

2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

E-12 Education

Education

State Office of Inspector General Established

This provision establishes an Office of the Inspector General (OIG) as an independent entity in the executive branch responsible for ensuring accountability, transparency, and integrity in the operations of state agencies and programs. The OIG is authorized to and responsible for: (1) conducting investigations of agencies and programs to identify fraud and misuse, (2) conducting evaluations and make recommendations for changes to programs, and (3) facilitating data sharing between agencies. Included in this provision are staff and resources for existing agencies to make necessary fundamental systems improvements that better enable key programs to proactively identify and stop potentially fraudulent actors. It also includes new staffing for investigation and data research teams at the newly established independent office.

General	Expenditures	\$262	\$696
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Modify Timeline for Gender-Neutral Restroom Grant

This provision adjusts the timeline for gender-neutral restroom grants to improve administration. This adjustment makes the appropriation for FY 2024-25 grants available until June 30, 2029 and extends the appropriation availability for FY 2025-26 grants to June 30, 2031. This provision gives grantees more time to spend the funds and reduces reporting requirements to once per biennium. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Technical Funding Adjustments

This provision makes technical changes at the Department of Education and the Department of Human Services to fully align funding sources with programmatic shifts during the establishment of the Department of Children, Youth, and Families. Changes include: shifting funds from the Department of Human Services to the Minnesota food shelf program at the Department of Children, Youth, and Families; updating statute to clarify that administration of child protection grants from the opioid epidemic response fund is a responsibility of the Department of Children, Youth, and Families; separating preschool assessment funding from kindergarten assessment funding; and extending the availability of funding for the phase-in of the Minnesota African American Preservation and Child Welfare Disproportionality Act.

General	Expenditures	(\$281)	(\$562)
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School District Seasonal Tax Base Replacement Aid

This provision establishes an ongoing school district seasonal tax replacement aid. This aid will reduce voter-approved operating referendum levies in school districts meeting a threshold of class 4c(12) seasonal recreational property in FY 2028 and ongoing. The net effect of this provision will be to replace a portion of local property taxes with a state aid, resulting in lower property taxes in school districts with seasonal recreational property. The aid payments impact the Department of Education's budget while the income and property tax interactions impact Property Tax Aids and Credits.

General	Expenditures	\$0	\$10,006
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Onetime School District Seasonal Tax Base Replacement Aid

This provision establishes a onetime school district seasonal tax base replacement aid. This aid will reduce voter-approved operating referendum levies in school districts meeting a threshold of class 4c(12) seasonal recreational property in FY 2027 only. The net effect of this provision will be to replace a portion of local property taxes with a state aid, resulting in lower property taxes in school districts with seasonal recreational property.

General	Expenditures	\$2,542	\$0
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FY 2026-27

FY 2028-29

E-12 Education

Education

Criminal Grooming

This provision defines grooming, makes grooming a felony offense, mandates education-related reporter training, and removes the three-year limit on investigations. Appropriated funds support additional investigative needs by increasing staff in the Minnesota Department of Education (MDE) student maltreatment program.

General	Expenditures	\$1,451	\$2,883
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Compensatory Revenue Adjustment

This provision addresses a pending formula change that would have gone into effect in FY 2027. This provision appropriates an additional \$10 million for compensatory revenue in FY 2027 to eligible local educational agencies based on site-generated revenue. For an individual school site, the enacted formula takes the greater of the FY 2027 generated amount or the FY 2026 amount, adjusted for enrollment decline or a standard ratable reduction of 0.659771. The provision also extends the authority for a school district to allocate up to 40 percent of the district's FY 2028 compensatory revenue to school sites according to a plan adopted by the school board.

General	Expenditures	\$9,000	\$1,000
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Permanent School Fund Aid for Tribal Contract Schools

This provision establishes a new general fund aid program for the four Tribal contract schools located in Minnesota. The per-pupil aid for each Tribal contract school would be equal to the amount apportioned to school districts and charter schools from the permanent school fund. This section is made effective for FY 2028 state aid and later if the constitutional amendment proposed in H.F. 3900, or a similarly styled bill, is adopted by the voters.

General	Expenditures	\$0	\$0
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Uses of Capital Operating Revenue

This provision authorizes a school district to use operating capital revenue to pay utility service costs, effective for revenue in FY 2027 and later. This provision is budget neutral.

General	Expenditures	\$0	\$0
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(Dollars in Thousands)

FY 2026-27

FY 2028-29

Higher Education

Higher Education, Office of

Strengthening Protections for Student Aid Programs

This provision removes a person's eligibility for all student aid programs if there is documentation that they have committed fraud in any program. This is a budget neutral proposal.

General	Expenditures	\$0	\$0
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Licensing and Registration Litigation Response

This provision changes language to reduce the burden and eliminate content-based regulation in accordance with the determination of the courts.

Other Misc Special Revenue	Revenues	\$184	\$368
Other Misc Special Revenue	Expenditures	\$84	\$168

Amend 529 Account Statute

This provision allows for targeted mailings to 529 plan account owners about financial aid programs administered by the Office of Higher Education. Additionally, this provision modifies statute to conform to federal changes to 529 plans and provide clarification on how dormant accounts with uncashed checks are handled. This is a budget neutral proposal.

General	Expenditures	\$0	\$0
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Amend Dual Training Grant Statute

This provision ensures more employers have access to grants to fund training that meets their needs and expands opportunities available to a grantee's employees to participate in grant-funded dual training programs. This is a budget neutral proposal.

General	Expenditures	\$0	\$0
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Amend Outdated Work Study Statutes

This provision ensures more employers have access to grants to fund training that meets their needs and expands opportunities available to a grantee's employees to participate in grant-funded dual training programs. It eliminates outdated language which aligns statute to reflect current practice. A person with disabilities or person over 65 employing a student to provide personal services is removed as eligible employers. Prioritizing students based on enrollment level is removed and employment outside the institution and percent awarded to graduate student requirements is removed. This is a budget neutral proposal.

General	Expenditures	\$0	\$0
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Fostering Independence Grant Summer 2026

This provision is a one-time appropriation to cover the shortfall in the Fostering Independence Grant program for the remainder of the academic year 2026.

Workforce Development	Expenditures	\$570	\$0
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All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Higher Education

Higher Education, Office of

Fostering Independence Grant 2027

This provision is a one-time appropriation to cover the shortfall in the Fostering Independence Grant program for academic year 2027 to be made for grants to eligible students.

General	Expenditures	\$1,500	\$0
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University Of Minnesota

Recommendations of the Legislative-Citizen Commission on Minnesota Resources

This provision appropriates one-time funds as recommended by the Legislative-Citizen Commission on Minnesota Resources to the University of Minnesota for 33 environment and natural resources projects. It also includes extensions for two prior year appropriations until June 30, 2027.

Environment & Natural Resources	Expenditures	\$22,167	\$0
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Minnesota State

Enrollment Fraud Identity Software

This provision is a one-time appropriation to Minnesota State Colleges and Universities for acquisition, implementation, support, and maintenance of automated identity verification systems to combat enrollment fraud. This appropriation is available until June 30, 2029.

General	Expenditures	\$3,000	\$0
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Bemidji State University Tree Replacement

This provision is a one-time appropriation made to Bemidji State University for the restoration and replacement of campus trees lost or damaged in June 2025 due to wind damage.

General	Expenditures	\$5	\$0
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(Dollars in Thousands)

FY 2026-27

FY 2028-29

Property Tax Aids and Credits

Tax Aids, Credits and Refunds

Federal Tax Conformity - Individual Provisions

This provision responds to recent federal tax changes by conforming state law to the federal Internal Revenue Code in some instances and decoupling in other instances. Minnesota is a static conformity state, so changes to the federal Internal Revenue Code do not automatically flow through to state taxes without a law change. Conforming to federal law raises state tax revenue in some instances and reduces state tax revenue in other instances.

This provision conforms to some individual provisions, including changes to the limit of moving expenses and wagering losses (revenue gain) and the enhancement of the dependent care assistance program (revenue loss). This provision partially conforms to modifications to the charitable contribution deduction and set the floor at 1.0 percent instead of 0.5 percent (revenue gain). This provision does not conform to some federal changes, including the exclusion for employer payments of student loans and the extension and modification of qualified transportation fringe benefits.

General	Revenues	\$38,200	\$86,280
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Federal Tax Conformity - Business Provisions

This provision responds to recent federal tax changes by conforming state law to the federal Internal Revenue Code in some instances and decoupling in other instances. Minnesota is a static conformity state, so changes to the federal Internal Revenue Code do not automatically flow through to state taxes without a law change. Conforming to federal law raises state tax revenue in some instances and reduces state tax revenue in other instances.

This provision conforms to the enhancement of the employer-provided child care credit, increased bonus depreciation with a state modification over five years with full conformity for qualified production property, the limitation on excess business loss of noncorporate taxpayers, excessive employee remuneration, and the 1.0 percent floor on corporate charitable contributions (revenue gain), as well as the modification of limit on business interest and the increased dollar limit for section 179 expensing (revenue loss). This provision does not conform to qualified opportunity zones. Finally, this provision conforms to the full expensing of domestic research and experimental expenditures for individuals, trusts, and estates, but decouples for C corporations (revenue loss).

General	Revenues	(\$44,730)	\$249,820
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Federal Tax Conformity - International Income Provisions

This provision responds to recent federal tax changes by conforming state law to the federal Internal Revenue Code in some instances and decoupling in other instances. Minnesota is a static conformity state, so changes to the federal Internal Revenue Code do not automatically flow through to state taxes without a law change. Conforming to federal law raises state tax revenue in some instances and reduces state tax revenue in other instances.

This provision conforms to net controlled foreign corporation (CFC) tested income, with modifications. Conformity items include pro rata share rules and the repeal of election for one-month deferral in determination of taxable year of specialized foreign corporations (revenue gain), the subtraction for net controlled foreign corporation (CFC) tested income (unknown impact), and the restoration of limitation on downward attribution of stock ownership in applying constructive ownership rules (revenue loss). This provision does not conform to the replacement of global intangible low-taxed income (GILTI) with net CFC tested income and the permanent extension of the look-thru rule for related CFCs.

General	Revenues	\$9,600	\$15,100
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(Dollars in Thousands)

FY 2026-27

FY 2028-29

Property Tax Aids and Credits

Tax Aids, Credits and Refunds

Homestead Credit Refund Onetime Increase

This provision increases homestead credit refunds by 14.88 percent in FY 2027 only for taxes payable in 2026. This increase is available to homeowners who already qualify for the homestead credit refund for taxes payable in 2026 and does not otherwise expand eligibility.

General	Expenditures	\$125,000	\$0
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Sustainable Aviation Fuel Tax Credit Funding and Policy Package

This provision expands the existing income tax credit to support Sustainable Aviation Fuel (SAF) production in Minnesota. A supplemental tax credit rate would be available for SAF that achieves a lifecycle greenhouse gas reduction rate of greater than 50 percent. The maximum annual credit allocation is increased by \$5.3 million in each of FY 2027 and FY 2028 and by \$2.1 million in FY 2029 through FY 2035.

General	Revenues	(\$5,300)	(\$7,400)
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Professional Golfers' Association (PGA) Sales Tax Exemption

This provision establishes a four-year sales tax exemption for the sale of admission to Professional Golfers' Association of America (PGA) events that occur between July 1, 2026 and June 30, 2030. The bulk of the fiscal impact is in FY 2029 when the Ryder Cup will be hosted in Chaska, Minnesota.

General	Revenues	(\$40)	(\$1,950)
Restrict Misc Special Revenue	Revenues	\$0	(\$20)
Outdoor Heritage	Revenues	\$0	(\$36)
Arts & Cultural Heritage	Revenues	\$0	(\$22)
Clean Water	Revenues	\$0	(\$36)
Parks and Trails	Revenues	\$0	(\$16)
Housing Assistance	Revenues	\$0	(\$40)

Beginning Farmer Credit Modifications

This provision temporarily removes the allocation limit in tax year 2026 for beginning farmer tax credits. The beginning farmer tax credit is otherwise available on a first-come, first-served basis with an annual limit of \$4 million. Demand for the program has exceeded this limit in recent years.

General	Revenues	(\$1,400)	\$0
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School District Seasonal Tax Base Replacement Aid

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General	Revenues	\$0	\$160
General	Expenditures	\$0	(\$860)

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(Dollars in Thousands)

FY 2026-27

FY 2028-29

Property Tax Aids and Credits

Tax Aids, Credits and Refunds

Class 1c Homestead Resorts Tier Limit Modifications

This provision increases the tier limits for class 1c homestead resorts. The first tier is increased from \$600,000 to \$1,500,000 and the second tier is increased from \$2,300,000 to \$4,500,000. These tier limit increases cause property tax shifts, which will result in an increase in homestead credit refunds.

General	Expenditures	\$0	\$80
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Tribal Property Tax Exemption for Fond Du Lac Band of Chippewa Medical Clinic

This provision exempts certain tribally-owned property from local property taxes. This exemption will cause a property tax shift, which will result in an increase in homestead credit refunds paid by the state.

General	Expenditures	\$0	\$10
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Motor Vehicle Registration Tax Temporary Reduction - Income Tax Impact

A provision enacted in Laws 2026, Chapter 130 reduces motor vehicle registration taxes in calendar year 2027. Vehicle registration taxes are deductible for taxpayers who itemize their individual income taxes. Lower itemized deductions in tax year 2027 will increase individual income tax receipts in fiscal year 2028. This item displays the income tax impact of the temporary registration tax reduction; see the Transportation section of this document for other fiscal impacts.

General	Revenues	\$0	\$700
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(Dollars in Thousands)

FY 2026-27

FY 2028-29

Health and Human Services

Human Services

Enhancing Program Integrity in Medical Assistance

This provision includes strategies to strengthen program integrity in Minnesota's public health care programs through improvements to provider enrollment, provider revalidation, background studies for high-risk providers, and oversight of Managed Care Organizations. These updates enhance the Department of Human Services' authority to assess and mitigate provider risk, modernizes screening processes, and clarifies requirements for communication related to withholding and recovering funds from providers. This provision also funds phase two of a comprehensive evaluation of the Department of Human Services to advance organizational reforms that improve program integrity and reduce fraud.

General	Expenditures	\$3,930	\$46,632
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Enhancing Program Integrity in Integrated Community Supports (ICS) Services

This provision includes reforms to strengthen oversight of Integrated Community Supports (ICS) services. This includes adding a 15 minute billing unit for ICS services, enforcing limits within the rate methodology to align with a person's acuity, ensuring funding streams for housing and waiver services are distinct, and implementing a license moratorium for new ICS providers. These reforms intend to ensure services are delivered as authorized, rates are aligned with service delivery, and the provider network remains sustainable to meet the needs of people receiving services. This provision also funds a reform study of the ICS program.

General	Expenditures	\$2,140	(\$4,236)
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Transforming the Human Services System

This provision provides resources to study the administration of Minnesota's human services system to recommend strategies to streamline program operations and improve consistency and access to care statewide. This provision adds a state based MnCHOICES assessment team to address county assessment backlogs, develop assessor prioritization and policy guidance, and evaluate system wide assessment reforms to inform how the state could assume full responsibility in the future. The provision funds a study to guide future case management improvements. The provision also provides funding for studies to evaluate the remaining roles of counties, Tribal Nations, and the state in administering human services and children, youth, and services programs and would recommend changes to the legislature in the 2029 legislative session.

General	Expenditures	\$4,837	\$11,549
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Nursing Facility Workforce Wage Supplement Program

This provision establishes a program to provide supplemental wage payments to nursing home employees. An employee is eligible to receive a one-time payment up to \$400 if they were in a position impacted by the January 1, 2026 wage standards and paid a wage that was less than the new wage standards. A covered employee who does not meet this criteria is eligible for a one-time payment of up to \$200. This program expires June 30, 2028.

General	Expenditures	\$11,548	\$0
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Health and Human Services

Human Services

State Office of Inspector General Established

This provision establishes an Office of the Inspector General (OIG) as an independent entity in the executive branch responsible for ensuring accountability, transparency, and integrity in the operations of state agencies and programs. The OIG is authorized to and responsible for: (1) conducting investigations of agencies and programs to identify fraud and misuse, (2) conducting evaluations and make recommendations for changes to programs, and (3) facilitating data sharing between agencies. Included in this provision are staff and resources for existing agencies to make necessary fundamental systems improvements that better enable key programs to proactively identify and stop potentially fraudulent actors. It also includes new staffing for investigation and data research teams at the newly established independent office.

General	Expenditures	\$2,277	\$5,268
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Uniform Service Standards Implementation

This provision completes the implementation of the mental health Uniform Service Standards (USS). The funding is for the administration of new licensing standards for four mental health services that will be transitioning from a certification model.

General	Expenditures	\$0	\$462
State Government Special Rev	Revenues	\$0	\$2,375
State Government Special Rev	Expenditures	\$0	\$3,778

Continuity of Care

This provision funds the establishment of a continuity of care team at the Department of Human Services (DHS). The team will be responsible for coordinating and managing the continued care of individuals whose residential service provider is undergoing a payment withhold by DHS.

General	Expenditures	\$3,597	\$7,852
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Hennepin Healthcare Directed Payments

This provision provides a one-time appropriation in fiscal year 2027 on behalf of Hennepin Healthcare to fund the nonfederal share of the directed payment arrangement under Minnesota Statutes, section 256B.1973. This provision makes the appropriation available through June 30, 2028.

General	Expenditures	\$100,000	\$0
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Rate Increase for Critical Access Hospitals

This provision updates inpatient payments for critical access hospitals beginning January 1, 2027, so that rates are based on each hospital's base year costs and adjusted by the percentage change in the Centers for Medicare and Medicaid Services Inpatient Hospital Market Basket. It also requires managed care plans and county-based purchasing plans to pay critical access hospitals at the least the same amount they would receive under fee-for-service payments. This provision is intended to better reflect hospital costs and ensure consistent payment across delivery systems.

General	Expenditures	\$2,506	\$13,248
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(Dollars in Thousands)

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FY 2028-29

Health and Human Services

Human Services

Federal Compliance: Access to Services for Incarcerated Individuals

This provision funds a new Medical Assistance benefit of targeted case management (TCM) services for incarcerated adults and youth with complex behavioral and physical health needs transitioning out of carceral settings and aligns with work currently underway to implement the 1115 reentry demonstration waiver.

General	Expenditures	\$178	\$3,023
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Federal Compliance: Household Members Background Study FBI Compliance

This provision removes the requirement for FBI checks for household members connected to adult day services and adult foster care to comply with federal regulations. Under the National Child Protection Act/Volunteer for Children Act the FBI checks criminal history for covered individuals, defined as owners, operators, employees, or volunteers. Household members do not fit any of those categories.

General	Expenditures	\$49	\$0
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Federal Compliance: Medicaid Access Rule

This provision funds investments needed to comply with the federal Medicaid Access Rule. These improvements increase transparency and accountability, standardize data and monitoring, and create opportunities for states to promote active beneficiary engagement in their Medicaid programs, with the goal of improving access to care. This provision codifies the federal requirements and provides administrative funding to implement the changes.

General	Expenditures	\$1,400	\$2,268
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Federal Compliance: Medical Assistance Eligibility Changes Due to HR 1

This provision updates state law to align it with Medicaid changes enacted under federal H.R. 1. Beginning October 1, 2026, this provision limits full Medical Assistance (MA) coverage to people who are lawful permanent residents, Cuban or Haitian entrants, or Compact of Free Association migrants. Full MA coverage will remain available to lawfully present children and pregnant women under the Children's Health Insurance Program Reauthorization Act (CHIPRA) 214 option.

Beginning January 1, 2027, this provision requires MA adults without children to meet the new one-month work and community engagement requirement prior to enrollment and during each six-month eligibility period. Also beginning January 1, 2027, this provision requires six-month eligibility renewals for MA adults without children and adds address verification requirements to the MA eligibility process.

Beginning January 1, 2028, this provision limits retroactive MA coverage to one month before application for MA adults without children and two months before application for other MA eligibility groups. Together, these changes modify state eligibility standards, renewal timelines, and verification processes in response to the federal Medicaid changes enacted in H.R. 1.

General	Expenditures	\$8,142	(\$75,689)
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FY 2028-29

Health and Human Services

Human Services

Federal Compliance: Financing Related Changes Due to HR1

This provision updates state law to implement finance-related Medicaid changes enacted under federal H.R. 1. This provision establishes federally required Medical Assistance (MA) cost sharing for MA adults without children and sets a home equity ceiling for long-term care eligibility to conform with federal law. This provision also strengthens oversight and support for counties and Tribal Nations to improve audit readiness and accuracy in response to a federal change that could result in recoupment through federal reviews such as the Payment Error Rate Measurement audit and state-conducted Medicaid Eligibility Quality Control audits.

This provision also makes a technical change related to the MinnesotaCare provider tax in light of H.R. 1's restrictions on state Medicaid provider taxes. Under current state law, the commissioner of Minnesota Management and Budget may temporarily reduce the MinnesotaCare provider tax rate for one calendar year to balance projected revenues and expected expenditures. This provision does not create new authority to reduce the provider tax; instead, it requires the Commissioner of the Department of Human Services to be consulted before any such temporary reduction is made, so DHS can review the proposed adjustment for compliance with federal law and guidance.

General	Expenditures	\$1,334	\$1,669
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Modernizing Program and Payment Integrity Safeguards

This provision funds investments to modernize program integrity systems in Minnesota's public health care programs and reduce fraudulent, wasteful, or abusive billing. The provision enhances technology and data-driven processes that support Medical Assistance by strengthening prepayment review, post-payment analysis, and continuous fraud detection. It also links licensing, enrollment, claims review, and auditing into a unified oversight framework that improves accountability and protects taxpayer resources. This provision further builds a modern analytics and data infrastructure, along with necessary workforce capacity, to ensure systems can adapt to emerging fraud risks and support timely, data-informed decision-making. These updates allow Minnesota to proactively identify risks, prevent improper payments, and ensure that public dollars support Minnesotans who rely on critical health care services.

General	Expenditures	(\$85,572)	\$8,879
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Billing and Payment Oversight for Disability, Older Adult, and Behavioral Health Services

This provision includes multiple strategies to improve oversight and reduce costs in disability, older adult, and behavioral health services. These strategies include establishing or modifying billing limits; extending electronic visit verification, which documents service delivery, to more services; and expanding the agency's authority to request service documentation directly from providers. This provision also aligns customized living rates and community residential services rates based on a person's acuity. This initiative increases accountability for providers seeking reimbursement from the state and federal government and ensures that payments reflect services rendered.

General	Expenditures	(\$8,315)	(\$242,658)
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Market- and Receipt-Based Rate Reform for Disability and Older Adults Services

This provision caps administrative fees for certain services within the Disability Waiver Rate System and programs serving older adults, including Alternative Care, Essential Community Supports, and Elderly Waiver, at 6 percent. Currently, there is no limit on administrative fees an enrolled provider or approved vendor may charge for arranging or delivering a market-rate service. This can lead to some providers billing for the maximum allowable rate, regardless of the actual cost. This provision also includes one-time funding to study and recommend rate methods for market-based services to ensure appropriate payment rates.

General	Expenditures	(\$504)	(\$4,536)
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Health and Human Services

Human Services

Earlier Effective Date for Improving Supportive Housing Options

This provision expedites the phaseout of freestanding room and board from July 1, 2027 to December 31, 2026. It also expedites the date for recovery residences to begin obtaining certification by the Department of Human Services (DHS) from July 1, 2027 to July 1, 2026 and the date DHS is authorized to enter into Housing Support agreements directly with eligible certified recovery residences from January 1, 2027 to July 1, 2026.

General	Expenditures	(\$9,163)	(\$1,784)
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Compliance Training for High-Risk Providers

This provision funds the development and implementation of mandatory compliance training for high-risk Medical Assistance providers, including owners, managerial, and supervisory staff at those provider agencies. The training will be developed by the commissioner of human services and must address topics including: state and federal billing, documentation, and service delivery requirements; enrollment requirements; fraud prevention and detection strategies and fraud penalties; fair labor standards; workplace safety standards; and recent service requirement changes.

General	Expenditures	\$6,284	\$14,005
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Reduce Disability Grants

This provision reduces spending in disability grants. This includes savings from cancelling the remaining funds for the Long-Term Services and Supports Loan Program of \$73.6 million in fiscal year 2026 and \$5.6 million in fiscal year 2028. This provision also eliminates several smaller grant programs that are no longer necessary or are supported through other funding sources. These changes streamline the aging and disability services system and reduce unnecessary spending.

General	Transfers In	\$73,667	\$5,620
General	Expenditures	(\$12,318)	(\$5,762)
Other Misc Special Revenue	Transfers Out	\$73,667	\$5,620
Other Misc Special Revenue	Expenditures	(\$73,667)	(\$5,620)

Commissioner's Authority to Impose Sanctions

This provision clarifies the commissioner of human services' authority to impose sanctions against individuals or entities that receive Medical Assistance payments. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Modify Annual Reporting to Include Enrollment and Site Visit Information

This provision modifies the annual report on Medical Assistance to include all pre-enrollment, post-enrollment, and unannounced site visits to providers. This provision is budget neutral.

General	Expenditures	\$0	\$0
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EIDBI Billing Limits Exception for Medical Necessity

This provision establishes an exemption from billing limits for Early Intensive Developmental and Behavioral Intervention Services (EIDBI) when it is determined that services beyond the limits are medically necessary. This provision requires a provider to apply to the Commissioner of Human Services for an exemption and establishes that the decision by the commissioner is final and not subject to appeal. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Health and Human Services

Human Services

Office of Inspector General Increased Fines and Licensor Safety

This provision increases fines for Department of Human Services (DHS) issued licenses for providers who violate health, safety, supervision, or background studies regulations. This provision also creates a new fine type for license holders who threaten, intimidate, or are violent towards DHS staff performing oversight work.

General	Revenues	\$19	\$38
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Department of Human Services Technical Changes

This provision enacts technical changes to session law and statute for the Department of Human Services (DHS). The changes will shift funds between budget activities to more appropriately align with the agency's budget structure, convert two Tribal payments to direct payments and enable carryforward for the gambling treatment program. Other changes include technical corrections to substance use disorder modeled rates and an expansion of eligible uses for withdrawal management start-up and capacity building grants. Also included is the shifting of funds from DHS for the regional coordination and statewide crisis phone services program to the Minnesota Department of Health. The net of changes included in this item are cost neutral.

General	Expenditures	(\$1,125)	(\$2,250)
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Technical Funding Adjustments

This provision makes technical changes at the Department of Education and the Department of Human Services to fully align funding sources with programmatic shifts during the establishment of the Department of Children, Youth, and Families. Changes include: shifting funds from the Department of Human Services to the Minnesota food shelf program at the Department of Children, Youth, and Families; updating statute to clarify that administration of child protection grants from the opioid epidemic response fund is a responsibility of the Department of Children, Youth, and Families; separating preschool assessment funding from kindergarten assessment funding; and extending the availability of funding for the phase-in of the Minnesota African American Preservation and Child Welfare Disproportionality.

Opiate Epidemic Response	Expenditures	(\$321)	(\$642)
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Housing Stabilization Services (HSS) Termination

This provision codifies the termination of the Housing Stabilization Services (HSS) program by repealing state statute related to the program. The fiscal impact of terminating HSS was captured in the November forecast. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Enhanced Home and Community-Based Setting Colocation Prohibitions

This provision funds the administration of heightened Home and Community-Based Settings (HCBS) colocation requirements. The new requirements in this provision will apply to community residential settings, adult foster care homes, and settings providing customized living services and 24-hour customized living services and will prohibit the Department of Human Services from authorizing services or issuing a license to a program that would be located on property adjoining to a preexisting program.

General	Expenditures	\$1,174	\$2,162
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Health and Human Services

Human Services

Federal Compliance with Certified Public Expenditures for Targeted Case Management

This provision brings Minnesota's targeted case management services into compliance with federal Medicaid payment requirements by establishing a new cost-based rate methodology and reconciliation process. The Department of Human Services has been developing the updated methodology for several years and this provision makes the necessary state-law changes. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Sunset Supplemental Payment for Hennepin County Mental Health Clinic

This provision sunsets the authority to make a supplemental payment to the Hennepin County mental health clinic. The supplemental payment was authorized to cover the difference between the costs of fee-for-service rates and the clinic's actual costs for providing services to Medicaid patients. The clinic has transitioned to be a certified community behavioral health clinic and the supplemental payment is no longer made. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Modifying the Definition of Residency for Non-Title IV-E Foster Children

This provision allows children placed in a Minnesota family foster home by another state, who are not eligible for Title IV E foster care, to be considered Minnesota residents for the purpose of Medical Assistance eligibility. This change removes barriers to health care access for foster children who currently rely on out of state Medicaid coverage that is difficult for Minnesota providers to accept. This also clarifies state residency rules so these children can receive timely care without placement disruptions. This provision is budget neutral due to the small number of children affected.

General	Expenditures	\$0	\$0
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Updates to Hospital Directed Payment Program

This provision makes technical changes to the statewide hospital directed payment program to align statute with legislative intent from the 2025 legislative session and recent federal legislation. This provision allows Hennepin Healthcare, the large safety-net hospital in Hennepin County, another opportunity to opt into the statewide directed payment arrangement and clarifies that hospitals not participating in the arrangement are not subject to the assessment that funds the program. This provision also grants the commissioner of human services flexibility to determine whether any disproportionate share hospital payments made to hospitals receiving state-directed payments must be converted to regular rate payments to maintain fee-for-service payment levels. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Rural Emergency Hospitals

This provision establishes a Medical Assistance (MA) rate methodology for critical access hospitals that convert to rural emergency hospitals to ensure they continue receiving cost-based reimbursement for outpatient services. This provision allows hospitals that elect the new federal designation to maintain their existing cost-based rate, which supports continued access to care in rural communities. This provision preserves current payment methods so facilities with limited MA volume are not financially disadvantaged by the transition. This provision is budget neutral.

General	Expenditures	\$0	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Health and Human Services

Human Services

Require Surety Bonds for Medical Assistance Providers

This provision requires Medical Assistance providers to purchase a surety bond as a condition of enrollment, reenrollment, or continued enrollment. The surety bond must allow for recovery of costs and fees in pursuing a claim on the bond.

General	Expenditures	\$223	\$532
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Administrative Review of Temporary Payment Withhold Appeals

This provision funds additional staff at the Department of Human Services' Office of Inspector General to process appeals on temporary payment withholds. Individuals or entities can request a review after receiving notice of a payment withhold or reduction. The request must specify the reason the payment withhold or reduction is in error. The commissioner of human services must refer the review request to the Court of Administrative Hearings within ten business days of receipt.

General	Expenditures	\$4,015	\$9,290
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Program Integrity Data Sharing

This provision requires the commissioner of the Department of Human Services (DHS) to provide summary data to other managed care plans, if the commissioner receives a written report from a managed care plan that has reason to believe a provider, vendor, or managed care employee, subcontractor or enrollee committed fraud. This provision provides funds for staff at DHS to process these requests.

General	Expenditures	\$107	\$254
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Modify Disability Waiver Environmental Accessibility Adaptation Limits

This provision reforms the environmental accessibility adaptations for homes and vehicles in disability waiver plans. This provision replaces the \$40,000 annual limit for home modifications with a \$40,000 three-year limit and the \$40,000 annual limit for vehicle modifications with a \$40,000 five-year limit.

General	Expenditures	(\$114)	(\$5,195)
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Interpretive Guidelines for Disability Waiver Regulations

This provision provides administrative resources to the Department of Human Services to develop and publish interpretive guidelines within 120 calendar days of the effective date of any statutory changes, waiver plan amendments, state or federal administrative rulings or court decisions that impact services licensed under chapter 245D.

General	Expenditures	\$0	\$652
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Community First Services and Supports Shared Requirements Modifications

This provision clarifies the requirements of shared services under community first services and supports and establishes wage requirements for workers who provide services to two or three participants at the same time. This provision funds ongoing staff to monitor reporting and compliance through cost reporting data, and developing and publishing recommendations for negotiating wages.

General	Expenditures	\$399	\$936
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Health and Human Services

Human Services

New Grant Funding

This provision supplies new grant funding to Isuroon and Todd County. Grant funds for Isuroon are for culturally specific services to assist in the navigation of the healthcare system and funds for Todd County are for peer recovery support services.

General	Expenditures	\$550	\$1,600
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Grant Extension and Repurposing

This provision extends the availability of a grant to Thrive Family Recovery Resources until June 30, 2027, and repurposes a grant appropriation from a Hennepin County Intensive Residential Treatment Services facility to be used for the Brooklyn Park Community Health Unit. The repurposed funding for the Community Health Unit is available until June 30, 2028. These changes are budget neutral.

General	Expenditures	\$0	\$0
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IT Modernization

This provision provides funding for the Department of Human Services to establish an interagency governance team to support information technology project implementation and engage with counties and Tribal Nations. Additionally, funding is provided to support the administration of MAXIS and METS system improvements.

General	Expenditures	\$0	\$1,301
Systems Modernization	Expenditures	\$9,803	\$0

Delay NEMT Single Administrator Until Implemented

This provision delays the implementation of a single administrator for nonemergency medical transportation (NEMT) and requires the commissioner of human services to provide six months' notice to counties, managed care organizations, and county-based purchasing organizations before implementing single administration. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Individualized Home Supports with Training Limit Modification

This provision modifies individualized home supports with training service limits from a daily service limit of six hours to a monthly service limit of 182.5 hours. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Medical Assistance Managed Care Pharmacy Dispensing Fee Modifications

This provision establishes a minimum dispensing fee and a minimum reimbursement standard for community pharmacies and outlines adjustments to capitation rates if federal approval is not received for these requirements. This provision also requires monitoring of the effects on access to pharmaceutical services in rural and underserved areas. Finally, this provision specifies that these changes expire upon implementation of a master contract for a state pharmacy benefit manager. This provision is budget neutral.

General	Expenditures	\$0	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Health and Human Services

Human Services

Additional Funding for Mental Health Grants

This provision provides additional one-time funding for mobile crisis grants and school-linked behavioral health grants. Mobile crisis grants support regional mobile crisis teams that respond to individuals experiencing a mental health crisis, help stabilize the individual, and connect the person to ongoing services and supports. School-linked behavioral health grants support programs that connect or locate mental health services in schools to increase access for uninsured or underinsured children and youth, improve outcomes for students with mental health or substance use disorder diagnoses, and improve early identification of behavioral health needs. For the school-linked behavioral health grants, this provision requires grant awards to allow grantees to partner with nonpublic schools or Tribal contract schools to provide services to students attending those schools and to provide professional development activities for licensed and unlicensed school staff.

General	Expenditures	\$16,300	\$0
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Development of Licensing Requirements for Crisis Nurseries

This provision provides funding to the Office of the Inspector General within the Department of Human Services to support the development of a licensing framework for crisis nurseries under the Department of Children, Youth, and Families. This provision ensures the necessary resources are available to build a consistent and effective regulatory structure for crisis nursery services.

General	Expenditures	\$207	\$244
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Physical Therapy Prior Authorization Modifications

This provision changes the Medical Assistance visit limit for physical therapy and related services beginning January 1, 2027, or upon federal approval, whichever is later. Under the new limits, children may receive up to 30 visits per year following an inpatient or outpatient hospital-based surgery, while all other recipients remain subject to the current annual limit of 14 visits. This provision expands coverage for children who need additional services after hospital-based surgery while maintaining the existing visit limit for other recipients.

General	Expenditures	\$49	\$0
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Administration of Emergency Shelter Facility Grants

This provision, enacted in Laws of Minnesota, Chapter 129, provides funding to the Department of Human Services to administer \$10 million in Emergency Shelter Facility grants.

General	Expenditures	\$550	\$0
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Direct Care and Treatment

Direct Care and Treatment Funding Extensions

This provision extends the availability of the funding for Direct Care and Treatment County Correctional Facility Support Pilot Program to June 30, 2028. It also extends the availability of the appropriation for the Advisory Committee for Direct Care and Treatment to June 30, 2028. This provision is budget neutral.

General	Expenditures	\$0	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Health and Human Services

Direct Care and Treatment

Adding Direct Care and Treatment Facilities to Exemption from Security X-Ray Machine Requirements

This provision adds Direct Care and Treatment to a statutory exemption permitting certain state agencies to operate security x-ray screening systems. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Direct Care and Treatment Authority to Accept Gifts for Patients

This provision replaces the commissioner of human services with the Direct Care and Treatment (DCT) executive board in Minnesota Statutes 15.43, subdivision 3, to authorize the executive board to create procedures to accept gifts on behalf of patients under the jurisdiction of DCT. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Children, Youth, and Families

Supplemental Nutrition Assistance Program: Addressing Federal Changes (County Administrative Costs)

This provision provides an allocation to counties for SNAP administrative costs. Funds must be allocated to counties based on each county's proportional share of SNAP administrative costs in the most recent year for which data is available.

General	Expenditures	\$10,728	\$0
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Supplemental Nutrition Assistance Program: Addressing Federal Changes (State Administrative Costs)

This provision provides funding to the Department of Children, Youth, and Families for lost administrative reimbursement from the federal government under H.R.1.

General	Expenditures	\$3,750	\$10,000
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Supplemental Nutrition Assistance Program: Addressing Federal Changes (PER Improvements)

This provision provides additional funding for human services systems investments and resources for oversight, training, and administration of SNAP at the Department of Children, Youth, and Families to impact the Payment Error Rate (PER). The PER measures the percentage of benefits in SNAP that are incorrectly paid due to administrative and client errors. This percentage can encompass both over payments and underpayments. Beginning October 1, 2027, states must pay up to 15% of SNAP benefit costs, depending on the PER in prior years.

General	Expenditures	\$1,916	\$4,501
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Child Care Assistance Program: Program Integrity Updates

This provision provides funding to strengthen program integrity in the Child Care Assistance Program (CCAP). This funding will expand county capacity to investigate fraud through fraud prevention investigation (FPI) grants, increase the number of Office of Inspector General investigators to make more proactive and random site visits, and expand data analytical opportunities and capacity. Additionally, funding will enhance program compliance by requiring all providers who receive Child Care Assistance Program grants to take training on attendance records, proper billing, compliance, etc.

General	Expenditures	\$2,189	\$5,876
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Health and Human Services

Children, Youth, and Families

Child Care Licensing Modernization

This provision modernizes and codifies rules governing licensed child care centers and family child care providers. Additionally, this provision modifies requirements for center employees, policies, staff ratios, equipment, parent access, record keeping, health and safety, food and nutrition, and more. This provision provides funding for the Department of Children, Youth, and Families, to administer and enforce the updated regulations.

General	Expenditures	\$2,931	\$2,070
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Minnesota African American Family Preservation and Child Welfare Disproportionality Act Modified

This provision provides additional funding for counties to implement the Minnesota African American Family Preservation and Child Welfare Disproportionality Act. Funding is allocated based on a formula for county staffing and services. This provision also includes language modifications to include definitions, clarification on the determination of disproportionate overrepresentation, and how the determination of a child as disproportionately overrepresented was made.

General	Expenditures	\$15,000	\$0
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Additional Regional Food Bank Grants

This provision provides additional funding for regional food banks.

General	Expenditures	\$5,000	\$0
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Additional Food Shelf Grants

This provision provides additional funding for food shelf programs. Funds are distributed to The Food Group, a statewide association of food shelves organized as a nonprofit, to allocate to qualifying food shelves as described in statute.

General	Expenditures	\$5,000	\$0
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IT Modernization

This provision provides funding to the Department of Children, Youth, and Families to modify, update, or establish several IT projects. Funds will be used to establish a MAXIS integration layer, consolidate SNAP policy manuals, establish an income verification tool, create an applicant portal, conduct an eligibility modernization study, replace MAXIS green screens, establish an engine for MAXIS automation, and funding for administration of these projects. Several of these provisions will better equip the Department of Children, Youth, and Families with the tools necessary to lower the state's SNAP payment error rate.

Systems Modernization	Expenditures	\$24,324	\$15,000
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Transforming the Human Services System

This provision provides resources to study the administration of Minnesota's human services system to recommend strategies to streamline program operations and improve consistency and access to care statewide. This provision adds a state-based MnCHOICES assessment team to address county assessment backlogs, develop assessor prioritization and policy guidance, and evaluate systemwide assessment reforms to inform how the state could assume full responsibility in the future. The provision funds a study to guide future case management improvements. The provision also provides funding for studies to evaluate the remaining roles of counties, Tribal Nations, and the state in administering human services and children, youth, and services programs and would recommend changes to the legislature in the 2029 legislative session.

General	Expenditures	\$2,246	\$1,296
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Health and Human Services

Children, Youth, and Families

State Office of Inspector General Established

This provision establishes an Office of the Inspector General (OIG) as an independent entity in the executive branch responsible for ensuring accountability, transparency, and integrity in the operations of state agencies and programs. The OIG is authorized to and responsible for: (1) conducting investigations of agencies and programs to identify fraud and misuse, (2) conducting evaluations and make recommendations for changes to programs, and (3) facilitating data sharing between agencies. Included in this provision are staff and resources for existing agencies to make necessary fundamental systems improvements that better enable key programs to proactively identify and stop potentially fraudulent actors. It also includes new staffing for investigation and data research teams at the newly established independent office.

General	Expenditures	\$465	\$1,240
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Forensic Interview Training Scholarship

This provision provides funding for grants to provide training scholarships for recipients to attend nationally recognized forensic interview protocol training. Scholarship recipients may include individuals in law enforcement, child protection, and prosecution, health professionals investigating, treating, and managing child maltreatment cases in Minnesota, advocates working with a multidisciplinary teams, or forensic interviewers at children's advocacy centers.

General	Expenditures	\$250	\$0
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Development of Licensing Requirements for Crisis Nursery

This provision provides funding to develop a licensing framework for crisis nurseries. The framework must include pathways for organizations to become licensed crisis nurseries, the definition of crisis nurseries, background study and training requirements. This provision directs the Department of Children, Youth, and Families to work with stakeholders seeking to develop a crisis nursery license when developing the framework, and requires a report that contains an overview of the licensing framework, detailed explanation of the framework, and proposed legislation to make statutory changes necessary to implement the new license.

General	Expenditures	\$144	\$300
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Technical Funding Adjustments

This provision makes technical changes at the Department of Education and the Department of Human Services to fully align funding sources with programmatic shifts during the establishment of the Department of Children, Youth, and Families. Changes include: shifting funds from the Department of Human Services to the Minnesota food shelf program at the Department of Children, Youth, and Families; updating statute to clarify that administration of child protection grants from the opioid epidemic response fund is a responsibility of the Department of Children, Youth, and Families; separating preschool assessment funding from kindergarten assessment funding at the Department of Education; and extending the availability of funding for the phase-in of the Minnesota African American Preservation and Child Welfare Disproportionality Act.

General	Expenditures	\$1,113	\$2,226
Opiate Epidemic Response	Expenditures	\$321	\$642

2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Health and Human Services

Health

State Office of Inspector General Established

This provision establishes an Office of the Inspector General (OIG) as an independent entity in the executive branch responsible for ensuring accountability, transparency, and integrity in the operations of state agencies and programs. The OIG is authorized to and responsible for: (1) conducting investigations of agencies and programs to identify fraud and misuse, (2) conducting evaluations and make recommendations for changes to programs, and (3) facilitating data sharing between agencies. Included in this provision are staff and resources for existing agencies to make necessary fundamental systems improvements that better enable key programs to proactively identify and stop potentially fraudulent actors. It also includes new staffing for investigation and data research teams at the newly established independent office.

General	Expenditures	\$499	\$998
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Hennepin Healthcare Stabilization Payments

This provision directs the commissioner of health to provide annual stabilization payments in FY 2026-27 to Hennepin Healthcare System, Inc., to stabilize operations, avoid the closure of Hennepin County Medical Center, ensure high quality care for patients, and preserve access to essential services. It requires the commissioner to collect financial and operational information from Hennepin Healthcare System, Inc., to monitor and report on the system's financial stability, including long-term capital and service needs.

General	Expenditures	\$104,950	\$0
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Hospital Stabilization Program

This provision establishes a hospital stabilization program to provide financial relief to critical access hospitals, rural emergency hospitals, and hospitals that deliver a disproportionate level of uncompensated care. It directs the commissioner of health to make onetime payments to eligible rural facilities and to distribute additional funding to qualifying hospitals based on their share of uncompensated episodes of care. It requires qualifying hospitals to submit documentation and information needed to determine payments, evaluate the use of funds, and preserve access to essential health care services.

General	Expenditures	\$30,000	\$0
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Minnesota All Payer Claims Database Fee Schedule

This provision establishes a fee schedule to support the ongoing operating costs of providing external researchers access to the Minnesota All Payer Claims Database. This provision creates statutory authority for the Department of Health to collect fees and establishes an annual appropriation supported by the state government special revenue fund. It also authorizes the department to grant full or partial fee waivers when appropriate and creates a research advisory committee to review applications and waiver requests. This provision ensures the department can sustainably manage external data requests while supporting research that advances health equity and improves care for Minnesotans. This provision also includes a one-time general fund appropriation for the collection of data on fully denied claims.

General	Expenditures	\$55	\$0
State Government Special Rev	Revenues	\$187	\$524
State Government Special Rev	Expenditures	\$187	\$524

2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Health and Human Services

Health

HMO Fees Appropriation

This provision provides a corresponding appropriation to support the increased workload associated with Health Maintenance Organization (HMO) licensure and regulation. This provision authorizes the Department of Health to spend additional fee revenue generated by the higher HMO application and renewal fees enacted in the 2025 legislative session. This provision ensures the department can fund needed staffing and contracting costs to meet modern regulatory expectations as HMO oversight has grown more complex. This provision supports effective regulatory oversight and aligns spending authority with the fee increases already approved by the legislature.

State Government Special Rev	Expenditures	\$880	\$880
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Health Care Loan Forgiveness Fund Extension

This provision amends statute governing the Health Professional Education Loan Forgiveness Program and the Home and Community-Based Services Employee Scholarship and Loan Forgiveness Program to allow the funding for each program to remain available until expended. This provision is budget neutral.

Health Care Access	Expenditures	\$0	\$0
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Newborn Screening Fee Exemption

This provision amends Minnesota Statutes, section 144.125, subdivision 1, to define the criteria under which fees may be waived for newborn screening to ensure families without insurance or experiencing financial hardship can access this service. This provision codifies the fee-exemption process in statute to create transparency and ensure consistent use of exemptions across all birth providers. This provision clarifies that fee exemptions should be used only when insurance billing is attempted and not reimbursed and requires proof of nonreimbursement. This provision ensures that no family is denied newborn screening due to inability to pay and that providers use the fee-exemption process appropriately. This provision is budget neutral.

State Government Special Rev	Expenditures	\$0	\$0
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Rural Clinical Training Modifications to Existing Statute

This provision modifies several statutes governing health care workforce grant programs to ensure they more clearly fulfill their intended purposes. This provision distinguishes the Health Professionals Clinical Training Expansion Program from the Rural and Underserved Clinical Rotations Program and clarifies that physician training programs include both medical schools and residency programs. This provision broadens eligibility in the Primary Care Residency Training Grant Program by updating the definition of rural and allowing grants for developing new clinical training sites. This provision strengthens the International Medical Graduate Assistance Program by allowing funds to carry forward until expended and aligning the service commitment with the multi year international medical graduate pathway. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Substance Use Disorder Admin Language Correction

This provision amends a prior appropriation for the Substance Use Treatment, Recovery, and Prevention Grant to allow the Minnesota Department of Health to use up to 10 percent of the existing \$3 million appropriation for administrative costs. This recommendation is budget neutral.

General	Expenditures	\$0	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Health and Human Services

Health

Department of Human Services Technical Changes

This provision will enact technical changes to session law and statute for the Department of Human Services (DHS). Included in the provision is the shifting of funds from DHS for the regional coordination and statewide crisis phone services program to the Minnesota Department of Health. The net of changes included in this item are cost neutral.

General	Expenditures	\$1,125	\$2,250
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Enhanced Home and Community-Based Setting Colocation Prohibitions

This provision funds the administration of heightened Home and Community-Based Settings colocation requirements. The new requirements in this provision will apply to assisted living facilities with residential capacity of six or fewer and will prohibit the Minnesota Department of Health from granting a provisional license to an assisted living facility until the Department of Human Services has determined that the new facility will meet the enhanced colocation requirements.

General	Expenditures	\$655	\$1,260
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Small Assisted Living Facility Licensure Group

This provision funds the review of licensure requirements for small assisted living facilities by the Minnesota Department of Health (MDH). MDH will be required to convene a group of stakeholders to review current licensure requirements and to develop draft legislation that will create a new category of licensure for these facilities.

General	Expenditures	\$150	\$0
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Health Boards Scope of Practice and Licensure Changes

This provision funds the administration of registration requirements for massage therapists and Asian bodywork therapists and funds the administration of licensing requirements for music therapists. It also collects revenue from mortuary science licensing reciprocity.

State Government Special Rev	Revenues	\$13	\$3,144
State Government Special Rev	Expenditures	\$234	\$3,683

Federally Qualified Health Clinic Exemption From Home Care Licensure

This provision exempts federally qualified health clinics from the requirement to obtain a home care provider license. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Helping Paws

This provision provides a onetime appropriation for a grant to Helping Paws, Inc., to breed, train, and place service and facility dogs with people with disabilities, service-related trauma, and professionals in supportive settings.. This provision is made in memory of Speaker Emerita Melissa Hortman.

General	Expenditures	\$200	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Health and Human Services

Health

Rulemaking for Gas Wells

This provision supports rulemaking and administrative activities needed to implement Minnesota Statutes, section 103I.706, on gas wells. It directs the commissioner of health to adopt expedited rules for gas wells, including standards for drilling, construction, sealing, and licensing. This provision prohibits hydraulic fracturing and the injection or disposal of any substance other than approved drilling fluids and requires rules that distinguish gas types based on risks to groundwater, health, and safety. This provision sets timelines for rule adoption and requires compliance with Tribal consultation requirements.

General	Expenditures	\$2,053	\$0
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Drinking Water Regionalization Planning Grants

This provision establishes drinking water regionalization planning and assistance grants to support counties, municipalities, and townships in developing or expanding regional drinking water systems. It directs the commissioner of health to create an application process that prioritizes projects addressing aging infrastructure, water quality, affordability, or economic development and to award grants for eligible planning activities such as feasibility studies, engineering analyses, and design work. It requires grant recipients to provide matching funds, and requires the commissioner of health to report by January 15, 2028, on awarded grants, project progress, and future funding needs for drinking water regionalization efforts. The associated appropriation is available until June 30, 2031.

General	Expenditures	\$1,800	\$0
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MNSure

IT Modernization and Flexibility

This provision repurposes funding previously appropriated to MNSure for system upgrades related to new federal requirements for Deferred Action for Childhood Arrivals recipients. This provision authorizes MNSure to use the existing resources for broader technology and operational needs as federal requirements evolve. This provision supports information technology enhancements, system readiness, consumer communications, and operational adjustments to maintain service continuity and improve the consumer experience. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Dentistry, Board of

Health Boards Scope of Practice and Licensure Changes

This provision makes modifications to licensure standards for dental practitioners. With this provision, the Board of Dentistry absorbs \$1 thousand in costs per fiscal year beginning in FY 2027 to implement the changes.

Health Related Boards	Expenditures	\$0	\$0
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Medical Practice, Board of

Health Boards Scope of Practice and Licensure Changes

This provision makes modifications to licensure standards for athletic trainers and for acupuncture practitioners. With this provision, the Board of Medical Practice absorbs \$4 thousand in FY 2027 to implement the changes.

Health Related Boards	Expenditures	\$0	\$0
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2026 Supplemental Budget Enacted
All Funds by Agency
(Dollars in Thousands)

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Health and Human Services

Pharmacy, Board of

Insulin Safety Net Program Modifications

This provision repeals the insulin manufacturer registration fee. As a result of this change, the Board of Pharmacy will utilize existing resources to administer the Insulin Safety Net Program. In the event that the Board could no longer use existing funds, then this provision would require the commissioner of management and budget to transfer the appropriate amount of funding needed to administer the program from the health care access fund.

Restrict Misc Special Revenue	Revenues	(\$300)	(\$600)
Restrict Misc Special Revenue	Expenditures	(\$10)	(\$20)

2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Public Safety and Judiciary

Supreme Court

Security for Judicial Officials

This provision provides funding for home security system installation and monthly monitoring as well as annual personal data protection subscriptions for judicial officials within the Supreme Court for increased safety and security.

General	Expenditures	\$64	\$70
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Judicial Security Unit

This provision funds additional security personnel for the Minnesota Judicial Branch Security Unit to increase their capacity to conduct threat assessments, coordinate with law enforcement, and provide training and emergency planning.

General	Expenditures	\$312	\$624
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Security Threat Response

This provision provides funding to respond to threats to the security and stability of the judiciary. The chief justice is authorized to transfer funds to the Court of Appeals and the District Courts for this purpose.

General	Expenditures	\$1,686	\$610
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Safe and Secure Courthouse Initiative

This provision is for the Supreme Court to implement a competitive grant program to fund safety and security improvements at county courthouses. The provided matching grants for counties will support measures such as security assessments, equipment purchases, access control improvements, courtroom security modifications, and security training.

General	Expenditures	\$4,000	\$0
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Operating Adjustment

This provision is a cost neutral operating adjustment which shifts funds from the District Courts to the Supreme Court for court operations.

General	Expenditures	\$0	\$1,630
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Court of Appeals

Security for Judicial Officials

This provision provides funding for home security system installation and monthly monitoring as well as annual personal data protection subscriptions for judicial officials at the Court of Appeals to provide increased safety and security.

General	Expenditures	\$60	\$66
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Operating Adjustment

This provision is a cost neutral operating adjustment which shifts funds from the District Courts to the Court of Appeals for court operations.

General	Expenditures	\$0	\$154
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Public Safety and Judiciary

District Courts

Security for Judicial Officials

This provision provides funding for home security system installation and monthly monitoring as well as annual personal data protection subscriptions for judicial officials at the District Courts to provide increased safety and security.

General	Expenditures	\$843	\$934
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Operating Adjustment

This provision is a cost neutral operating adjustment which shifts funds from the District Courts to the Supreme Court and the Court of Appeals for court operations.

General	Expenditures	\$0	(\$1,784)
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Peace Officer Standards and Training Board

Philando Castile Memorial Training Fund

This provision is for increased funds to the existing Philando Castile Memorial Training Fund which is used to reimburse qualified training courses to strengthen law enforcement training and implement best practices.

General	Expenditures	\$2,116	\$0
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Corrections

Medical Facility Security 4th Degree Assault Bed Costs

This provision funds penalties associated with the addition of physically assaulting a security guard providing services in a hospital or clinic to the existing assault in the fourth-degree statute.

General	Expenditures	\$0	\$34
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Theft from Vulnerable Adult Bed Costs

This provision funds costs associated with increased penalties for theft within the existing theft statute when the victim is a vulnerable adult.

General	Expenditures	\$13	\$77
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Retirement Subplan for Probation Officers and Public Safety Telecommunicators

This provision - enacted in Laws 2026, Chapter 106 - funds the estimated increase in employer contributions at the Department of Corrections (DOC) associated with the new Probation and Telecommunicator Retirement Subplan of the Minnesota State Retirement System (MSRS) General State Employees Retirement Plan. This new subplan covers probation officers at the DOC and 911 telecommunicators at the Department of Public Safety and Metropolitan Council. The employer contribution for eligible employees' salaries will be two percent higher than the existing employer contribution for the MSRS general plan.

General	Expenditures	\$272	\$1,090
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Public Safety and Judiciary

Corrections

Settlement of Claims

This provision is funding for payment of claims against the state for losses suffered while incarcerated in a state correctional facility or for injuries suffered by and medical services provided to persons injured while performing community service or sentence-to-service work for correctional purposes or while incarcerated in a state correctional facility.

General	Expenditures	\$5	\$0
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Public Safety - Public Safety

Expansion of Behavior Threat Assessment and Management Team

This provision funds additional staff and operating costs for the Department of Public Safety Bureau of Criminal Apprehension's Behavioral Threat Assessment and Management Team (BTAM). BTAM is a multidisciplinary team that takes a proactive and holistic approach to identify and investigate persons of concern that threaten safety and security of Minnesotans. Funded activities also include coordinating with the new legislative services unit.

General	Expenditures	\$1,012	\$2,024
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Anonymous Threat Reporting Grants

This provision - enacted in Laws 2026, Chapter 117 - is for funding to the DPS Division of Homeland Security and Emergency Management to provide grants to schools for the development, purchase, implementation, operation, and maintenance of anonymous threat reporting systems. Eligible school districts and cooperative units may receive up to \$10 thousand and eligible charter schools, Tribal contract schools and nonpublic schools may receive up to \$2.5 thousand. Grants must be awarded to schools located in all geographic regions of Minnesota.

General	Expenditures	\$4,000	\$0
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Anonymous Threat Reporting Statewide Systems

This provision - enacted in Laws 2026, Chapter 117 - provides funding to the Department of Public Safety Bureau of Criminal Apprehension for staffing and operating costs to conduct statewide threat assessment and investigations as part of the anonymous threat reporting system.

General	Expenditures	\$1,000	\$0
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Minnesota Victims of Crime Account

This provision makes a transfer from the general fund to the Minnesota victims of crime account in the special revenue fund. The victims of crime account issues grants to crime victim services providers for direct services and advocacy to victims of sexual assault, general crime, domestic violence, and child abuse.

General	Transfers Out	\$12,000	\$148
Restrict Misc Special Revenue	Transfers In	\$12,000	\$148
Restrict Misc Special Revenue	Expenditures	\$12,000	\$148

2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Public Safety and Judiciary

Public Safety - Public Safety

Task Force on Improving Responses to Domestic Violence Crimes

This provision provides funding to the Department of Public Safety Office of Justice Programs (OJP) to establish a Task Force on Improving Responses to Domestic Violence Crimes to review law enforcement, prosecutorial, and community responses to domestic violence crimes and to make policy and funding recommendations to the legislature.

General	Expenditures	\$159	\$0
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Trafficking and Sexual Exploitation Prevention for Youth

This provision is to fund a grant to a nonprofit organization to be used to address youth trafficking and sexual exploitation in the Twin Cities metropolitan area. The grant will be competitively awarded, and the grantee must provide services to youth, parents, and the community by working with youth groups, recovery support groups, domestic violence support groups, and the Ramsey County correctional facility to provide victim-centered and trauma-informed support, awareness, and education.

General	Expenditures	\$125	\$0
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Youth Adult Reentry Services

This provision is to fund a grant to a nonprofit organization to support young adults released from juvenile detention or prison. The grantee will engage in community outreach, partnership development, mobile case management, family reunification, aftercare, job attainment, and housing placement.

General	Expenditures	\$125	\$0
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Minnesota Clearance Grant Program

This provision provides funding to establish a grant program to award grants to law enforcement agencies to reduce violent crime by increasing the solve rate of crimes involving nonfatal shooting of a firearm. 50 percent of the grants must go to applicants outside of the metropolitan area.

General	Expenditures	\$905	\$0
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Child Care Licensing Modernization

This provision - enacted in Laws 2026, Chapter 127- provides funding for child care centers to undergo fire inspections every five years, beginning in FY 2029. Funds will support additional Deputy State Fire Marshals to balance caseloads across the team.

General	Expenditures	\$0	\$544
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Retirement Subplan for Probation Officers and Public Safety Telecommunicators

This provision - enacted in Laws 2026, Chapter 106 - funds the estimated increase in employer contributions at the Bureau of Criminal Apprehension associated with the new Probation and Telecommunicator Retirement Subplan of the Minnesota State Retirement System (MSRS) General State Employees Retirement Plan. This new subplan covers probation officers at the Department of Corrections and 911 telecommunicators at the Department of Public Safety and Metropolitan Council. The employer contribution for eligible employees' salaries will be two percent higher than the existing employer contribution for the MSRS general plan. Appropriations to the Department of Public Safety are from both the trunk highway fund and general fund; the general fund appropriation of \$14 thousand in FY 2027 and \$29 thousand annually thereafter has been allocated between the Minnesota State Patrol and the BCA. The costs shown here reflect only the BCA portion.

General	Expenditures	\$13	\$54
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2026 Supplemental Budget Enacted
All Funds by Agency
(Dollars in Thousands)

	FY 2026-27	FY 2028-29
Public Safety and Judiciary		
Public Safety - Public Safety		

2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Transportation

Transportation

Motor Vehicle Registration Tax Temporary Reduction

This provision – enacted in Laws 2026, Chapter 130 – reduces motor vehicle registration taxes in calendar year 2027, resulting in an approximately \$254 million revenue reduction in the highway user tax distribution (HUTD) fund across FY 2027 and 2028. The provision also transfers \$254 million from the general fund to HUTD fund in FY 2027. This results in almost no net fiscal impact to the HUTD when viewed across FY 2027 and FY 2028, but the revenue and transfer timing result in the fiscal impacts displayed below. HUTD funding flows via transfer to the trunk highway fund (THF), county state aid highway fund, and municipal state aid street fund. The fiscal detail below includes the impact on these funds. The THF transfer also impacts the THF budget reserve; that fiscal impact is not displayed here, but is reflected in the Budget Reserve line for the THF in Minnesota Management and Budget's Consolidated Fund Statement for the End of 2026 Legislative Session.

See also the Tax Aids, Credits and Refunds section of this document for an income tax impact resulting from this provision.

General	Transfers Out	\$254,000	\$0
Municipal State Aid Street	Transfers In	\$11,546	(\$11,579)
Municipal State Aid Street	Expenditures	\$11,546	(\$11,579)
County State Aid Highway	Transfers In	\$43,956	(\$44,081)
County State Aid Highway	Expenditures	\$43,956	(\$44,081)
Trunk Highway	Transfers In	\$79,539	(\$79,765)
Highway User Tax Distribution	Revenues	(\$118,960)	(\$135,425)
Highway User Tax Distribution	Transfers In	\$254,000	\$0
Highway User Tax Distribution	Transfers Out	\$135,041	(\$135,425)

Hortman Memorial Highway Signage - Trunk Highway 610

This provision – enacted in Laws 2026, Chapter 129 – provides funding to mark Trunk Highway 610 as “Hortman Memorial Highway” and erect appropriate signs.

General	Expenditures	\$750	\$0
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State Airports Fund Appropriations

This provision – enacted in Laws 2026, Chapter 129 – funds two airport projects from the state airports fund. \$1.265 million is appropriated in FY 2027 for an air traffic control tower facility at the Mankato Regional Airport. \$2 million is appropriated in FY 2027 for a new air traffic control tower and base building at the Duluth International Airport; this provision also sets a \$2 million base for FY 2028, for a total of \$4 million for the Duluth project.

State Airports	Expenditures	\$3,265	\$2,000
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Transportation

Metropolitan Council - Transportation

Retirement Subplan for Probation Officers and Public Safety Telecommunicators

This provision – enacted in Laws 2026, Chapter 106 – funds the estimated increase in employer contributions at the Metropolitan Council associated with the new Probation and Telecommunicator Retirement Subplan of the Minnesota State Retirement System (MSRS) General State Employees Retirement Plan. This new subplan covers probation officers at the Department of Corrections and 911 telecommunicators at the Department of Public Safety and Metropolitan Council. The employer contribution for eligible employees' salaries will be two percent higher than the existing employer contribution for the MSRS general plan.

General	Expenditures	\$40	\$160
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Public Safety - Transportation

State Patrol Deficiency

This provision appropriates funds to the Minnesota State Patrol to address a deficiency in the Minnesota State Patrol's FY 2026 operating budget for capitol security. According to the Governor's budget recommendation for this item, exceptional circumstances increased overtime and related costs, including: supplemental executive, legislative, and judicial security; a mutual aid request related to the Annunciation school shooting; and the deployment of the Mobile Response Team in response to requested local assistance to keep Minnesotans safe during the federal immigration enforcement surge.

General	Expenditures	\$1,920	\$0
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Capitol Security Screening

This provision appropriates funds to the Minnesota State Patrol for staffing, overtime, and equipping costs of additional State Patrol personnel and associated scanning equipment, to perform screening of individuals entering the State Capitol building.

General	Expenditures	\$7,319	\$6,389
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Capitol Security Enhancements

This provision appropriates funds to the Minnesota State Patrol for security enhancements on the Capitol complex, including but not limited to staffing, equipment, and operations.

General	Expenditures	\$4,700	\$3,121
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Legislative Services Unit

This provision appropriates funds to the Minnesota State Patrol for a new legislative services unit. The unit's duties are laid out in Minnesota Statutes, section 299E.10, and include identification, assessment, and investigation of threats to the life or safety of legislators as well as mitigation of threats that the unit determines are credible. Other responsibilities include coordinating security services provided to legislators, maintaining a security services plan, developing security protocols and procedures, and providing training.

General	Expenditures	\$1,736	\$2,632
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Transportation

Public Safety - Transportation

Security Services Task Force

This provision appropriates funds to the Minnesota State Patrol to administer a Security Services Task Force. The task force is established to advise and provide recommendations on security and protective services provided to legislators. The fourteen-member task force must provide a report by February 1, 2027 and expires June 30, 2027.

General	Expenditures	\$100	\$0
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Secret War in Laos Veteran Driver's License/ID Card Designation

This provision – enacted in Laws 2026, Chapter 96 – appropriates funds to the Driver and Vehicle Services Division (DVS) of the Department of Public Safety. Chapter 96 adds “SGU Veteran” as an indicator for veterans of the Secret War in Laos for their driver's license or ID card. The funding covers costs associated with DVS's contract with a third-party vendor that prints driver's licenses and ID cards, as well as updating driver's license and ID application forms.

General	Expenditures	\$141	\$0
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Retirement Subplan for Probation Officers and Public Safety Telecommunicators

This provision – enacted in Laws 2026, Chapter 106 – funds the estimated increase in employer contributions at the Minnesota State Patrol associated with the new Probation and Telecommunicator Retirement Subplan of the Minnesota State Retirement System (MSRS) General State Employees Retirement Plan. This new subplan covers probation officers at the Department of Corrections and 911 telecommunicators at the Department of Public Safety (DPS) and Metropolitan Council. The employer contribution for eligible employees' salaries will be two percent higher than the existing employer contribution for the MSRS general plan. Appropriations to DPS are from both the trunk highway fund and general fund; the general fund appropriation of \$14 thousand in FY 2027 and \$29 thousand annually thereafter has been allocated between the Minnesota State Patrol and the Bureau of Criminal Apprehension. The costs shown here reflect only the MSP portion.

General	Expenditures	\$1	\$4
Trunk Highway	Expenditures	\$7	\$28

Transfer from DVSOA to General Fund

This provision – enacted in Laws 2026, Chapter 128 – is a one-time transfer of funds from the driver and vehicle services operating account (DVSOA) to the general fund.

General	Transfers In	\$75,000	\$0
Restrict Misc Special Revenue	Transfers Out	\$75,000	\$0

Public Safety Officer Death Benefit Eligibility Modifications

This provision – enacted in Laws 2026, Chapter 97 – expands eligibility for public safety officer line-of-duty death benefits in three ways, related to infectious disease exposure, part-time firefighters, and cancer. The first two are retroactive to February 1, 2020. These changes are expected to increase expenditures, but the existing appropriation for this purpose is estimated to be able to support the expansion. This provision is budget neutral.

General	Expenditures	\$0	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Environment and Energy

Pollution Control

Infectious Waste Study

This provision appropriates funds for the Minnesota Pollution Control Agency (MPCA) to conduct a study on the unlawful shipment of infectious or pathological waste throughout the state. MPCA must submit a report to the legislature by January 15, 2027, which includes an assessment on the extent of the issue and recommendations on policy changes to address it.

General	Expenditures	\$125	\$0
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Recommendations of the Legislative-Citizen Commission on Minnesota Resources

This provision appropriates one-time funds as recommended by the Legislative-Citizen Commission on Minnesota Resources to the Minnesota Pollution Control Agency for two environment and natural resources projects.

Environment & Natural Resources	Expenditures	\$1,189	\$0
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Natural Resources

Law Enforcement Response Costs

This provision allows the Department of Natural Resources to transfer unspent operating funds that were carried forward from FY 2025 to their enforcement division to cover unanticipated costs in FY 2026. Costs include providing support to other law enforcement agencies during responses to the Annunciation Church shooting and civil unrest during Operation Metro Surge. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Lands Bill

This provision authorizes the state to sell and modify specific land parcels.

Land Acquisition	Revenues	\$474	\$0
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Electronic Licensing System Appropriation Extension

This provision extends the availability of appropriations to develop an electronic licensing system until June 30, 2027 to allow for a phased rollout. This provision is budget neutral.

Water Recreation	Expenditures	\$0	\$0
Snowmobile	Expenditures	\$0	\$0
All-Terrain Vehicle	Expenditures	\$0	\$0
Off-Highway Motorcycle	Expenditures	\$0	\$0
Off-Road Vehicle	Expenditures	\$0	\$0
Game and Fish (Operations)	Expenditures	\$0	\$0

Recommendations of the Legislative-Citizen Commission on Minnesota Resources

This provision appropriates one-time funds as recommended by the Legislative-Citizen Commission on Minnesota Resources to the Department of Natural Resources for 64 environment and natural resources projects. It also includes extensions for eight prior year appropriations; seven of these appropriations are now available until June 30, 2027, and one is available until June 30, 2028.

Environment & Natural Resources	Expenditures	\$71,077	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Environment and Energy

Natural Resources

Community Grant Program - ENRTF

This provision appropriates 1.5 percent of the available balance of the environment and natural resources trust fund (ENRTF) for the community grant program. Grants will focus on preserving and addressing environmental resources, environment-related education, trail maintenance/improvement, and aquatic invasive species management. These competitively-awarded grants are available to non-state entities.

Environment & Natural Resources	Expenditures	\$28,180	\$0
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Recommendations of the Outdoor Heritage Council

This provision appropriates one-time funds as recommended by the Lessard-Sams Outdoor Heritage Council to the Department of Natural Resources for 44 projects to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife. It also includes extensions for two prior year appropriations; one is now available until June 30, 2027, and one is available until June 30, 2028.

Outdoor Heritage	Expenditures	\$171,699	\$0
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Parks and Trails Legacy - Appropriation Extensions

This provision extends the availability of six prior year appropriations from the parks and trails legacy fund on the recommendation of the Great Minnesota Regional Parks and Trails Commission. Four of these appropriations are now available until June 30, 2027, and two are available until June 30, 2028.

Parks and Trails	Expenditures	\$0	\$0
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Water and Soil Resources, Board of

Recommendations of the Legislative-Citizen Commission on Minnesota Resources

This provision appropriates one-time funds as recommended by the Legislative-Citizen Commission on Minnesota Resources to the Board of Water and Soil Resources for two environment and natural resources projects. It also includes an extension for one prior year appropriation until June 30, 2027.

Environment & Natural Resources	Expenditures	\$2,556	\$0
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Recommendations of the Outdoor Heritage Council

This provision appropriates one-time funds as recommended by the Lessard-Sams Outdoor Heritage Council to the Board of Water and Soil Resources for eight projects to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife.

Outdoor Heritage	Expenditures	\$19,242	\$0
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Metropolitan Council - Environment

Recommendation of the Legislative-Citizen Commission on Minnesota Resources

This provision – enacted in Laws 2026, Chapter 104 – appropriates one-time funds as recommended by the Legislative-Citizen Commission on Minnesota Resources to the Metropolitan Council for metropolitan regional parks system land acquisition.

Environment & Natural Resources	Expenditures	\$2,414	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Environment and Energy

Metropolitan Council - Environment

Change Passthrough Agency for Local Project Funding from DEED to Metropolitan Council

This provision - enacted in Laws 2026, Chapter 129 - changes the agency that administers a Laws 2024 appropriation that provides funding to the Minneapolis Park and Recreation Board for design, development, and construction of the new Cedar Riverside Recreation Center. Instead of funds being appropriated to the Department of Employment and Economic Development (DEED), they are now appropriated to the Metropolitan Council. This provision shows a reduction of \$5 million at DEED and an increase of \$5 million at the Metropolitan Council, but it is cost neutral overall.

General	Expenditures	\$5,000	\$0
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Minnesota Zoological Garden

Operating Deficiency

This provision appropriates one-time supplemental funding to the Minnesota Zoo to address an operating deficiency in FY 2026. This appropriation is paid for by a one-time transfer from the workforce development fund to the general fund.

General	Transfers In	\$3,800	\$0
General	Expenditures	\$3,800	\$0
Workforce Development	Transfers Out	\$3,800	\$0

Recommendations of the Legislative-Citizen Commission on Minnesota Resources

This provision appropriates one-time funds as recommended by the Legislative-Citizen Commission on Minnesota Resources to the Minnesota Zoo for two environment and natural resources projects.

Environment & Natural Resources	Expenditures	\$952	\$0
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Science Museum

Recommendations of the Legislative-Citizen Commission on Minnesota Resources

This provision appropriates one-time funds as recommended by the Legislative-Citizen Commission on Minnesota Resources to the Science Museum of Minnesota for three environment and natural resources projects.

Environment & Natural Resources	Expenditures	\$1,681	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Jobs, Commerce, Ag and Housing

Cannabis Management Office

Event Licensing Modifications

This provision modifies cannabis event licensing statute, which is expected to have a modest increase to non-dedicated licensing revenues.

General	Revenues	\$7	\$26
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Agricultural Utilization Research Institute

Onetime Legal Costs

This provision provides onetime funding to the Agricultural Utilization Research Institute to be used for legal costs. The Agricultural Utilization Research Institute has been involved in trademark litigation which these funds are intended to address. This funding is available until June 30, 2029.

General	Expenditures	\$80	\$0
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Housing Finance

Family Homelessness Prevention and Assistance Program (FHPAP)

This provision funds a one-time increase for the Family Homeless Prevention and Assistance Program. The program goals are to prevent homelessness, minimize periods of homelessness, and eliminate repeat episodes of homelessness. The additional resources will prioritize direct assistance such as emergency rental assistance and eviction prevention funding and the resources are paid from the program administrator to the housing provider. The additional resources will increase grant awards to existing administrators, allowing the funds to reach communities quickly to help address more of the urgent local needs.

General	Transfers Out	\$38,000	\$0
Housing Finance Agency	Transfers In	\$38,000	\$0
Housing Finance Agency	Expenditures	\$38,000	\$0

Housing Infrastructure Bonds

This provision gives Minnesota Housing authorization to provide \$100 million in Housing Infrastructure Bonds. Housing Infrastructure Bonds provide loans for new permanent supportive housing, preservation of existing housing, senior housing, single-family homes and deeply affordable rental housing and manufactured home communities.

General	Transfers Out	\$0	\$2,000
Housing Finance Agency	Transfers In	\$0	\$2,000
Housing Finance Agency	Expenditures	\$0	\$2,000

Reallocation of Investment Earnings

This provision reallocates \$25 million of interest earnings within the housing development fund to fund one-time increases to various housing programs. This includes \$14.3 million for the Greater Minnesota Workforce Housing Program, \$4 million for manufactured home park infrastructure grants, \$4 million for grants to supportive housing providers, and \$2 million to the Family Homeless Prevention Assistance Program. The reallocation also provided one-time funding for homebuyer education and training, a tenant hotline, and a home share pilot. This provision is budget neutral as it reallocates resources that would be available for program administration.

Housing Finance Agency	Expenditures	\$0	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Jobs, Commerce, Ag and Housing

Commerce

Non-Depository Institution Licensing Provisions

This provision closes a licensing loophole for entities who arrange payday loans and clarifies the lending authority of mortgage originators and servicers to eliminate the need for dual licensure. These changes reduce revenues and expenditures by equal amounts.

Restrict Misc Special Revenue	Revenues	\$0	(\$12)
Restrict Misc Special Revenue	Expenditures	\$0	(\$12)

Technical and Date Adjustments to Reinsurance Program

This provision updates the state's reinsurance program by shifting certain duties to the commissioner and changing key dates for notifying carriers, approving assessments, and issuing payments. It adjusts the schedule for reinsurance payment processing, updates how assessment deferrals are handled, and adds a refundable tax credit starting in 2029 for insurers that paid an assessment. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Nuclear Study

This provision – enacted in Laws 2026, Chapter 128 – provides one-time funding to study the potential impact of new nuclear energy generation.

General	Expenditures	\$500	\$0
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Petroleum Tank Release Fund Program - Single-Walled Steel Piping

This provision creates a new program to reimburse 50 percent of the cost of replacing underground petroleum storage tank systems with pressurized single-walled steel piping. Annual program expenditures are capped at \$4 million. Under statute, a petroleum tank release cleanup fee is assessed any time the petroleum tank release fund balance falls below \$4 million. The additional spending authorized by this provision increases the frequency with which the fee is imposed, resulting in revenues that offset the cost of the program.

Petroleum Tank Release Cleanup	Revenues	\$5,600	\$11,200
Petroleum Tank Release Cleanup	Expenditures	\$4,258	\$8,406

Prescription Drug Affordability Advisory Council Repeal

This provision repeals the Prescription Drug Affordability Advisory Council. The provision is budget neutral.

General	Expenditures	\$0	\$0
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Employment and Economic Development

Forward Fund Transfer

This provision – enacted in Laws 2026, Chapter 128 – cancels \$15 million of the FY 2024 Minnesota Forward Fund appropriation enacted in Laws 2023, Chapter 53, Article 21, Section 7(c). The provision then transfers \$15 million from the forward fund to the general fund.

General	Transfers In	\$15,000	\$0
Climate and Economic Dev	Transfers Out	\$15,000	\$0
Climate and Economic Dev	Expenditures	(\$15,000)	\$0

2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Jobs, Commerce, Ag and Housing

Employment and Economic Development

Iron Ore Mining Additional Unemployment Benefits

This provision – enacted in Laws 2026, Chapter 126 – makes additional unemployment benefits available to individuals laid off from work by select employers in the iron ore mining industry between November 1, 2025, to March 15, 2026. The provision makes additional unemployment benefits available to these workers through March 20, 2027.

Unemployment Insurance	Expenditures	\$1,557	\$0
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Turning Point Residential Facility

This provision – enacted in Laws 2026, Chapter 121 – provides one-time grant funding to Turning Point Inc. to predesign, design, construct, renovate, furnish, and equip a residential facility in the Twin Cities Metropolitan Area.

General	Expenditures	\$1,000	\$0
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St. Paul Port Authority - Capitol Area Economic Development Grant

This provision – enacted in Laws 2026, Chapter 129 – provides one-time grant funding to the St. Paul Port Authority for the Capitol Area Economic Development Grant Program. This program makes grants to new and existing businesses within the capitol area for operating equipment, façade, and other capital improvements.

General	Expenditures	\$630	\$0
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Change Passthrough Agency for Local Project Funding from DEED to Metropolitan Council

This provision - enacted in Laws 2026, Chapter 129 - changes the agency that administers a Laws 2024 appropriation that provides funding to the Minneapolis Park and Recreation Board for design, development, and construction of the new Cedar Riverside Recreation Center. Instead of funds being appropriated to the Department of Employment and Economic Development (DEED), they are now appropriated to the Metropolitan Council. This provision shows a reduction of \$5 million at DEED and an increase of \$5 million at the Metropolitan Council, but it is cost neutral overall.

General	Expenditures	(\$5,000)	\$0
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Labor and Industry

Workers' Compensation Advisory Council Recommendations

This provision amends workers' compensation law as recommended by the Workers' Compensation Advisory Council. The provision increases spending from the workers' compensation fund to pay for rulemaking and higher permanent partial disability benefit payments.

Workers Compensation	Expenditures	\$31	\$52
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Workers' Compensation Court of Appeals

Workers' Compensation Advisory Council Recommendations

This provision amends workers' compensation law as recommended by the Workers' Compensation Advisory Council. The provision allows the Workers' Compensation Court of Appeals (WCCA), with the consent of the Court of Administrative Hearings (CAH), to assign an active compensation judge from CAH to hear any case properly assigned to a WCCA judge if the number of WCCA judges available to hear a case is not sufficient to constitute a quorum and retired judges are unavailable to meet the quorum requirement. The language is permissive and budget neutral across the WCCA and CAH.

Workers Compensation	Transfers Out	\$0	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

State Government and Veterans

Legislature

House Safety and Security Increase

This provision increases funding for the House of Representatives beginning in FY 2026, intended for ongoing safety and security needs.

General	Expenditures	\$1,380	\$1,422
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Senate Safety and Security Increase

This provision increases the funding for the Senate beginning in FY 2026, intended for ongoing safety and security needs.

General	Expenditures	\$2,168	\$2,108
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House Legislative Security Services Reimbursements

This provision provides onetime funding to the House of Representatives to make reimbursements to law enforcement agencies for safety and security services.

General	Expenditures	\$2,933	\$0
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Senate Legislative Security Services Reimbursements

This provision provides onetime funding to the Senate to make reimbursements to law enforcement agencies for safety and security services.

General	Expenditures	\$1,467	\$0
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Hortman Memorial State Park Working Group Administration

This provision is for onetime funding to the Legislative Coordinating Commission for the administrative expenses of a Melissa and Mark Hortman Memorial State Park Working Group. The working group will make recommendations for the creation of the Melissa and Mark Hortman Memorial State Park within the Capitol Area.

General	Expenditures	\$86	\$0
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Education Group Insurance Program Report

This provision supports the Legislative Budget Office (LBO) in implementing a new annual reporting requirement on health insurance costs for school districts and charter schools. This provision requires the LBO to distribute an annual survey beginning in 2026 to collect detailed data on employee coverage, premium contributions, plan design, administrative fees, and other health insurance cost elements, and to compile the information into a public report submitted each December to the legislature. This provision ensures the LBO has ongoing resources to administer the survey, issue the report, and publish standardized data to its public website.

General	Expenditures	\$91	\$72
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

State Government and Veterans

Legislature

State Office of Inspector General Established

This provision establishes an Office of the Inspector General (OIG) as an independent entity in the executive branch responsible for ensuring accountability, transparency, and integrity in the operations of state agencies and programs. The OIG is authorized to and responsible for: (1) conducting investigations of agencies and programs to identify fraud and misuse, (2) conducting evaluations and make recommendations for changes to programs, and (3) facilitating data sharing between agencies. Included in this provision are staff and resources for existing agencies to make necessary fundamental systems improvements that better enable key programs to proactively identify and stop potentially fraudulent actors. It also includes new staffing for investigation and data research teams at the newly established independent office. This provision is for the Legislative Coordinating Commission to provide administrative support for the Legislative Inspector General Advisory Commission.

General	Expenditures	\$29	\$14
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Administration of Legislative Commission on Human Services Modernization

This provision provides funding to the Legislative Coordinating Commission to administer the Legislative Commission on Human Services Systems. This commission is an eight-member legislative commission to oversee and provide recommendations on IT modernization.

Systems Modernization	Expenditures	\$559	\$0
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Outdoor Heritage Council Administration Costs

This provision provides funding to the Legislative Coordinating Commission for the administrative expenses of the Lessard-Sams Outdoor Heritage Council.

Outdoor Heritage	Expenditures	\$140	\$0
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State Auditor

Safety and Security of the State Auditor

This provision provides onetime funds in FY 2027 to the Office of the State Auditor to provide for the safety and security of the State Auditor.

General	Expenditures	\$100	\$0
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Attorney General

Medicaid Fraud Unit Expansion

This provision provides funding to increase the state's Medicaid Fraud Control Unit in the Attorney General's Office. This increase funds more Assistant Attorney Generals, investigators, and support staff to investigate and prosecute Medicaid fraud, and the increase will leverage additional federal matching funds.

General	Expenditures	\$1,230	\$2,460
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Safety and Security of the Attorney General

This provision provides onetime funds in FY 2027 to the Office of the Attorney General to provide for the safety and security of the Attorney General.

General	Expenditures	\$100	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

State Government and Veterans

Secretary of State

Safety and Security of the Secretary of State

This provision provides onetime funds in FY 2027 to the Office of the Secretary of State to provide for the safety and security of the Secretary of State.

General	Expenditures	\$100	\$0
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Constitutional Amendment Proposed for Permanent School Trust Fund

This provision presents a proposed constitutional amendment to voters to increase the dividends paid to schools and charters each year from the Permanent School Trust Fund. The Office of the Secretary of State will absorb onetime administrative costs during the process of putting the proposed constitutional amendment on the ballot.

General	Expenditures	\$0	\$0
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Investment Board

State Board of Investment Cost Apportionment

This provision modifies the State Board of Investment's (SBI) cost apportionment. It eliminates the State Board of Investment's general fund appropriation and instead bills the general fund its share of costs based on weighted average assets. This will result in lower general fund investment income, partially offset by lower general fund expenses. This provision is cost neutral across all state funds and simply changes how much each fund pays for SBI's management of state cash.

General	Expenditures	(\$139)	(\$278)
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Minnesota IT Services (MNIT)

Fraud Prevention and Detection

This provision provides onetime funding to Minnesota IT Services for technology modernization to advance fraud prevention and detection for state programs. These funds will be used to improve data sharing between agencies, to modernize analytic tools, and to enhance security, identity authentication, and verification capabilities for state services.

General	Expenditures	\$15,000	\$0
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IT Projects to Modernize Human Services Systems

This provision provides onetime funding to Minnesota IT Services for eligible IT projects under the newly established human services systems modernization fund statute, Minnesota Statutes, section 16E.50. Eligible projects include modernizing, integrating, or replacing the state's service delivery systems. It also includes expenses related to evaluating or developing automation, machine learning, predictive analytics, or other advanced modeling tools to support these systems.

Systems Modernization	Expenditures	\$11,413	\$0
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Updates to IT Systems Used by Counties

This provision provides onetime funding to Minnesota IT Services (MNIT) for upgrades to the IT systems used by counties. The commissioner of MNIT may award grants to counties for projects under this provision.

General	Expenditures	\$10,000	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

State Government and Veterans

Minnesota IT Services (MNIT)

Administrative Support for Human Services Council

This provision provides onetime funding to Minnesota IT Services (MNIT) for the support of the Human Services Systems Modernization Advisory Council. The council is established to advise state agencies and the legislature on the modernization of IT systems used by state agencies, counties, and Tribal Nations. The council consists of representatives of the Department of Human Services, Children, Youth, and Families, MNIT, the Association of Minnesota Counties, the Minnesota Association of County Social Service Administration, and federally recognized Tribal Nations. Agencies are required to consult the council before initiating any work on a major IT modernization project or procurement that would affect counties or Tribal Nations. Additionally, written notice is required if the agencies do not adopt a council recommendation.

Systems Modernization	Expenditures	\$3,900	\$0
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State Office of Inspector General Established

This provision establishes an Office of the Inspector General (OIG) as an independent entity in the executive branch responsible for ensuring accountability, transparency, and integrity in the operations of state agencies and programs. The OIG is authorized to and responsible for: (1) conducting investigations of agencies and programs to identify fraud and misuse, (2) conducting evaluations and make recommendations for changes to programs, and (3) facilitating data sharing between agencies. Included in this provision are staff and resources for existing agencies to make necessary fundamental systems improvements that better enable key programs to proactively identify and stop potentially fraudulent actors. It also includes new staffing for investigation and data research teams at the newly established independent office.

General	Expenditures	\$561	\$2,544
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Administrative Hearings, Court of

Workers' Compensation Advisory Council Recommendations

This provision amends workers' compensation law as recommended by the Workers' Compensation Advisory Council. The provision allows the Workers' Compensation Court of Appeals (WCCA), with the consent of the Court of Administrative Hearings (CAH), to assign an active compensation judge from CAH to hear any case properly assigned to a WCCA judge if the number of WCCA judges available to hear a case is not sufficient to constitute a quorum and retired judges are unavailable to meet the quorum requirement. The language is permissive and budget neutral across the WCCA and CAH.

Administrative Hearings	Transfers In	\$0	\$0
Administrative Hearings	Expenditures	\$0	\$0

2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

State Government and Veterans

Administration

State Office of Inspector General Established

This provision establishes an Office of the Inspector General (OIG) as an independent entity in the executive branch responsible for ensuring accountability, transparency, and integrity in the operations of state agencies and programs. The OIG is authorized to and responsible for: (1) conducting investigations of agencies and programs to identify fraud and misuse, (2) conducting evaluations and make recommendations for changes to programs, and (3) facilitating data sharing between agencies. Included in this provision are staff and resources for existing agencies to make necessary fundamental systems improvements that better enable key programs to proactively identify and stop potentially fraudulent actors. It also includes new staffing for investigation and data research teams at the newly established independent office. This provision provides the Department of Administration with onetime funding for the establishment of the Office of the Inspector General through an OIG Implementation Office.

General	Expenditures	\$892	\$891
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AMPERS Grants

This provision provides onetime funding for grants to the Association of Minnesota Public Educational Radio Stations to provide resources, software, training, and assistance to help its member stations consolidate resources and expenses because of the elimination of federal funds from this program.

General	Expenditures	\$100	\$0
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Public Television Grants

This provision provides onetime funding for grants to public television stations to aide in operations after the elimination of their federal funding. These grants will be allocated to the follow stations Pioneer PBS: \$332,000, Lakeland PBS: \$450,000, KSMQ: \$616,000, PBS North: \$237,000, and Prairie Public television: \$190,000.

General	Expenditures	\$1,825	\$0
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Lifting 3-year timeline for Historic Tax Credit Projects

This provision moves the three-year timeline for the Historic Structure Rehabilitation Tax Credit from when an allocation certificate is issued to when the project is placed in service. No additional cost is expected but it extends the availability of when a tax credit will be issued and will align the completion timeline with federal requirements. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Workers' Compensation Advisory Council Recommendations

This provision amends workers' compensation law as recommended by the Workers' Compensation Advisory Council. The provision increases the dollar multiplier used to calculate permanent partial disability (PPD) benefit payments. Additional spending on PPD benefits is offset by increased revenue collections, making this provision cost neutral.

Other Misc Special Revenue	Revenues	\$171	\$342
Other Misc Special Revenue	Expenditures	\$171	\$342

2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

State Government and Veterans

Management and Budget

Hennepin Healthcare Governance Task Force

This provision provides onetime funding to establish an advisory task force to develop recommendations for the legislature on the ownership, governance, and financing of Hennepin Healthcare System, Inc., including Hennepin County Medical Center. It requires the task force to evaluate options that recognize Hennepin County Medical Center as a regional and statewide public health and public safety asset that provides critical care for complex patients, serves large proportions of Medical Assistance, MinnesotaCare, and uninsured populations, and supports the state's health care workforce through education and training. This provision outlines membership criteria, meeting requirements, and reporting timelines, and authorizes the task force to request data and technical assistance from state agencies and other stakeholders. This provision requires the task force to submit preliminary findings by January 15, 2027, and final recommendations by January 15, 2028, and specifies that the task force expires on June 30, 2028.

General	Expenditures	\$193	\$0
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Department of Children, Youth, and Families Unused Funds Cancellation

This provision cancels \$1 million in unspent funds in FY 2026 that were appropriated for the Implementation Office for the Department of Children, Youth, and Families and will not be used.

General	Expenditures	(\$1,000)	\$0
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Penny Shortage

This provision allows agencies to round either the transaction price or any applicable refund to a five-cent increment for cash-based transactions due to the penny shortage resulting from the ceasing of new penny production. The cost to the state to round cash transactions to the nearest 5 cents as well as IT related costs to reflect these changes are expected to be minimal and agencies will absorb these costs.

General	Expenditures	\$0	\$0
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Option Not to Provide High Deductible Health Plan

This provision changes statute from saying "must" include a high-deductible health plan (HDHP) option for eligible employees to "may". Currently less than 1 percent of State Employee Group Insurance Program (SEGIP) members are enrolled in the SEGIP's high-deductible plan. The commissioner must notify legislature within 30 days of electing to eliminate the HDHP. The notification must include the commissioner's rationale for this decision. This provision is budget neutral.

General	Expenditures	\$0	\$0
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Revenue

Direct Free File System

This provision requires the Department of Revenue to establish a free filing system for individual income tax returns beginning with tax year 2027. The system must allow taxpayers to claim certain individual income tax credits, such as the child tax credit, working family credit, renter's credit, dependent care credit, and education credit. The cost of this proposal is for the Department's administrative costs associated with establishing and operating the system, which may be used to contract with a vendor.

General	Expenditures	\$2,300	\$7,000
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

State Government and Veterans

Veterans Affairs

SGU Veterans Benefits

This provision funds 0.5 FTE to assist the agency with processing claims related to Secret Guerilla Unit (SGU) veterans who are now eligible for certain veteran benefits.

General	Expenditures	\$59	\$118
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Burial Benefits: National Guard and SGU

This provision shows the expected increase in Veteran Cemetery expenses and revenue resulting from the changes in eligibility requirements passed this legislative session. These changes now allow Secret Guerilla Unit (SGU) veterans and National Guard members who did not previously qualify to be buried in state-owned veteran cemeteries. This provision is cost neutral.

Restrict Misc Special Revenue	Revenues	\$607	\$2,524
Restrict Misc Special Revenue	Expenditures	\$607	\$2,524

Military Affairs

Increase to Minimum State Active Duty Basic Pay

This provision changes the minimum base pay for activated National Guard members, setting the minimum benchmark at an E-5 pay grade. This minimum pay has not been adjusted in nearly thirty years. The change allows the minimum pay to progress as the Department of War pay charts are updated on an annual basis, ensuring that all service members are adequately compensated for these short-notice emergency missions. This change impacts an open appropriation.

General	Expenditures	\$30	\$60
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Cosmetologist Examiners, Board of

Licensing Modifications

This provision reflects statutory changes to the Cosmetologist Examiners Board licensing provisions, which are expected to have a modest impact on non-dedicated general fund revenue.

General	Revenues	(\$1)	(\$10)
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Barber Examiners, Board of

Licensing Modifications

This provision reflects statutory changes to the Barber Examiners Board licensing provisions, which are expected to have a modest impact on non-dedicated general fund revenue.

General	Revenues	\$1	\$2
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

State Government and Veterans

MMB Non-operating

Debt Service and Cash Impact for Capital Investments

This provision includes the general fund debt service impact of \$1.2 billion in net general obligation bonds authorized in the capital investment bill, enacted in Laws 2026, Chapter 130. This provision also includes the net fiscal impact of general fund and trunk highway cash capital investment projects enacted in Laws 2026, Chapter 130 and Chapter 129.

General	Transfers Out	\$47,117	\$158,069
Trunk Highway	Expenditures	\$3,600	\$0
General Projects	Transfers In	\$26,145	\$0
General Projects	Expenditures	\$45,000	\$0
Debt Service	Transfers In	\$20,972	\$158,069
Debt Service	Expenditures	\$12,234	\$92,207

Direct State Aid to PERA Police & Fire for Removing COLA Delay

This provision establishes an ongoing state aid to the Public Employee Retirement Association (PERA) Police Fire pension plan to offset the cost of removing the cost of living adjustment (COLA) delay by one year. Retirees under this plan previously had to wait an extra year before receiving any COLAs. This annual aid payment will continue until 2042.

General	Expenditures	\$8,000	\$16,000
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Direct State Aid to St Paul Teachers Pension for Contribution Decrease

This provision establishes an ongoing state aid to the St Paul Teachers Retirement Fund Association's pension plan to offset the cost of decreasing employee contributions by one percent. This annual aid payment will continue until the earlier of three years of full funding or 2048.

General	Expenditures	\$3,400	\$6,800
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Direct State Aid to PERA Probation and 911 Plan for Temporary Employee Contribution Reduction

This provision includes a onetime direct state aid to the Public Employee Retirement Association (PERA) Local Government Probation and Telecommunicator Retirement Plan to offset the cost of a temporary reduction in employee contributions for the new plan. Employee contributions for this new plan will be 2.71 percent higher than the general plan. This provision reduces the increase from 2.71 percent to 2.00 percent until August 31, 2028.

General	Transfers Out	\$2,610	\$0
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Direct State Aid to MSRS General Plan for Temporary Employee Contribution Reduction

This provision includes a one-time direct state aid to the Minnesota State Retirement System (MSRS) general plan to offset the cost of a temporary reduction in employee contributions for the new Probation and Telecommunicator Retirement Subplan. Employee contributions for this new subplan will be 2.71 percent higher than the general plan. This provision reduces the employee contribution from 8.82 percent to 8.00 percent until August 31, 2028.

General	Transfers Out	\$390	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

State Government and Veterans

MMB Non-operating

State Board of Investment Cost Apportionment

This provision modifies the State Board of Investment's (SBI) cost apportionment. It eliminates the State Board of Investment's general fund appropriation and instead bills the general fund its share of costs based on weighted average assets. This will result in lower general fund investment income, partially offset by lower general fund expenses. This provision is cost neutral across all state funds and simply changes how much each fund pays for SBI's management of state cash.

General	Revenues	(\$782)	(\$1,564)
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Tyler Settlement Balance Transfer

This provision returns to the general fund the unused and remaining balance not paid from the Tyler Settlement. In 2023, the Supreme Court ruled that Minnesota counties violated the state constitution when it kept surplus proceeds from tax-forfeited property sales instead of returning them to the property owner. During the 2024 legislative session, \$109 million was appropriated from the general fund to pay claims under the settlement. The settlement funds are available until June 30, 2026. It is anticipated a portion of those funds will not be claimed by the deadline. Of the unclaimed amount, \$40 million is appropriated to Minnesota Housing Finance for the family homeless prevention and assistance program and to fund the debt service for housing infrastructure bonds in Laws 2026, Chapter 128. The remaining \$7 million was cancelled in Laws 2026, Chapter 121, the human services omnibus bill.

General	Revenues	\$47,000	\$0
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Human Services Systems Account Transfer

This provision transfers funding from the general fund to create and maintain the human services systems modernization fund. This fund was established during this legislative session to assist with modernizing the human services systems used throughout the state.

General	Transfers Out	\$49,999	\$15,000
Systems Modernization	Transfers In	\$49,999	\$15,000

Hospital Stabilization Reserve

This provision – enacted in Laws 2026, Chapter 127 – establishes a Hospital Stabilization Reserve Account to support hospitals that meet specific criteria related to payer mix and uncompensated care. It requires eligible hospitals to submit quarterly financial statements and authorizes a certification process when a hospital experiences low operating cash and sustained operating margin losses. Additionally, this provision outlines the process by which certified payments are reviewed by the Legislative Advisory Commission before disbursement from the reserve. This provision funds the reserve with \$500 million in transfers during the FY2028-29 biennium. In FY 2028, \$354 million is transferred from the general fund budget reserve. In FY 2029, \$146 million is funded first by any amounts that cancel from two transportation projects: an FY 2024 appropriation for the Blue Line light rail project and an FY 2024 appropriation for the Minneapolis-Duluth Northern Lights Express intercity passenger rail project. Any remaining amount needed to reach \$146 million in FY 2029 is transferred from the general fund budget reserve. The provision also updates governance, qualifications, officer eligibility, financial oversight, and dissolution authorities for the Hennepin Healthcare System corporate board to strengthen financial accountability and preserve access to essential health services.

General	Expenditures	\$0	\$0
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2026 Supplemental Budget Enacted

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

State Government and Veterans

MMB Non-operating

Settlement of Claims

This provision is funding for full payment of exoneration awards of damages under the Imprisonment and Exoneration Remedies Act. This is onetime funding.

General	Expenditures	\$5,100	\$0
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Minnesota State Retirement System

Onetime Transfer to MSRS for Probation & Telecom. Subplan for Temp. Contribution Reduction

This provision includes a onetime transfer to the Minnesota State Retirement System (MSRS) general plan to offset the cost of a temporary reduction in employee contributions for the new Probation and Telecommunicator Retirement Subplan. Employee contributions for this new subplan will be 2.71 percent higher than the general plan. This provision reduces the employee contribution from 8.82 percent to 8.00 percent until August 31, 2028.

State Employees Retirement	Transfers In	\$390	\$0
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Public Employees Retirement Association

Direct State Aid to PERA Police and Fire for COLA Modification

This provision establishes an ongoing state aid to the Public Employee Retirement Association Police and Fire pension plan to offset the cost of reducing the cost of living adjustment (COLA) delay by one year. Retirees under this plan previously had to wait an extra year before receiving any COLAs. This annual aid payment will continue until 2042.

Police and Fire	Transfers In	\$8,000	\$16,000
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Onetime Transfer to PERA Probation & Telecom. Plan for Temp. Contribution Reduction

This provision includes a onetime transfer to the Public Employee Retirement Association (PERA) Local Government Probation and Telecommunicator Retirement Plan to offset the cost of a temporary reduction in employee contributions for the new plan. Employee contributions for this new plan will be 2.71 percent higher than the general plan. This provision reduces the increase from 2.71 percent to 2.00 percent until August 31, 2028.

Probation and Telecommunicator	Transfers In	\$2,610	\$0
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Office of the Inspector General

State Office of Inspector General Established

This provision establishes an Office of the Inspector General (OIG) as an independent entity in the executive branch responsible for ensuring accountability, transparency, and integrity in the operations of state agencies and programs. The OIG is authorized to and responsible for: (1) conducting investigations of agencies and programs to identify fraud and misuse, (2) conducting evaluations and make recommendations for changes to programs, and (3) facilitating data sharing between agencies. Included in this provision are staff and resources for existing agencies to make necessary fundamental systems improvements that better enable key programs to proactively identify and stop potentially fraudulent actors. It also includes new staffing for investigation and data research teams at the newly established independent office.

General	Expenditures	\$2,139	\$13,124
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