

2026 Governor's Supplemental Budget Recommendations

April 9, 2026

Prepared For: House Environment and Natural Resources Finance and Policy Committee

Agencies: Minnesota Zoo, Metropolitan Council, Department of Natural Resources, Minnesota Pollution Control Agency



Minnesota Zoo



MINNESOTA ZOO

Minnesota Zoo: A High-Impact State Asset

- \$320M annual economic impact
- 1.4M visitors/year
- Statewide reach: serves all 87 counties; 83K students annually
- Nationally recognized, AZA-accredited institution
- Only 36% state-funded → majority of budget is earned/private

Critical Request

Governor's Recommendation: \$3.8M

- Supplemental funding will address an operating deficiency
- No financial cushion due to rising costs

Action Already Taken

- Cut \$4.5M from FY24–26 budget
- 20+ positions held vacant
- Eliminated & reduced guest experiences
- Increased prices (already at top of market)
- Private funding primarily for capital, not operations



MINNESOTA ZOO

Why the Gap Exists & Why Funding Is Needed Now

- This is a structural issue, not a short-term shortfall
- \$3.8M stabilizes operations as we work toward long-term stability in the next budget cycle
- Protects a statewide asset serving 1M+ Minnesotans annually

Workforce Constraints

- Largest campus among peer zoos with smallest staff size (AZA data)

Aging Infrastructure

- Among worst facility condition ratings across state agencies (Dept. of Admin data)
- 1/3 of 125 structures in poor/crisis condition
- \$78M deferred maintenance backlog (growing)

Human & Animal Safety Risk

- Worst incident rate of all state agencies (MnSAFE data)
- 58% increase in animal care incidents since 2017

Unique Operating Risks

- Weather + external factors disrupted >50% of peak days in 2025 (extreme heat, rain, air quality, major road construction)
- Lost peak-season revenue cannot be recovered later

Metropolitan Council

Metropolitan Council supplemental budget



Two budget neutral items:

- Extension for tree planting grants from funding allocated in 2024:
 - \$3.188m in general fund for cities, counties, townships and parks implementing agencies
 - \$1.4m from the natural resources fund for tree planting in the regional parks and trails system
 - All 2024 funding is encumbered in grant agreements
 - Grantees would benefit from additional time to accommodate ordering trees, site preparations, and planting seasons
- Reassignment of 2024 grant funding to the Minneapolis Park and Recreation Board (MPRB) for the Cedar Riverside Recreation Center project from DEED to the Met Council
 - 2023 appropriation of \$3.5m to the Met Council for this project
 - 2024 appropriation is \$5m to DEED for this project
 - Recommendation to reassign 2024 appropriation to the Met Council to reduce administrative burden and streamline grant process
 - Supported by the Met Council, DEED, and MPRB

Department of Natural Resources



DNR's Supplemental Budget Proposals

- Law Enforcement Response Costs (\$1.5 million)
 - Reimbursement of FY26 conservation officer public safety response costs. DNR cannot use its dedicated funds for these purposes.
- Lands Bill
 - \$474,000 anticipated revenue
 - Becker County Public Land Sale - \$225,000 (current county assessed value.)
 - Mille Lacs County Sale to Federally Recognized Indian Tribe - \$251,000 (preliminary appraisal)

Minnesota Pollution Control Agency

Loose Battery Product Stewardship Program

Cost-neutral recommendation

FY27:

- \$330,000 expenditures
- \$330,000 revenues

FY28-29:

- \$1.390 million expenditures
- \$1.390 million revenues

Special Revenue Fund

- Establish a mechanism to fund collection and disposal of batteries via a third-party product stewardship organization
- Reduce costs and safety issues for local government waste collection facilities
- Improve access to recycling for consumers



Electronic Product Stewardship Program

Cost-neutral recommendation

FY27:

- \$418,000 expenditures
- \$418,000 revenues

FY28-29:

- \$1.74 million expenditures
- \$1.74 million revenues

Special Revenue Fund

- Establish a mechanism to fund collection and disposal of electronics via a third-party product stewardship organization
- Improve access to recycling for consumers
- Provide a sustainable way to manage disposal costs and ensure environmentally responsible disposal of electronic products



Air Compliance Monitoring Equipment

FY27:

- \$50,000

FY28-29:

- \$100,000

Environmental Fund

Appropriation for ongoing costs associated with already-purchased equipment:

- Software licenses
- Calibration
- Consumable supplies
- Maintenance/repair



Close Loopholes in Emergency Spill Response Statutes

Estimated annual cost savings: \$200,000 per year

Remediation Fund

- Close a loophole, establishing a consistent mechanism for recovery of cleanup costs
- Update terminology to conform with other sections of statute
- Streamline reporting so report is sent directly to MPCA
- Delete obsolete language



Questions?

