



Date: June 14, 2024

To: Agency Heads
Deputy Commissioners
Chief Financial Officers
Budget Directors

From: Ahna Minge, State Budget Director

A handwritten signature in black ink, appearing to be 'AM', is placed to the right of the 'From:' line.

Subject: FY 2026-27 Biennial Budget Preparation

The biennial budget represents one of the most comprehensive and meaningful opportunities for the Governor and state agencies to present their priorities to Minnesotans. The 2024-25 biennial budget contained transformational investments that made meaningful steps toward making Minnesota the best state for children to grow up in. As we approach the FY 2026-27 biennial budget, we have a new opportunity to chart the Walz-Flanagan One Minnesota vision. However, we will do so under very different budgetary conditions than the previous biennial budget. There are reasons to be hopeful and reasons to be cautious. The upcoming budget process, combined with intervening budget forecast, is the process through which we will grapple with those opportunities and risks.

We are excited to embark on the budget development process with you and your teams. The coming months provide the opportunity to take stock of all that state government does, what we've accomplished over the past two years, and to imagine what we can do differently to improve the lives of Minnesotans.

The FY 2026-27 biennial budget document will be delivered to the legislature by January 28. This document clearly outlines the services provided by state government and the outcomes from those services, and it frames the discussion about budget priorities for the coming legislative session.

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

The purpose of agency budget narratives is:

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

While the 2026-27 biennial budget templates are not materially different from the 2024-25 biennial budget, we have made a few changes. Please review the instructions and the current templates with the previous documents we have provided for you on SharePoint. Note that we are now asking agencies to identify how their programs and activities contribute to the One Minnesota Plan within these documents.

As we have done in previous years, we are asking agencies to complete their work on budget narratives over the summer, in advance of base budget work. The budget narratives are **due to MMB on August 9** and will be published on the MMB website by October 1.

Below is a roadmap to completion of the FY 2026-27 biennial budget:

Date	Budget Item
June 14, 2024	Narrative instructions and templates available
July 2024	Interagency budget workgroup guidance available
Before August 9, 2024	Budget structure (program or activity) change requests to Executive Budget Officer
August 9, 2024	Budget narratives due from agencies
August 9, 2024	Preparing fiscal information (base budget) instructions available, including internal service and federal funds
Mid-August 2024	Budget proposal (change) instructions available
Mid-August 2024	Budget Planning and Analysis System (BPAS) and Departmental Earnings System (DE) user guides and training videos available
August 20, 2024	BPAS and DE system open for agencies
October 1, 2024	Budget narratives published to the MMB website
October 15, 2024	Base/enacted budget information due in BPAS and high-level change item information entered in BPAS (M.S. 16A.10, subd. 2); change items due from agencies
December 2, 2024	Base budget data submitted to the Legislature (M.S. 16A.10, subd. 2)
Early December 2024	November Forecast
November 2024 – January 2025	Governor decision making
January 28, 2025	Governor’s budget recommendations submitted to the Legislature (M.S. 16A.11, subd. 1)

By August 9, please complete the following:

1. Identify your agency budget structure. Proposed budget structure (program or activity) changes need to be submitted to your Executive Budget Officer (EBO) for review and approval prior to August 9.
2. Complete your agency budget narrative(s) by either updating the 2024-25 published budget narratives located on the [MMB Budget Division Document Management SharePoint site](#) in your agency’s Biennial Budget/2026-27 Biennial Budget/Background Narratives/2024-25 Narratives folder or by using the 2026-27 budget narrative templates, following the instructions provided on MMB’s website shown in

Available Resources below. Please make sure to follow the *Creating Accessible Document* instructions and have your accessibility officer review your agency narratives prior to submitting to MMB.

3. Submit budget narrative(s) in an accessible format by August 9, 2024, by uploading the documents to your agency's Biennial Budget/2026-27 Biennial Budget/Background Narratives folder on the [Budget Division Document Management SharePoint site](#).

Available Resources

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

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

I look forward to working with you over the next several months and encourage you to work closely with your EBO on the development of FY 2026-27 budget materials for your agency.

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