



March 17, 2026

Sen. Erin Murphy, Senate Majority Leader  
 Minnesota Senate Building  
 St. Paul, MN 55155

Rep. Lisa Demuth, Speaker of the House  
 Centennial Office Building  
 St. Paul, MN 55155

Sen. Mark Johnson, Senate Minority Leader  
 Minnesota Senate Building  
 St. Paul, MN 55155

Rep. Zack Stephenson, House DFL Caucus Leader  
 Centennial Office Building  
 St. Paul, MN 55155

RE: Governor’s FY 2026-27 Supplemental Budget

Dear Senators and Representatives,

The purpose of this letter is to officially transmit Governor Walz’s proposed supplemental budget for FY 2026-27. The Governor’s general fund recommendations are based on the February 2026 forecast, which projects a \$3.734 billion available general fund balance for the current biennium. The Governor is proposing general fund budget changes that total \$63 million in FY 2026-27, which includes the general fund impact of the Governor’s 2026 Infrastructure Plan released in January. After these changes, the remaining budgetary balance is \$3.671 billion.

**FY 2026-27 General Fund Recommendations**  
 (\$ in millions)

<b>Forecast Balance</b>	<b>\$3,734</b>
Tax and Revenue Change (net)	(50)
Capital Budget Debt Service and Cash Capital Costs	57
Supplemental Budget Recommendations	<u>56</u>
<i>Total – Recommended Changes</i>	<i>\$63</i>
 Remaining Budgetary Balance	 \$3,671

The Governor’s supplemental budget improves the bottom line and structural balance of the FY 2028-29 biennium. In the FY 2028-29 biennium, the recommended changes result in a projected balance of \$1.788 billion and reduce the structural imbalance by nearly 20 percent, when excluding inflation. Expenditures for the next biennium are \$189 million lower and revenues are \$246 million higher, compared to the February 2026 forecast.

## Supplemental Budget Materials

Supporting materials detailing the Governor's supplemental budget recommendations are posted to the MMB website (<https://mn.gov/mmb/budget/current-budget/governors-budget-recommendations>). Attached is a general fund summary for both the current biennium and the planning estimates. Also attached are detailed budget changes with descriptions, organized by agency, item, and fund.

I expect that supplemental budget bills and any pieces of legislation necessary to implement the Governor's plan will begin to be delivered shortly after this release. Agency commissioners and staff, as well as MMB executive budget officers, are prepared to answer any questions you may have regarding the recommendations.



Erin Campbell, Commissioner

Cc:

Senator John Marty, Chair, Senate Finance Committee

Senator Eric Pratt, Ranking Minority Member, Senate Finance Committee

Representative Cedrick Frazier, Co-Chair, House Ways and Means Committee

Representative Paul Torkelson, Co-Chair, House Ways and Means Committee

Eric Nauman, Senate Principal Fiscal Analyst

Emily Adriaens, House Chief Fiscal Analyst