

Date: 8/19/2026

Item Activity: 2028-2029 Biennial Budget

Meeting: MnCIFA Board

Prepared by: Margaret Kelly, Financial Consultant

Item Type: Recommendation

Item Title: Adopt Resolution No. 2026-11 Approving MnCIFA's 2028-2029 Biennial Budget Narrative

Action Requested:

Adopt Resolution No. 2026-11

Information/Background:

The state operates on a two-year (biennial) budget cycle. The process of preparing and adopting the next biennial budget has already begun. Minnesota Management and Budget (MMB) is responsible for producing a comprehensive, fiscally sound state budget. MMB issues instructions for agencies to prepare the base budget and any requests for changes to their budget. The first step in the budget process is the preparation of the base budget, which includes a description of an agency's programs, performance, and historical and current fiscal data. A recommended draft of the narrative portion of the base budget is presented to the Board for adoption.

Resources/Financial Impacts: NA

Supporting Documentation:

- PDF: MnCIFA FY 26.27 base budget narrative and fiscal pages
- PDF: MMB FY 28.29 budget director memo to agencies



RESOLUTION NO. 2026-11

APPROVE MnCIFA's FY2028-2029 Base Budget Narrative

The Minnesota Climate Innovation Finance Authority board of directors (the "Board") hereby adopts the following resolution at a meeting duly called and held with a quorum being present.

WHEREAS, the Board adopted bylaws on April 17, 2024, to conduct its business and perform its responsibilities and duties in an orderly, efficient, transparent, fair, and lawful manner; and

WHEREAS, Minnesota Management and Budget (MMB), the agency responsible for producing the state's biennial budget, has issued instructions requiring each agency to submit background budget information according to their form and format; and

WHEREAS, the Board has determined that the draft budget narrative prepared by MnCIFA staff for this purpose is an accurate reflection of MnCIFA's programs, performance, and historical spending;

NOW, THEREFORE, THE BOARD HEREBY RESOLVES that the proposed budget narrative document be submitted to MMB as required.

Adopted by the Board this 19th day of August 2026.

Attest: _____
Bali Kumar, Chair

CERTIFICATE OF EXECUTIVE DIRECTOR

I, the undersigned duly appointed and acting Executive Director for the Minnesota Climate Innovation Finance Authority do hereby certify that the attached and foregoing Resolution was duly adopted by the Minnesota Climate Innovation Finance Authority at its Meeting of August 19, 2026, and recorded in the Minutes of that Meeting.

WITNESS my hand this _____ day of _____, 2026.

Peter Klein
Interim Executive Director



Date: June 15, 2026

To: Agency Heads
Deputy Commissioners
Chief Financial Officers
Budget Directors

From: Ahna Minge, Deputy Commissioner and
State Budget Director

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

Subject: FY 2028-29 Biennial Budget Preparation

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

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

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

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

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

The purpose of agency budget narratives is:

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

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

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

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

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

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

By August 7, please complete the following:

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

Available Resources

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

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

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

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

Table of Contents
Minnesota Climate Innovation Finance Authority

<i>Agency Profile</i>	1
Agency Expenditure Overview	2
Agency Financing by Fund	3
Agency Change Summary	4

<https://mn.gov/commerce/energy/consumer/energy-programs/climate-innovation.jsp>

AT A GLANCE

- The Minnesota Climate Innovation Finance Authority (MnCIFA) was created in 2023 to serve as Minnesota’s new “Green Bank”.
- MnCIFA will be a key partner in delivering historic federal climate investments as a member of the national green bank network and play a role in advancing the carbon to clean transition in Minnesota.

PURPOSE

The Minnesota Climate Innovation Finance Authority (MnCIFA) was created during the 2023 legislative session. MnCIFA is a publicly accountable financing authority commonly known in other states as a “green bank”. The mission of MnCIFA is to accelerate the adoption of proven clean energy technology and greenhouse gas reduction projects to expand access to untapped markets and to bring benefits to historically underserved communities and communities in which fossil fuel electric generating plants are retiring. This is ensuring that all Minnesotans share the benefits of clean and renewable energy and clean energy jobs for Minnesota workers.

BUDGET

Due to being a newly established agency, MnCIFA does not have historical spending. MnCIFA will use financing tools to leverage private and public capital to overcome the market barriers that inhibit the financing of these projects. MnCIFA will partner with Minnesota’s strong ecosystem of clean energy providers, using additional investment to increase the adoption of existing products and reduce barriers for underserved and low-income populations.

STRATEGIES

MnCIFA is in the process of developing our strategic 2-year plan and a 4-year investment strategy to identify targeted underserved markets, develop strategies to address barriers, and identify tools and partnerships to maximize likelihood of success. Those plans will be in place by December 15th, 2024.

RESULTS

The results for MnCIFA will be determined by the Executive Director and the board overseeing the work of the agency.

MnCIFA Jurisdiction: Minnesota Climate Innovation Finance Authority – M.S. 216C.441
(<https://www.revisor.mn.gov/statutes/cite/216C.441>)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27

Expenditures by Fund

2002 - Climate and Economic Dev			307	644	1,000	1,016
Total			307	644	1,000	1,016
Biennial Change				951		1,065
Biennial % Change						112

Expenditures by Program

Climate Innovn Finance Authrty			307	644	1,000	1,016
Total			307	644	1,000	1,016

Expenditures by Category

Compensation			101	444	700	700
Operating Expenses			205	200	300	316
Total			307	644	1,000	1,016

Full-Time Equivalents

			0.62	4.00	5.00	5.00
--	--	--	------	------	------	------

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base	
					FY26	FY27
2002 - Climate and Economic Dev						
Balance Forward In				41,695	34,275	28,900
Receipts			1,700	1,724	1,125	576
Transfers In			51,200	20,500	3,500	4,500
Transfers Out			6,200	21,000	3,500	4,500
Net Loan Activity			(4,700)	(8,000)	(5,500)	(4,000)
Balance Forward Out			41,694	34,275	28,900	24,460
Expenditures			307	644	1,000	1,016
Biennial Change in Expenditures				951		1,065
Biennial % Change in Expenditures						112
Full-Time Equivalents			0.62	4.00	5.00	5.00
3000 - Federal						
Receipts				65,000	40,000	40,000
Net Loan Activity				(65,000)	(40,000)	(40,000)

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<i>Dedicated</i>				
Fund: 2002 - Climate and Economic Dev				
Planned Spending	644	1,000	1,016	2,016
Forecast Base	644	1,000	1,016	2,016
<i>Revenue Change Summary</i>				
<i>Dedicated</i>				
Fund: 2002 - Climate and Economic Dev				
Forecast Revenues	1,724	1,125	576	1,701
Fund: 3000 - Federal				
Forecast Revenues	65,000	40,000	40,000	80,000