



Mille Lacs Band of Ojibwe Indians

*Executive Branch of Tribal Government
Office of the Chief Executive*

Via E-mail

December 16, 2025

Sheldon Boyd, Speaker of the Assembly
Carolyn Beaulieu, District I Representative
Wendy Merrill, District II Representative
Harry Davis, District III Representative

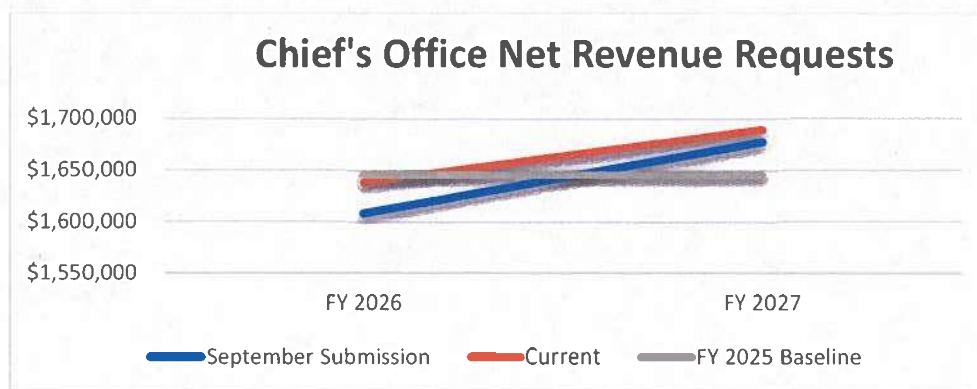
Re: FY 2026-2027 Biennial Budget Update

Dear Band Assembly:

I am in receipt of your letter dated October 30, 2025, regarding the FY 2026-2027 Biennial Budget. Since receiving your letter, I have engaged in a series of meetings with Executive Branch departments in order to identify areas where our Net Revenue requests can be responsibly reduced. Since I understand that the Band is operating under a continuing resolution that expires at the end of this month, I offer you the following update.

Chief's Office

The Chief's Office's originally requested a total budget of \$2,319,122 (\$1,607,954 Net Revenue) in FY 2026 and \$2,388,695 (\$1,677,527 Net Revenue) in FY 2027. Although the FY 2026 request of Net Revenue is lower than the amount budgeted in FY 2025 (\$1,645,541), the FY 2027 request surpassed FY 2025 by \$31,986 (1.9%). Our office has since increased its FY 2026 Net Revenue request by \$30,000 (to \$1,637,954) and reduced our draw from COH/Perm Init/Hsg Init/Ec Dev Fund by a corresponding \$30,000. Our request for FY 2027 Net Revenue has increased by \$11,717 (to \$1,689,244), which represents a \$43,703 (2.7%) increase from the FY 2025 amount. This change was made to account for appropriate salary and fringe increases from FY 2026 to FY 2027.

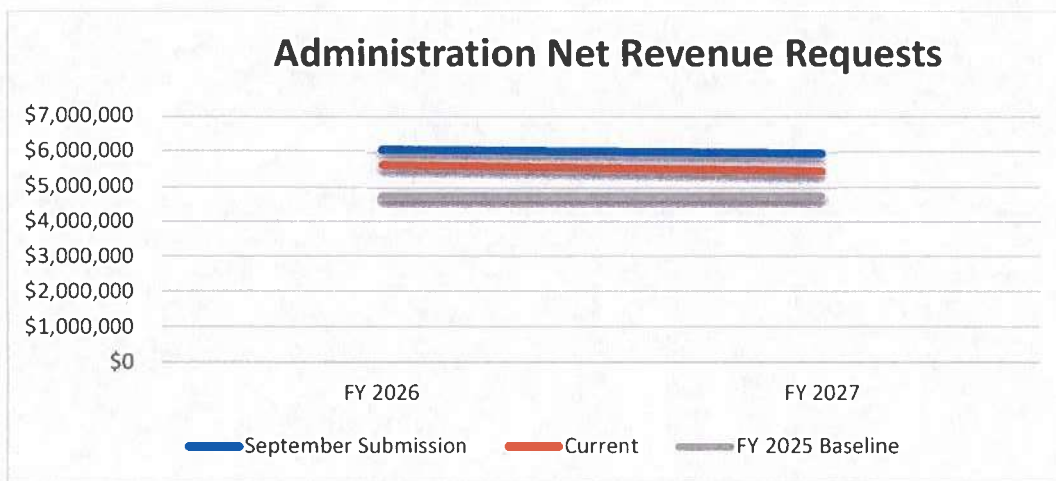


Letter from Chief Executive Virgil Wind to Band Assembly
Re: FY 2026-2027 Biennial Budget Update
December 16, 2025
Page 2 of 7

Administration and Aanjibimaadizing

The Department of Administration (including Aanjibimaadizing) originally requested a total budget of \$24,613,017 (\$6,070,412 Net Revenue) in FY 2026 and \$24,739,168 (\$5,966,027 Net Revenue) in FY 2027. The FY 2026 request surpassed the Net Revenue budgeted in FY 2025 (\$4,748,579) by \$1,321,833 (27.8%), and the FY 2027 request surpassed the FY 2025 amount by \$1,217,448 (25.6%). *Administration has since made cuts to its original requests in the amounts of \$434,086 for FY 2026 and \$506,534 for FY 2027.*¹

Thus, the department’s newest Net Revenue requests are \$5,636,326 for FY 2026 (representing an increase of \$887,747—or 18.7%—from FY 2025) and \$5,459,493 for FY 2027 (representing an increase of \$710,914—or 15.0%—from FY 2025). I have additional meetings scheduled this week with the Director of Information Systems and Community Center Directors to potentially identify further reductions.



Community Development

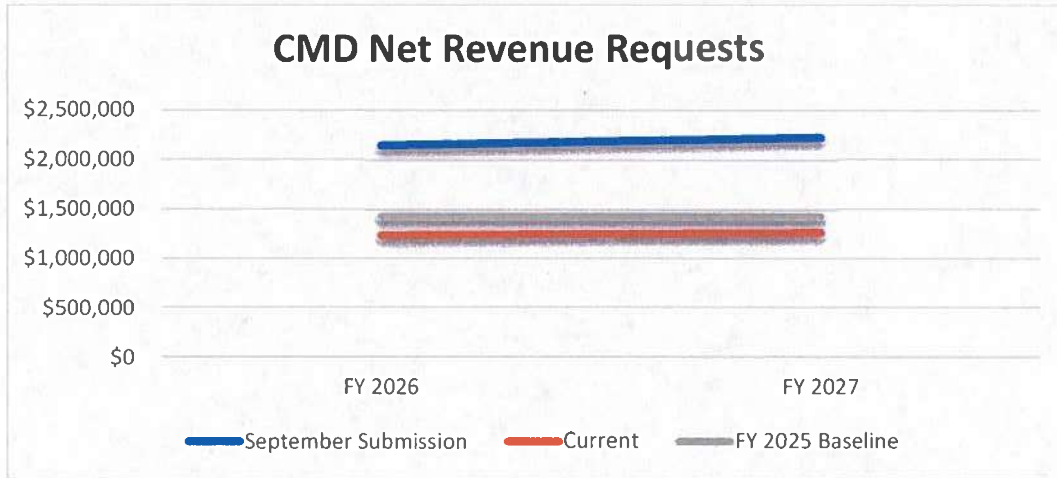
The Department of Community Development originally requested a total budget of \$23,220,813 (\$2,146,256 Net Revenue) in FY 2026 and \$23,578,743 (\$2,227,104 Net Revenue) in FY 2027. The FY 2026 request surpassed the Net Revenue budgeted in FY 2025 (\$1,421,633) by \$724,623 (51.0%), and the FY 2027 request surpassed the FY 2025 amount by \$805,471 (56.7%).

Community Development has since made cuts to its original requests in the amounts of \$906,588 for FY 2026 and \$963,839 for FY 2027. Thus, the department’s newest Net Revenue requests are \$1,239,668 for FY 2026 (representing a decrease of \$181,965—or 12.8%—from FY 2025) and \$1,263,265 for FY 2027 (representing a decrease of \$158,368—or 11.1%—from FY

¹ Among the cuts, Human Resources eliminated a \$175,000 request out of its FY 2026 Equipment Line for five vehicles, priced at \$35,000 each. Human Resources also eliminated \$18,000 out of its FY 2026 and FY 2027 Consulting Lines. Finally, the Grants Department eliminated a Grant Development Specialist position while saving more than \$89,000 in FY 2026 and more than \$56,000 in FY 2027.

Letter from Chief Executive Virgil Wind to Band Assembly
Re: FY 2026-2027 Biennial Budget Update
December 16, 2025
Page 3 of 7

2025). Community Development accomplished this feat by incorporating 105(l) leasing funds wherever it could, as opposed to using Net Revenues.



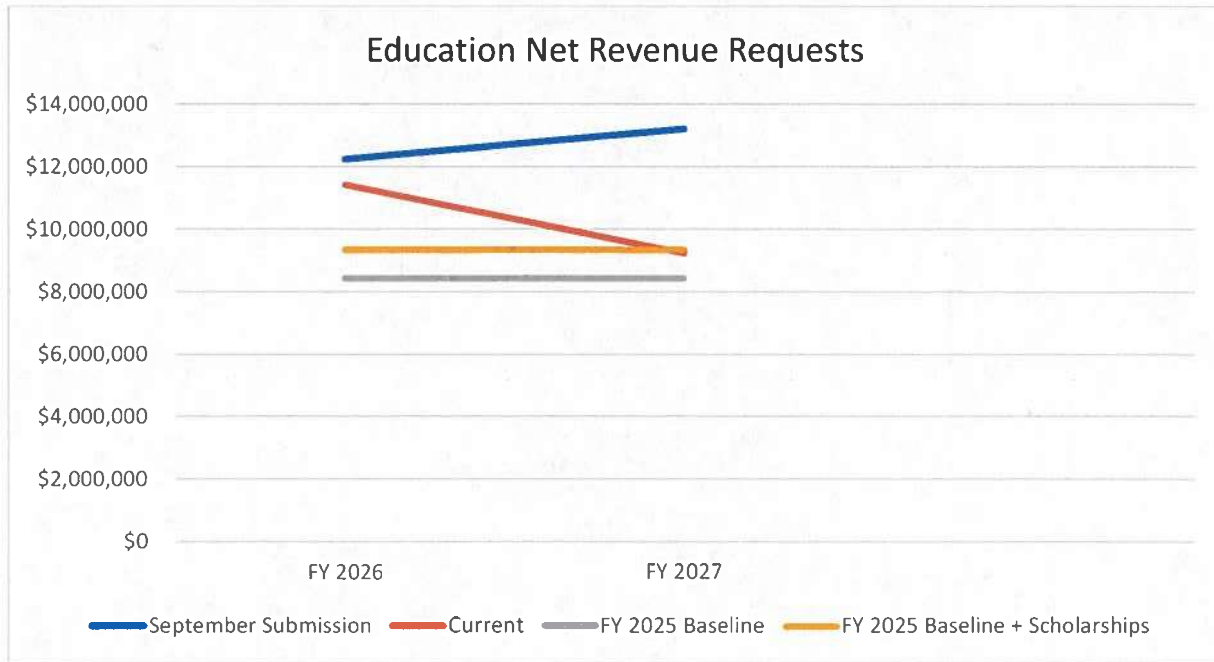
Education

The Department of Education originally requested a total budget of \$22,408,362 (\$12,254,030 Net Revenue) in FY 2026 and \$21,486,683 (\$13,225,777 Net Revenue) in FY 2027. The FY 2026 request surpassed the Net Revenue budgeted in FY 2025 (\$8,442,374) by \$3,811,656 (45.1%), and the FY 2027 request surpassed the FY 2025 amount by \$4,783,403 (56.7%). These increases seem astronomical at first, but there is a cogent explanation for them. First, although the FY 2025 budget accounted for only \$947,973.09 in the Department of Education’s Scholarship line, the actual spending on the Band’s Higher Education Scholarship Program in FY 2025 was \$1,864,315.54. This means that the Scholarship Program was under-budgeted by \$916,342.45 in FY 2025. Second, the FY 2025 budget didn’t account for the nine new staff positions at the District III Early Education facility, all of which must be funded moving forward.²

The Scholarships budgeting anomaly aside, Education proceeded to make Net Revenue cuts in the amounts of \$815,148 for FY 2026 and \$3,970,987 for FY 2027. Thus, the department’s newest Net Revenue requests are now \$11,438,882 for FY 2026 (representing an increase of \$2,996,508—or 35.5%—from FY 2025) and \$9,254,790 for FY 2027 (representing an increase of \$812,416—or 9.6%—from FY 2025).

² Although existing outside the Executive Branch, the new Department of Cannabis Regulation (DCR) also represents a significant cost to the Band budget that wasn’t present in FY 2025. Under the most recent projections, the DCR will cost \$595,411 in FY 2026 and \$684,695 in FY 2027.

Letter from Chief Executive Virgil Wind to Band Assembly
Re: FY 2026-2027 Biennial Budget Update
December 16, 2025
Page 4 of 7



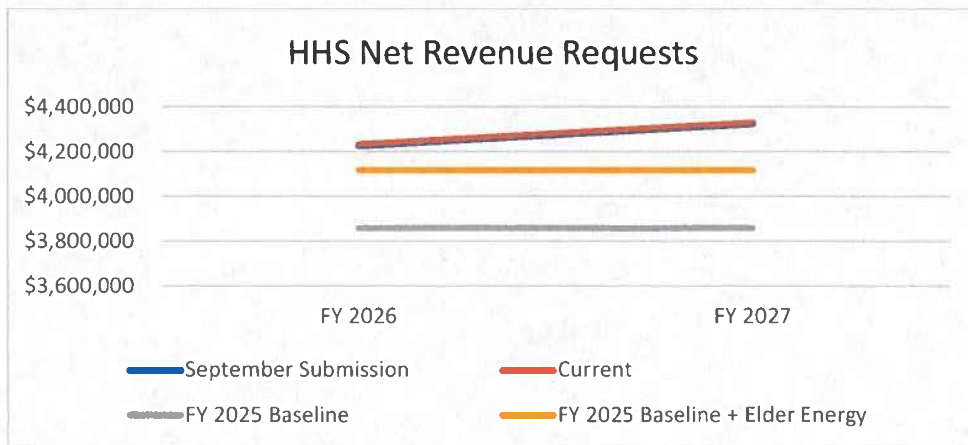
Health & Human Services

The Health & Human Services Department originally requested a total budget of \$36,810,104 (\$4,226,720 Net Revenue) in FY 2026 and \$37,645,877 (\$4,325,669 Net Revenue) in FY 2027. The FY 2026 request surpassed the Net Revenue budgeted in FY 2025 (\$3,858,957) by \$367,763 (9.5%), and the FY 2027 request surpassed the FY 2025 amount by \$466,712 (12.1%). Importantly, these budget figures account for the Band’s anticipated expenditures on the Elder Energy Program, which was under-budgeted in the FY 2025 budget by \$260,532.03.

Health & Human Services proceeded to increase its Net Revenue requests for both FY 2026 (\$7,160) and FY 2027 (5,607).³ Thus, the department’s newest Net Revenue requests are \$4,233,880 for FY 2026 (representing an increase of \$374,923—or 9.7%—increase from FY 2025), and \$4,331,276 for FY 2027 (representing an increase of \$472,319—or 12.2%—from FY 2025).

³ The basis for the increased requests is the number of Elders served, the increase in utility costs, and employee wage adjustments.

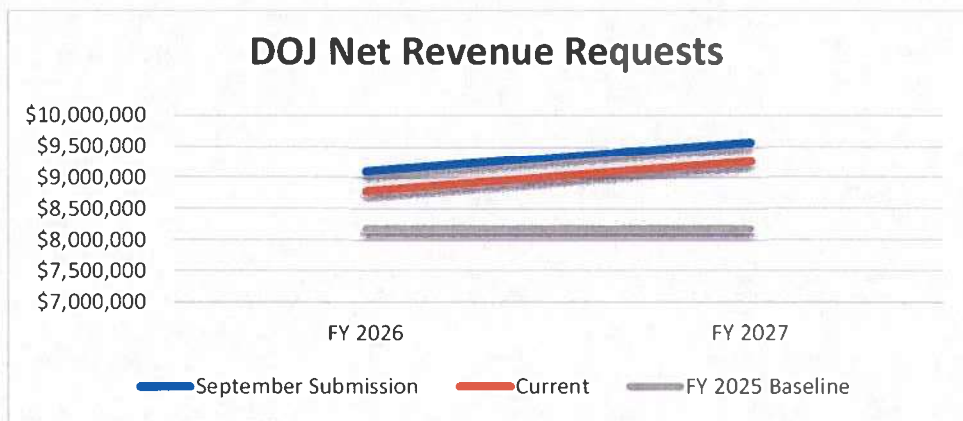
Letter from Chief Executive Virgil Wind to Band Assembly
Re: FY 2026-2027 Biennial Budget Update
December 16, 2025
Page 5 of 7



Justice

The Department of Justice originally requested a total budget of \$9,087,728 in FY 2026 and \$9,572,822 in FY 2027. Both of these requests were projected to be funded 100% by Net Revenues. The FY 2026 request surpassed the Net Revenue budgeted in FY 2025 (\$8,169,189) by \$918,539 (11.2%), and the FY 2027 request surpassed the FY 2025 amount by \$1,403,633 (17.2%). *Justice has since made cuts to its original requests in the amounts of \$354,631 for FY 2026 and \$318,032 for FY 2027.*⁴

Thus, the department’s newest Net Revenue requests are \$8,733,097 for FY 2026 (representing an increase of \$563,908—or 6.9%—from FY 2025) and \$9,254,790 for FY 2027 (representing an increase of \$1,085,601—or 13.3%—from FY 2025).



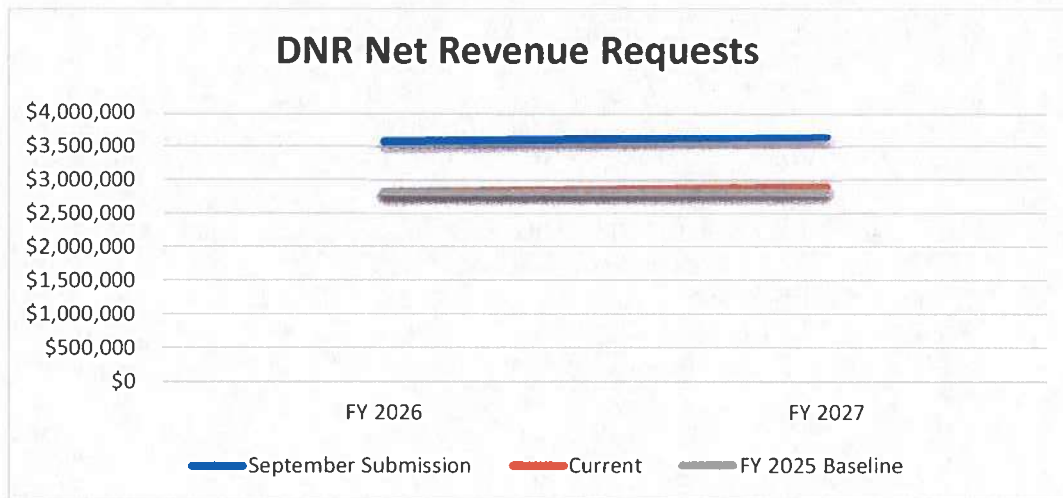
⁴ The original submitted Tribal Police FY 2026-2027 budget included a fresh market-rate compendium for the sworn officers. The compendium was an average pay scale of agencies to include Crow Wing County Sheriff, Pine County Sheriff, Brainerd, Baxter, and Elk River. All other increases are fixed due to health benefits, contracts, subscription fees, two officer positions needed to fulfill a grant compliance review, and warranty renewals of IT infrastructure. The Solicitor General’s Office also had a market-rate increase for salaries to remain competitive and retain employees.

Letter from Chief Executive Virgil Wind to Band Assembly
Re: FY 2026-2027 Biennial Budget Update
December 16, 2025
Page 6 of 7

Natural Resources

The Department of Natural Resources originally requested a total budget of \$8,806,078 (\$3,570,982 Net Revenue) in FY 2026 and \$6,654,554 (\$3,645,242 Net Revenue) in FY 2027. The FY 2026 request surpassed the Net Revenue budgeted in FY 2025 (\$2,817,568) by \$753,414 (26.7%), and the FY 2027 request surpassed the FY 2025 amount by \$827,674 (29.4%). *Natural Resources has since made cuts to its original requests in the amounts of \$753,254 for FY 2026 and \$750,363 for FY 2027.*

These reductions were achieved by cutting three-full time positions (Genealogist II, Fee-to-Trust Land Manager, and Wildlife Technician), as well as two temporary positions in the Fisheries division. The department also incorporated 105(l) leasing funds wherever it could, helping to save more than \$78,000 in Net Revenues in FY 2026 and more than \$48,000 in FY 2027. Thus, the department's newest Net Revenue requests are \$2,817,728 for FY 2026 (representing a \$160 increase from FY 2025) and \$2,894,879 for FY 2027 (representing an increase of \$77,311—or 2.7%—from FY 2025).

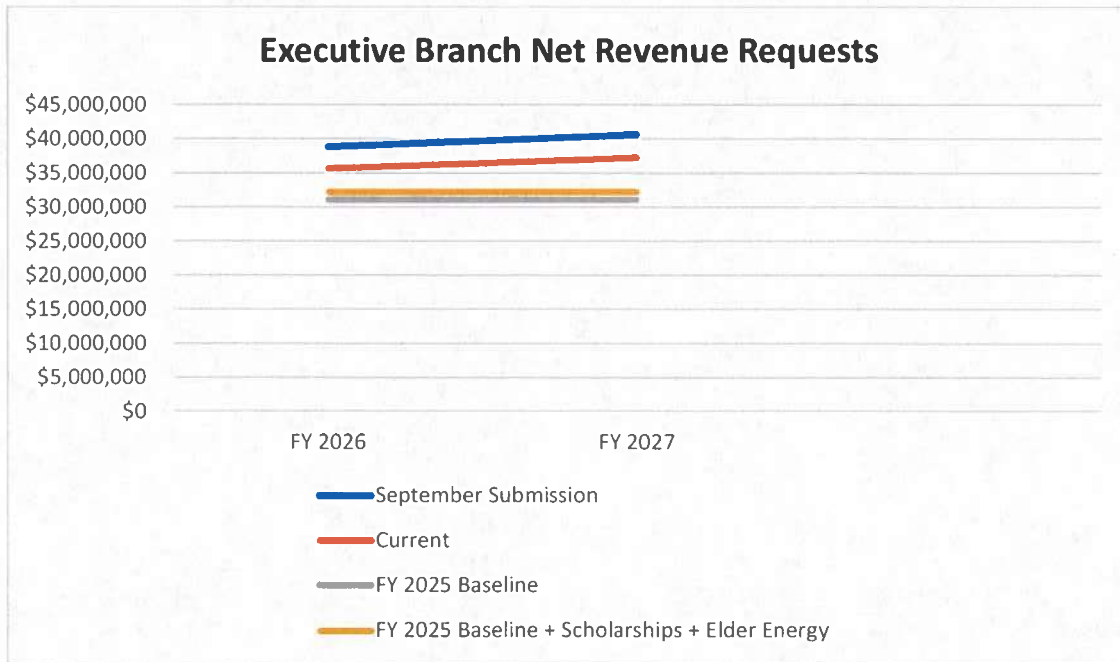


Conclusion

In total, the Executive Branch originally requested FY 2026 Net Revenues in the amount of \$38,964,082 in FY 2026 and \$40,640,168 in FY 2027. *The FY 2026 number has now been reduced by \$3,186,547 (8.2%) to \$35,777,535, and the FY 2027 number has been reduced by \$3,393,002 (8.3%) to \$37,247,166.*

At the Band Assembly's request, I am more than willing to make myself available to help move the budgeting process forward. Please contact **Deputy Assistant Darla Roache** if you wish to schedule time to discuss. I will also be directing my staff to assist OMB in preparing hard-copy binders of the latest budget requests for all Elected Officials' review.

Letter from Chief Executive Virgil Wind to Band Assembly
Re: FY 2026-2027 Biennial Budget Update
December 16, 2025
Page 7 of 7



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Virgil Wind
Chief Executive

CC:

- Kelly Applegate, Commissioner of Natural Resources
- Tracy Burr, Commissioner of Community Development
- Caleb Dogeagle, Solicitor General
- Carmen Kalk, Executive Director of Human Services
- Raina Killspotted, Commissioner of Education
- Jan Manary, Executive Director of Health Services
- Jared Miller, Legislative Counsel
- Danielle Smith, Parliamentarian / Clerk of the Assembly
- Mel Towle, Commissioner of Finance
- Chris Waite, Assistant to the Commissioner of Finance