



Date: June 15, 2026

To: Agency Heads
Deputy Commissioners
Chief Financial Officers
Budget Directors

From: Ahna Minge, Deputy Commissioner and
State Budget Director

A handwritten signature in black ink, appearing to be 'AM' or 'Ahna Minge'.

Subject: FY 2028-29 Biennial Budget Preparation

Following the conclusion of the 2026 legislative session and as the fiscal year comes to a close, our attention now shifts to the FY 2028-29 biennial budget. The biennial budget offers an important opportunity for the Governor and state agencies to clearly communicate their priorities to Minnesotans.

The state budget will face significant constraints in the upcoming biennium, despite changes enacted over the last two years that have meaningfully improved our financial position. Current projections indicate a negative projected balance in the budget years, which would be a positive balance of about \$1.0 billion without factoring in the cost of discretionary inflation. However, a structural deficit of nearly \$2.0 billion creates significant pressure in our longer term fiscal solvency – limiting the capacity for new spending and necessitating the evaluation of current budgets. We will focus closely on agency base budgets, the services supported by those resources, the outcomes they deliver, and opportunities to prioritize existing funding for its highest and best use.

We are preparing this biennial budget in a time of gubernatorial transition during which agencies are working to provide a smooth transition for the next administration. In transition years, state law allows for additional time for preparation of the biennial budget, which must be delivered to the legislature by February 16, 2027.

In addition to the biennial budget, MMB – through Management Analysis and Development (MAD) – is coordinating the preparation of briefing materials to be made available to the governor-elect's transition team the day after the election. The briefing materials will include each agency's *Agency Profile* section of the budget narrative. MAD and the Budget and Results Division are coordinating so that agencies do not receive duplicative information requests between the budget process and transition planning, but please be aware that MAD will ask agencies for additional transition materials later this summer.

Attached to this memo you will find the instructions for developing agency budget narratives, the first step of the process. These instructions provide guidance for completing the background narratives that collectively comprise the catalog of state government – how and how well agencies fulfill their mission. In August, additional instructions will be provided for developing base budgets and budget recommendations for the next biennium.

The purpose of agency budget narratives is:

1. To provide a description of what your agency does and the public good or outcome that is a result of that investment in a way that decision-makers and the public can easily understand.
2. To demonstrate how well you are doing with performance measures that show how much is provided (the **quantity**), how well it is done (the **quality**) and whether or not anyone is better off (the **result**).

While the 2028-29 biennial budget templates are not materially different from the 2026-27 biennial budget, we have made a few changes. Please review the [instructions](#) and the current templates alongside the previous documents we have provided for you on SharePoint. Please note that due to the upcoming gubernatorial transition, we have removed some references that are specific to the current administration. Additionally, please note that the Results section has been streamlined to improve clarity and support agencies in completing it efficiently.

As we have done in previous years, we are asking agencies to complete their work on budget narratives over the summer, in advance of base budget work. The budget narratives are **due to MMB on August 7** and will be published on the MMB website by October 1.

Below is a roadmap to completion of the FY 2028-29 biennial budget:

Date	Budget Item
June 15, 2026	Narrative instructions and templates available
Before August 7, 2026	Budget structure (program or activity) change requests to Executive Budget Officer
August 7, 2026	Budget narratives due from agencies
Mid-August 2026	Preparing fiscal information (base budget) instructions available, including internal service and federal funds
Mid-August 2026	Budget proposal (change) instructions available
Mid-August 2026	Budget Planning and Analysis System (BPAS) and Departmental Earnings System (DE) user guides and training videos available
August 20, 2026	BPAS and DE system open for agencies
October 1, 2026	Budget narratives published to the MMB website
October 15, 2026	Base/enacted budget information due in BPAS and high-level change item information entered in BPAS (M.S. 16A.10, subd. 2); change items due from agencies
November 30, 2026	Base budget data submitted to the Legislature (M.S. 16A.10, subd. 2)
Early December 2026	November Forecast
November 2026 – January 2027	Gubernatorial transition

Date	Budget Item
January – February 2027	Governor decision making
February 16, 2027	Governor’s budget recommendations submitted to the Legislature (M.S. 16A.11, subd. 1)

By August 7, please complete the following:

1. Identify your agency budget structure. Proposed budget structure (program or activity) changes need to be submitted to your Executive Budget Officer (EBO) for review and approval prior to August 7.
2. Complete your agency budget narrative(s) by either updating the 2026-27 published budget narratives located on the [MMB Budget Division Document Management SharePoint site](#) in your agency’s Biennial Budget/2028-29 Biennial Budget/Background Narratives/2026-27 Narratives folder or by using the 2028-29 budget narrative templates, following the instructions provided on MMB’s website shown in *Available Resources* below. Please make sure to follow the *Creating Accessible Document* instructions and have your accessibility officer review your agency narratives prior to submitting to MMB.
3. Submit budget narrative(s) in an accessible format by August 7, 2026, by uploading the documents to your agency’s Biennial Budget/2028-29 Biennial Budget/Background Narratives folder on the [MMB Budget Division Document Management SharePoint site](#).

Available Resources

The [MMB Biennial Budget Instructions webpage](#) includes resources that will assist you in developing your budget narratives:

- Budget Narrative Templates
- Budget Structure and Narrative Templates
- Completing the Budget Charts in the Agency Profile
- Program Performance
- Guide for Writing Budget Narratives
- Creating Accessible Documents
- Using SharePoint for Document Submission

I look forward to working with you over the next several months and encourage you to work closely with your EBO on the development of FY 2028-29 budget materials for your agency.

cc: Emily Adriaens, Chief House Fiscal Analyst
Eric Nauman, Principal Senate Fiscal Analyst
Christian Larson, Director, Legislative Budget Office