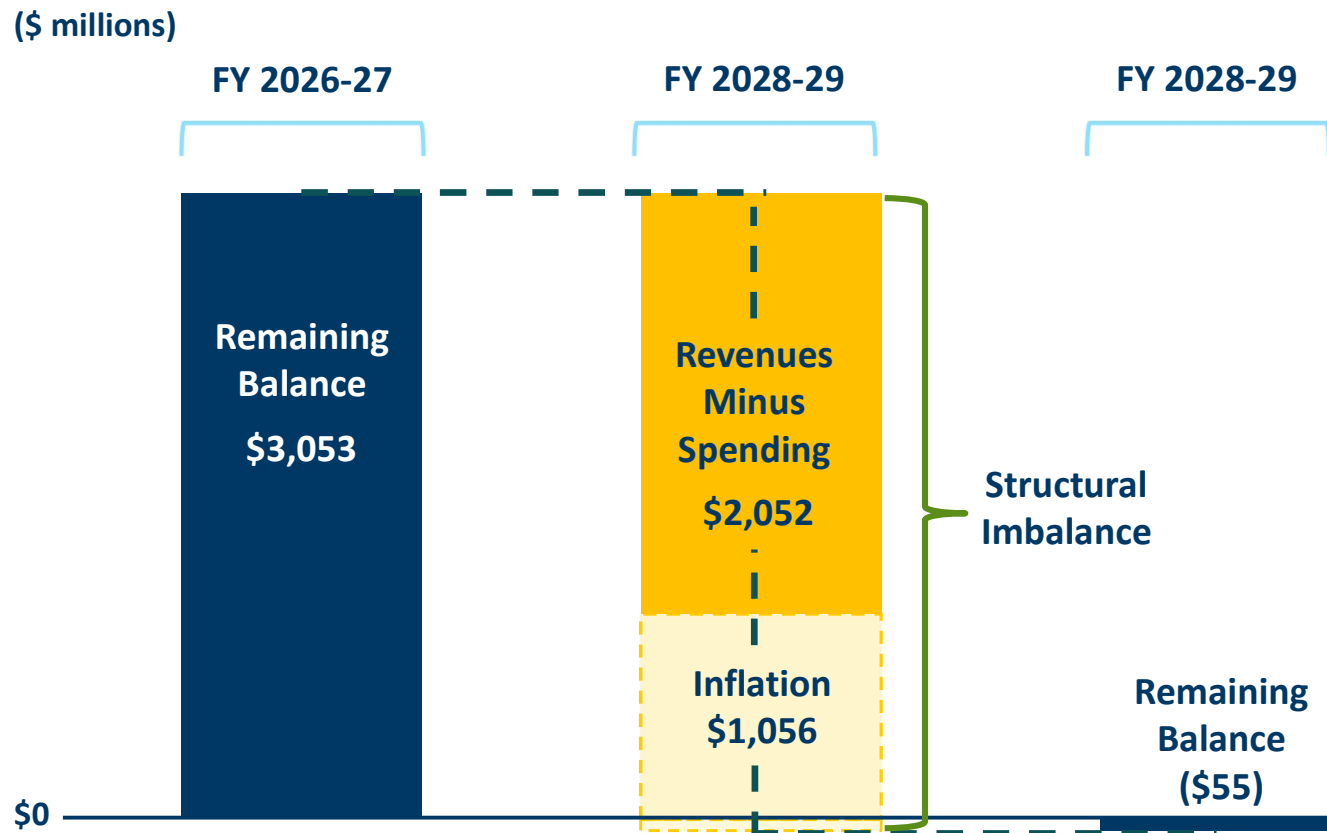


The 2025 legislative session enacted the current FY 2026-2027 operating budget.
The 2027 legislative session will enact the next operating budget for FY 2028-29.

End of Session Forecast FY 2026-29

(\$ in millions)	FY 2026-27	FY 2028-29
Beginning Balance	\$10,273	\$6,825
Forecast Revenues	67,674	70,354
Total Forecast Spending	71,122	73,462
<i>Baseline Spending</i>	69,263	72,406
<i>Carryforward from FY 2024-25</i>	1,859	0
<i>Discretionary Inflation</i>	0	1,056
Reserve & Cash Flow	3,772	3,272
Hospitalization Reserve		500
Remaining Balance	\$3,053	(\$55)
<i>Remaining Balance w/o Inflation</i>	<i>\$3,053</i>	<i>\$1,001</i>
<i>Structural Balance w/o inflation</i>		<i>\$(2,052)</i>

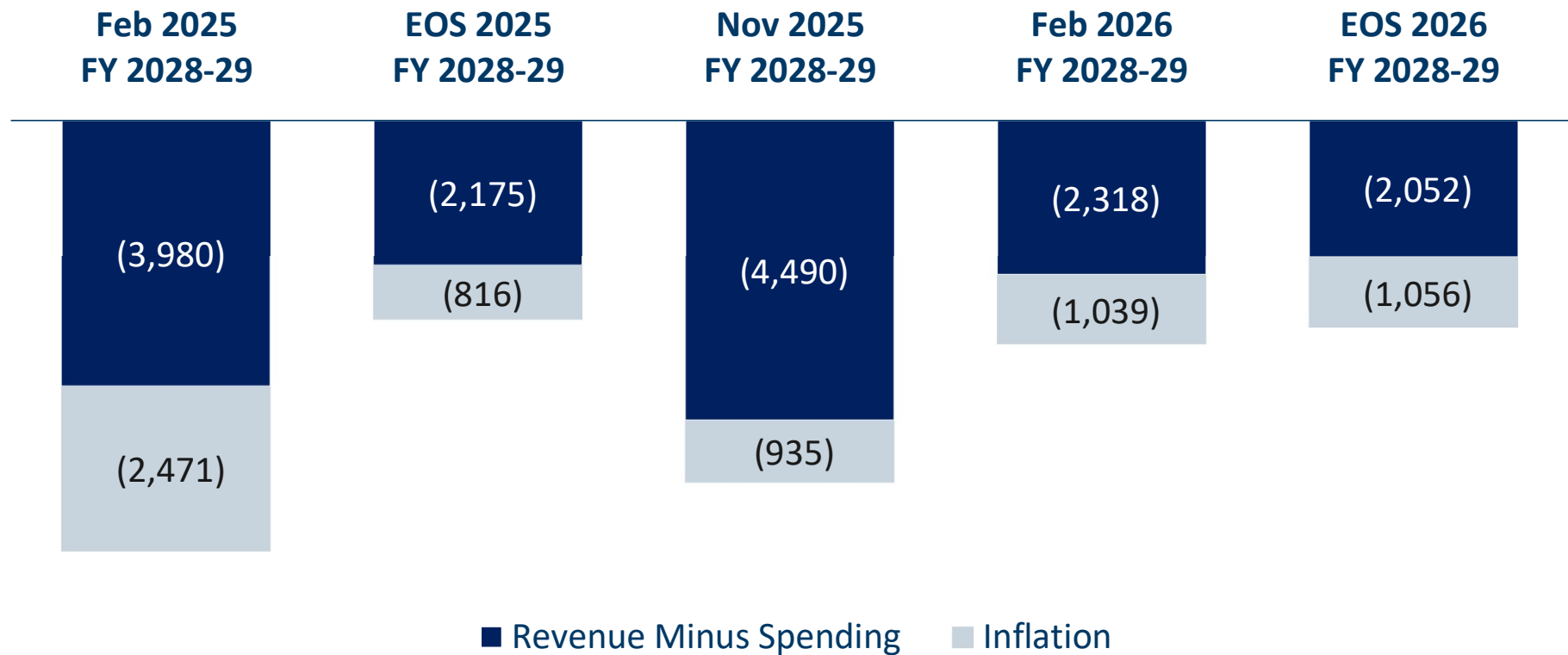
FY 2029 Ending Balance After Session Changes



Long Term Budget Outlook

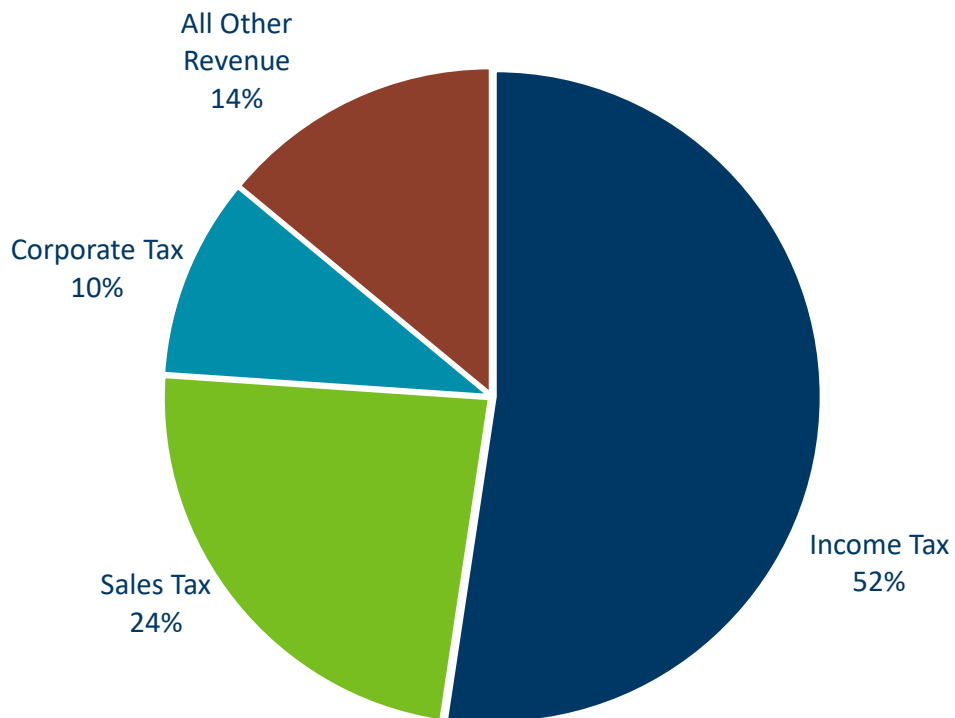
\$ in millions	FY 2026-27	FY 2028-29	Biennial Growth	Annualized % Growth
Forecast Revenues	67,674	70,354	2,680	2.0%
<i>Baseline Spending</i>	69,263	72,406	3,143	2.2%
<i>Carryforward</i>	1,859		(1,859)	
<i>Discretionary Inflation</i>		1,056	1,056	
Total Forecast Spending	71,122	73,462	2,339	1.6%
Structural Balance		\$(3,108)		
<i>Structural Balance Without Discretionary Inflation</i>		\$(2,052)		

Continued Improvements to Structural Imbalance

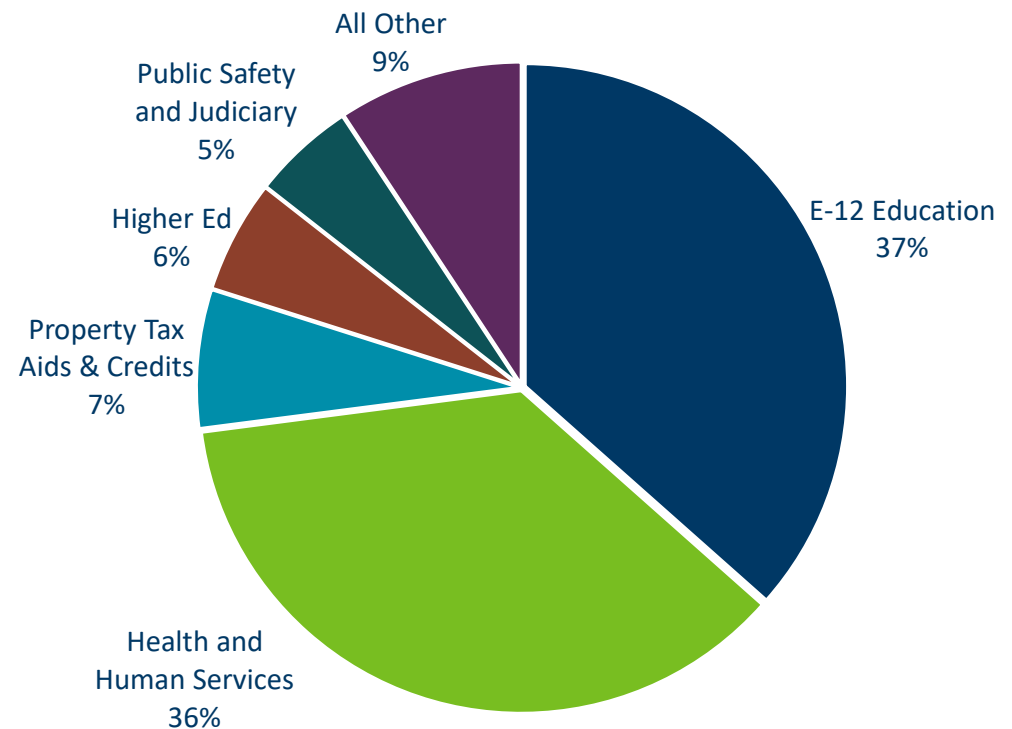


General Fund: Where the money comes from and where it goes

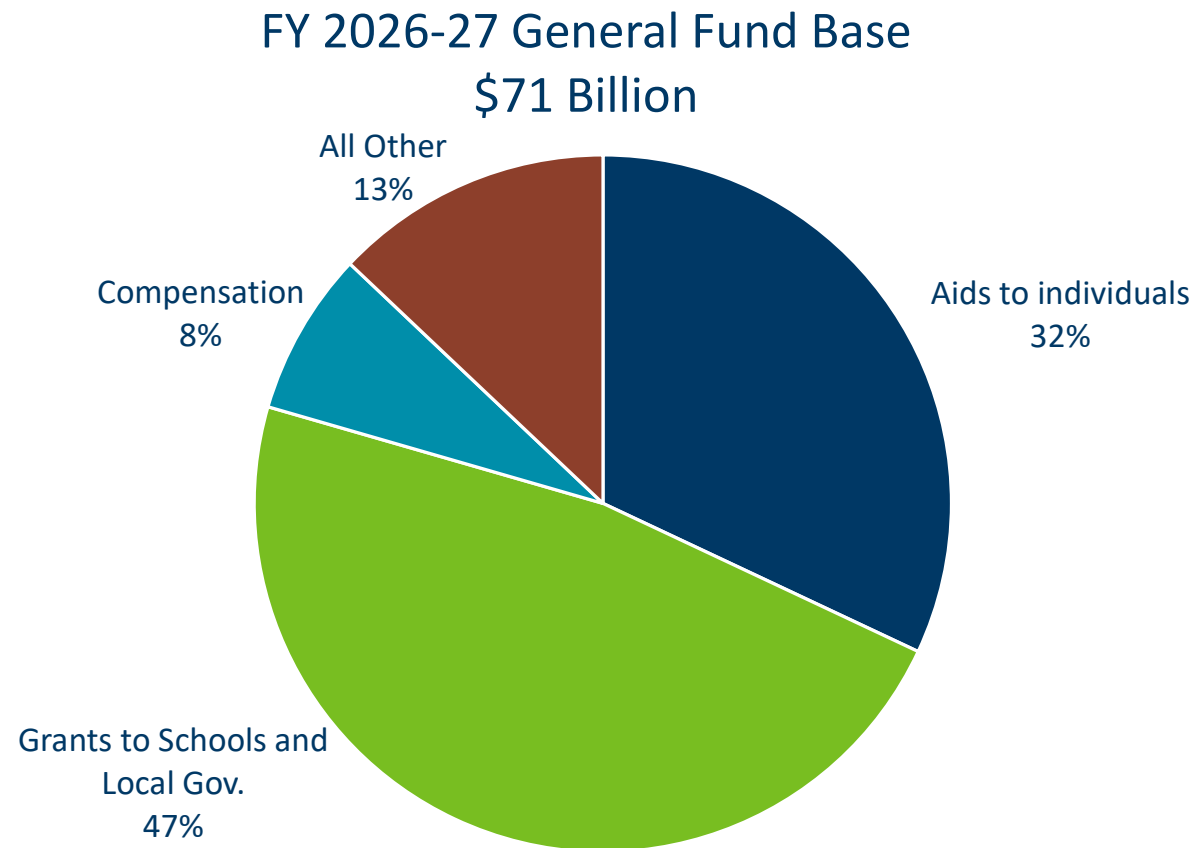
FY 2026-27 General Fund Revenue
\$67 Billion



FY 2026-27 General Fund Spending
\$71 Billion

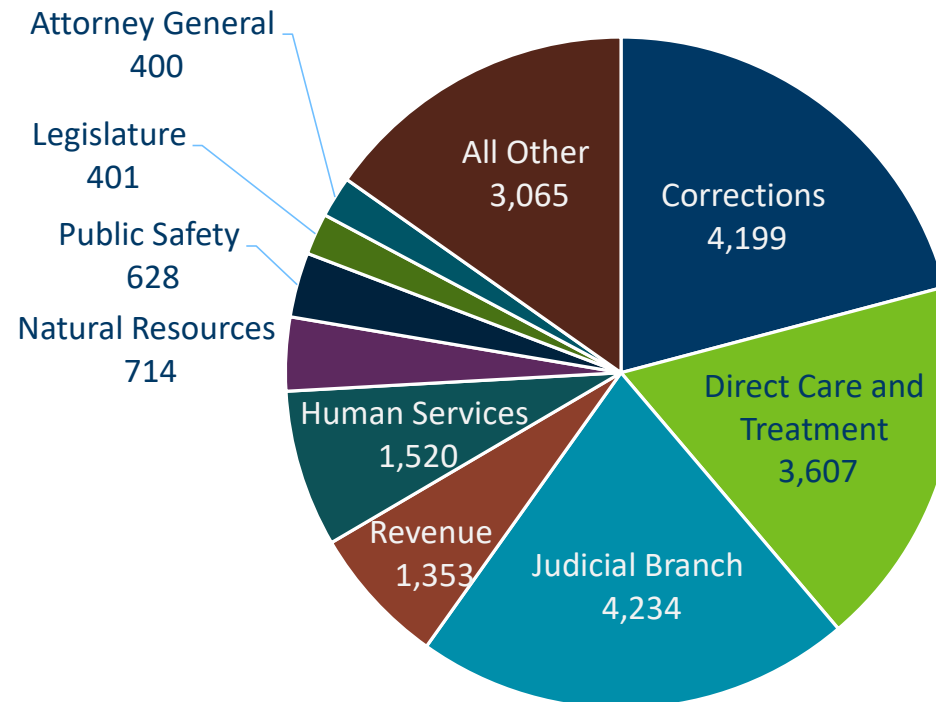


How is General Fund spent?

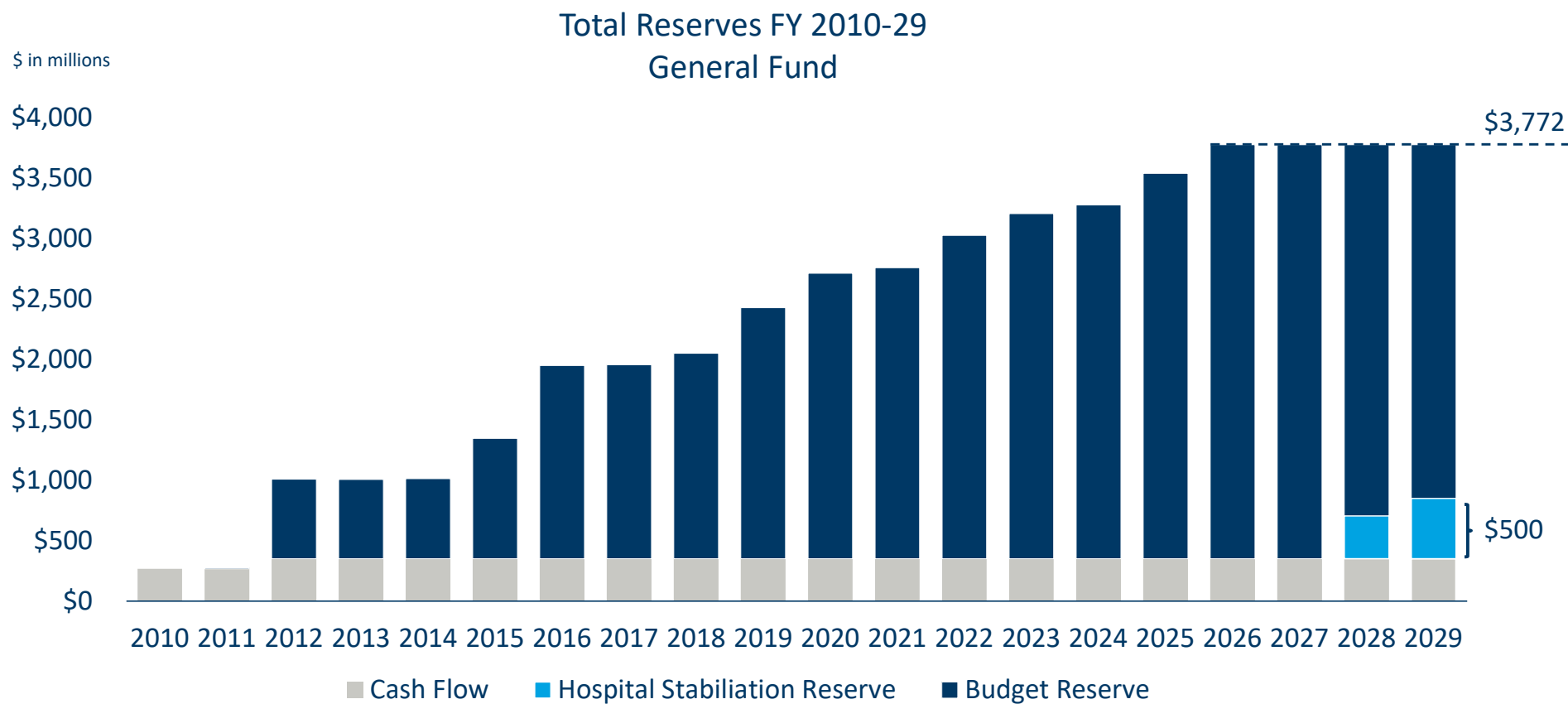


General Fund Positions

FY 2025 – FTE
20,122



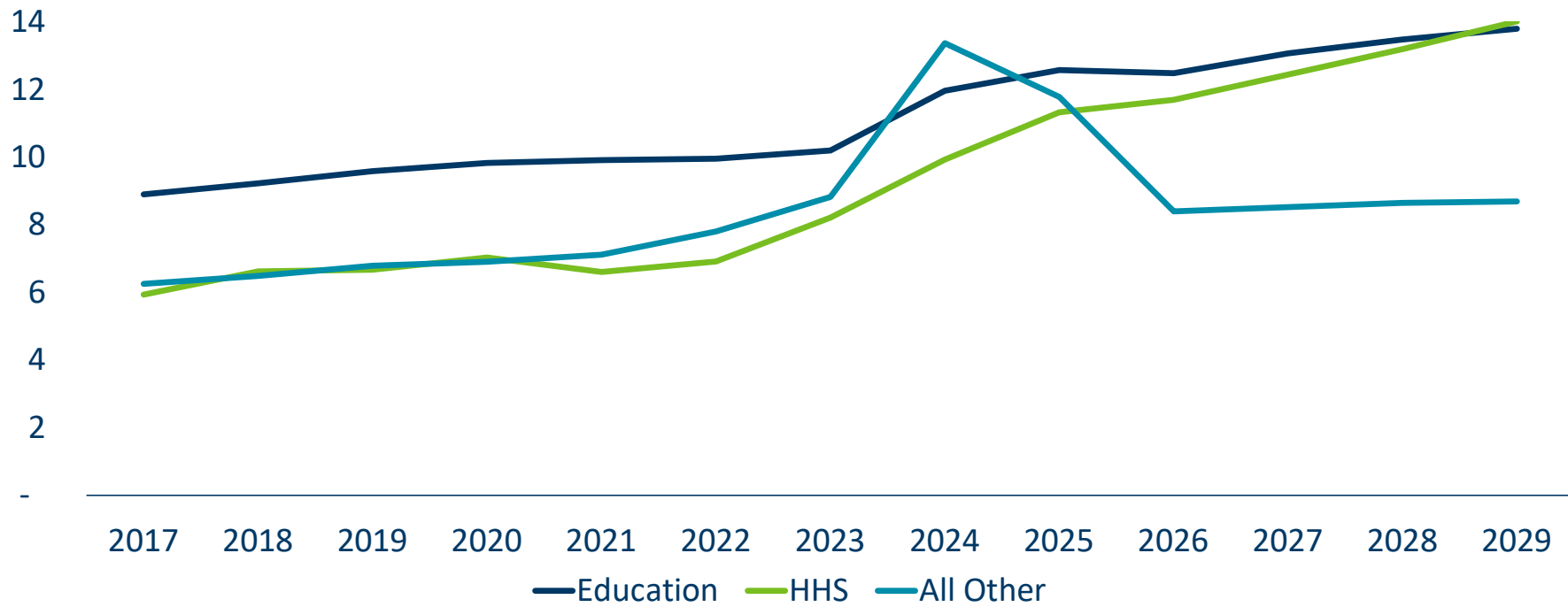
General Fund Reserve



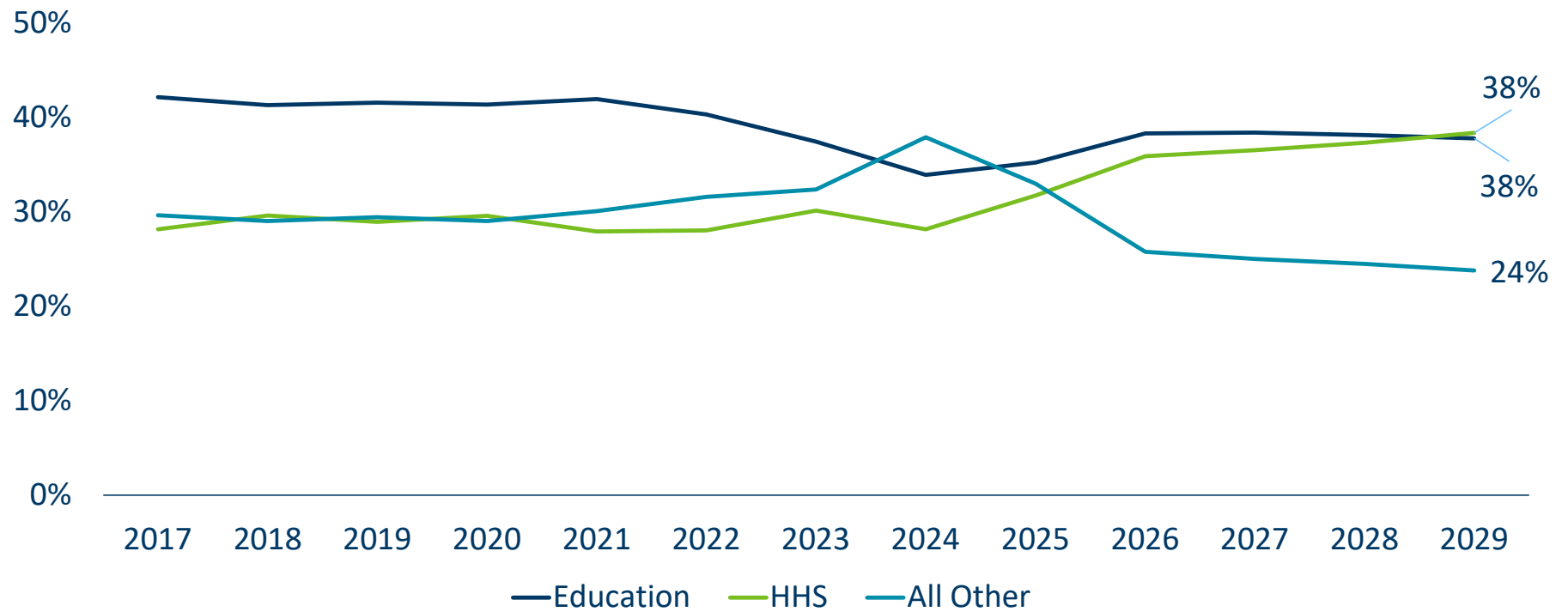
Drivers of Budget Growth

General Fund Spending by Area

billions of dollars

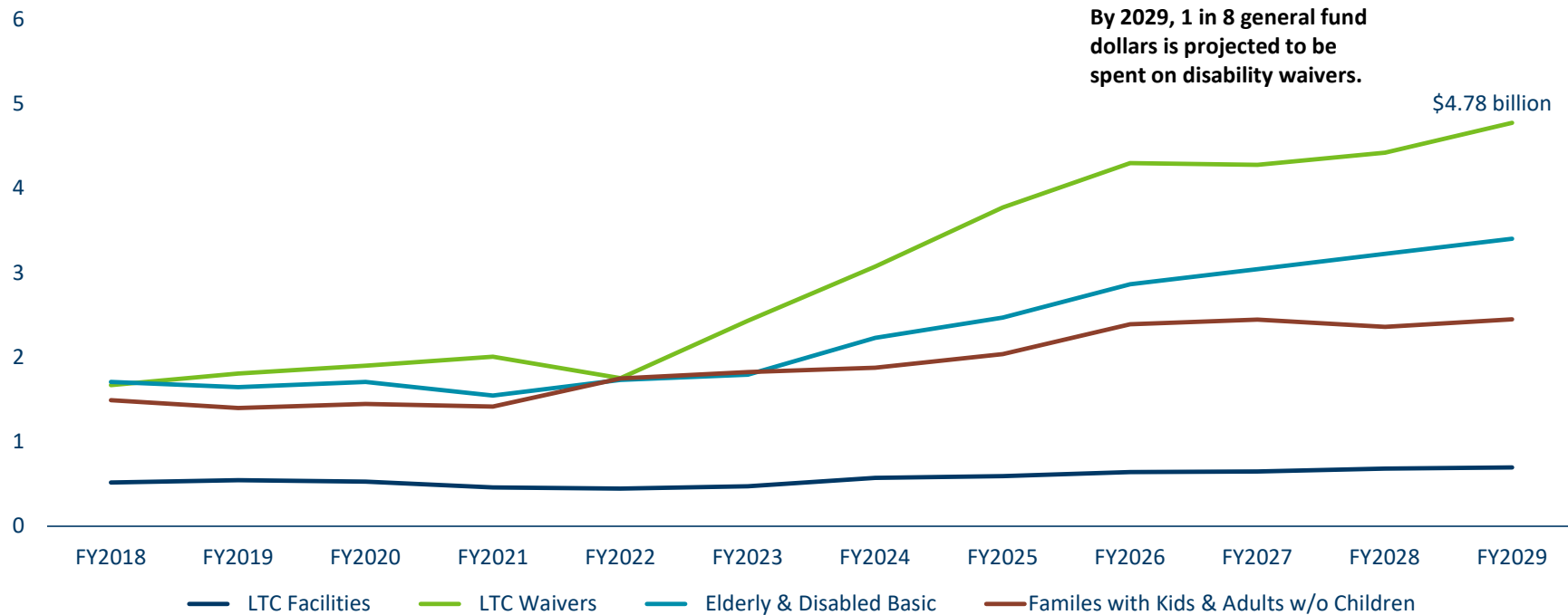


General Fund Spending as Percentage of Budget



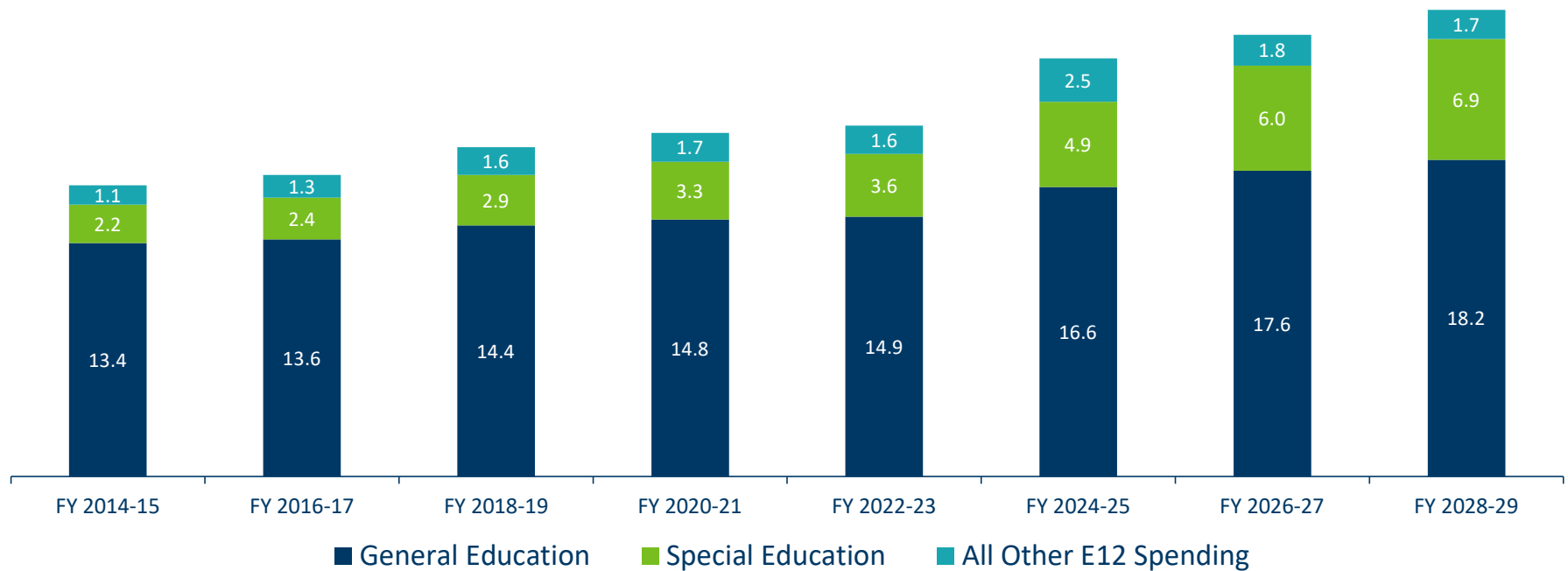
Long Term Care Waivers Driving State MA Growth

State Medical Assistance Spending By Category
billions of dollars



Special Education Growing Faster than General Education

E-12 Education General Fund Expenditures by Biennium
(\$ in billions)



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BUDGET

The Budget Division is the central budget office for Minnesota state government. Budget staff work with the Governor's Office, legislative committees, legislative fiscal staff and state agencies on fiscal policy, program review, performance management and developing and monitoring state agency budgets.

[Operating Budget](#)

Find information on current and prior year operating budgets, including Governor's budget proposals and enacted operating budgets.

[Capital Budget](#)

Find information on current and prior year capital budgets, including: instructions, forms, Governor's recommendations, and enacted capital budgets.

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FORECAST AND UPDATES

[Budget and Economic Forecast](#)

Our Budget and Economic Forecast of state revenues and expenditures is prepared two times each year in November and February. Forecast information is used by the Minnesota Governor and Legislature to ensure that enacted budgets remain on track, in balance, and to plan for future budgets.

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The Economic Analysis Unit provides monthly and quarterly updates that compare actual revenue collections to the most recent forecasts.

[Forecast Overview](#)

Learn more about our State Economist Dr. Anthony Becker.

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