



January 15th, 2026

Senator Sandra Pappas, Chair
Senate Capital Investment Committee

Representative Mary Franson, Co-Chair
House Capital Investment Committee

Senator John Marty, Chair
Senate Finance Committee

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

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

Dear Members of the Minnesota Legislature,

I am pleased to present Governor Walz's 2026 Infrastructure Plan. This capital budget makes critical investments across the state, ensuring state facilities are well-maintained and communities thrive while maintaining fiscal responsibility. The Infrastructure Plan focuses on preserving state infrastructure; water and transportation infrastructure; public safety; housing and the environment; and other projects that benefit communities across the state. The Governor's recommendation includes \$907 million in total capital investments. This includes \$700 million in general obligation bonds and \$207 million in other funding sources, including appropriation bonds, general fund cash, user-financed general obligation bonds, and trunk highway cash and trunk highway bonds. This investment will leverage federal and local funds to provide additional investment in Minnesota's capital infrastructure.

Included in the posted information are all the final capital budget requests submitted by state agencies and political subdivisions for consideration during the 2026 legislative session. Since the preliminary submittal in July, Minnesota Management and Budget has worked with state agencies and local units of government to develop additional project information and refine cost estimates. Requests now total \$6.8 billion, including \$3.8 billion in state agency requests and \$3 billion in requests from local units of government. These requests as well as the Governor's recommendations are posted on our website at <https://mn.gov/mmb/budget/capital-budget/current/>.

Note: The 2025 Legislature enacted an update to Minnesota Statutes, Section 16A.103, subd. 1a directing that the State's budget forecast not include any assumption of future general obligation bond authorizations. Therefore, the November 2025 Forecast did not include an assumption about the size of a bonding bill enacted in future legislative sessions. This means that the full cost of the general obligation bonds debt service for future bonding bills will need to be tracked against the bottom line of the general fund.

The Governor's 2026 capital budget recommendations result in the following general fund and trunk highway fund impact for debt service and cash. Those costs will be incorporated into the Governor's 2026 Supplemental Budget and will be available later this year.

Total Fiscal Impact (Amounts in Thousands)	FY 2026-27	FY 2028-29
General Obligation Bonds Debt Service	12,336	93,198
Appropriation Bonds Debt Service	-	1,000
General Fund Cash Projects	45,000	-
Total General Fund Impact	57,336	94,198
Trunk Highway Bonds Debt Service	1,428	7,787
Trunk Highway Cash Projects	12,000	-
Total Trunk Highway Fund Impact	13,428	7,787

If you need additional information or assistance, please contact Maddy Kennedy of my staff at madeleine.kennedy@state.mn.us. I look forward to working with you on the capital budget during the 2026 Legislative Session.

Sincerely,



Erin Campbell, Commissioner

Cc:

Senator Erin Murphy	Emily Adriaens	Chelsea Griffin
Senator Mark Johnson	Hannah Grunewald Noeldner	Ahna Minge
Representative Lisa Demuth	Erik Olaphson	Jennifer Hassemer
Representative Zack Stephenson	Andrew Lee	Travis Bunch
Eric Nauman	Stephanie James	Maddy Kennedy