



2026 Governor's Capital Budget Recommendations

Commissioner Nancy Daubenberger

March 10, 2026

MnDOT Vision and Mission

Vision – a multimodal transportation system that maximizes the health of people, the environment and our economy.

Mission – connect and serve all people through a safe, equitable and sustainable transportation system.



Transportation System Overview

- Minnesota has the 4th largest roadway system in the country
- Over 143,000 centerline miles on trunk highways and local roads
- 3 active Lake Superior and 4 Mississippi River system ports
- 34 transit providers serving all 80 non-metro counties
- 132 publicly owned state-funded airports
- 4,534 rail line miles serving 21 railroad companies

Figure 1-6: Minnesota's State Highway Network



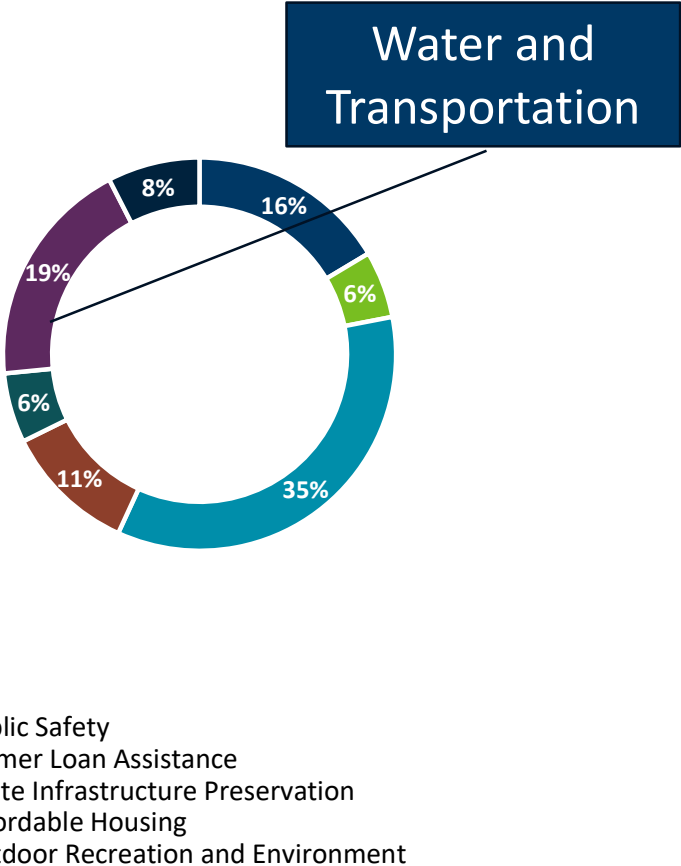
Major Capital Funding in 2025

- \$47M GO Bonds Local Road Improvement Program
 - Max project \$1.5M
 - Project selection Spring 2026
- \$31M GO Bonds Local Bridge Replacement Program (\$11M for major bridge projects)
 - 39 Projects Awarded Funding
 - No funding remaining
 - Wait List started October 2025, 20+ shelf-ready local bridge replacement projects
- \$1M GO Bonds Highway Rail Grade Crossings
- \$1M GO Bonds Minnesota Rail Service Improvement
 - Project selection March/April 2026

Governor Walz 2026 Infrastructure Plan

- Recommendation includes **\$907 million** in total capital investments.
- \$68M for transportation programs/projects
 - \$4M: General Obligation (“GO”) Bonds
 - \$2M: General Fund cash
 - \$50M: Trunk Highway GO Bonds
 - \$12M: Trunk Highway Fund cash

Capital Budget Requests
(\$ in millions)



Governor's Recommendation Proposals

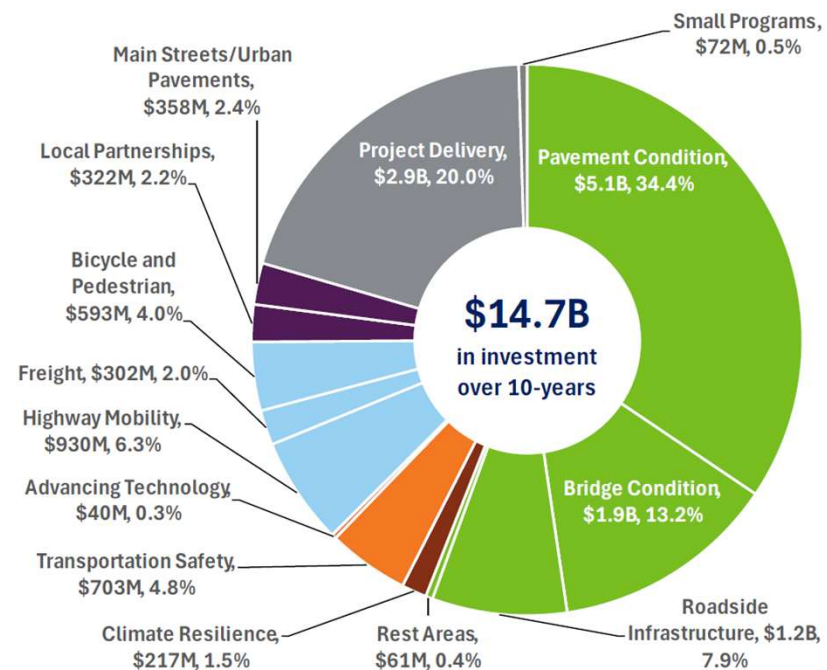
Agency Rank	Request	Funding Source	Amount (\$1,000s)
1	High Priority Pavement Program	THB	\$50,000
2	Port Development Assistance Program	GO	\$4,000
3	Drainage Asset Management Program	THC	\$4,000
4	Transportation Building Remodel	THC	\$8,000
		GF	\$2,000
Total Project Requests			\$68,000

High Priority Pavement Program

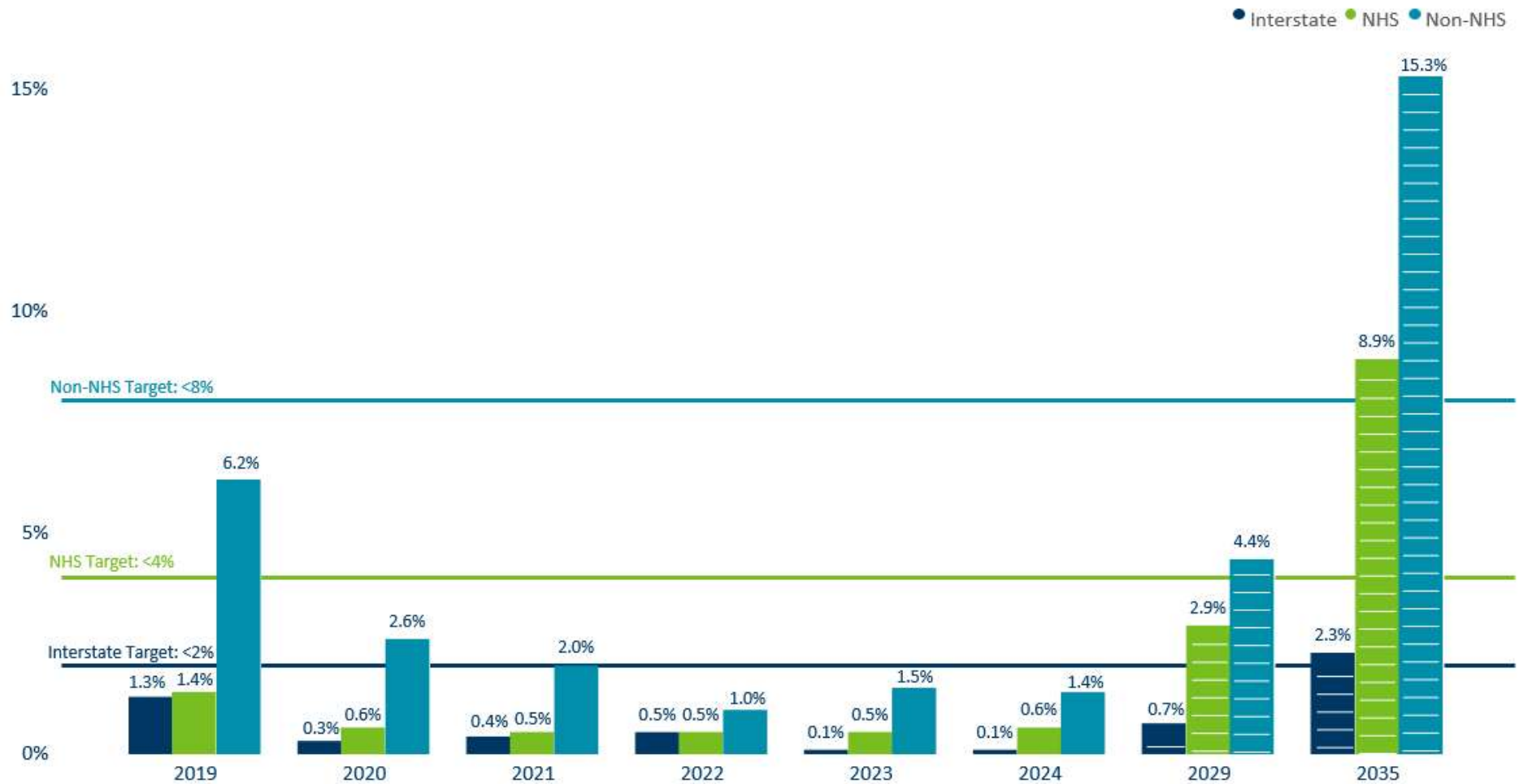
\$50 million in Trunk Highway GO Bonds for high-priority pavement project on state highway system:

- Pavement conditions are projected to decline significantly over the next ten years
- Pavement projects are high-visibility and have a direct impact on safety, commerce, tourism, and daily travel
- Strategic bonding aligns funds with critical needs identified in the STIP and CHIP

Figure 6: 10-Year Capital Highway Investments, 2026-2035, from MnSHIP funding sources



Pavement in Poor Condition



Port Development Assistance Program

\$4 million in GO Bonds to support infrastructure needs of public ports, including:

- Ports program helps to improve access to waterway transportation that benefits Minnesota industries and the public by:
 - Upgrading facilities and infrastructure
 - Rehabilitating and expanding port capacity



Port Development Assistance Program; cont.

- Promote economic development in and around ports and harbors
 - 35M tons of cargo move through the Duluth Port each year, \$1.3B in annual business revenue
 - 60% of Minnesota's agricultural exports are shipped on the Mississippi River
- \$54M project needs for 2026
 - Up to 80% state funds and minimum of 20% local share
- Previous appropriations:
 - \$18.1 million GO Bonds in 2023

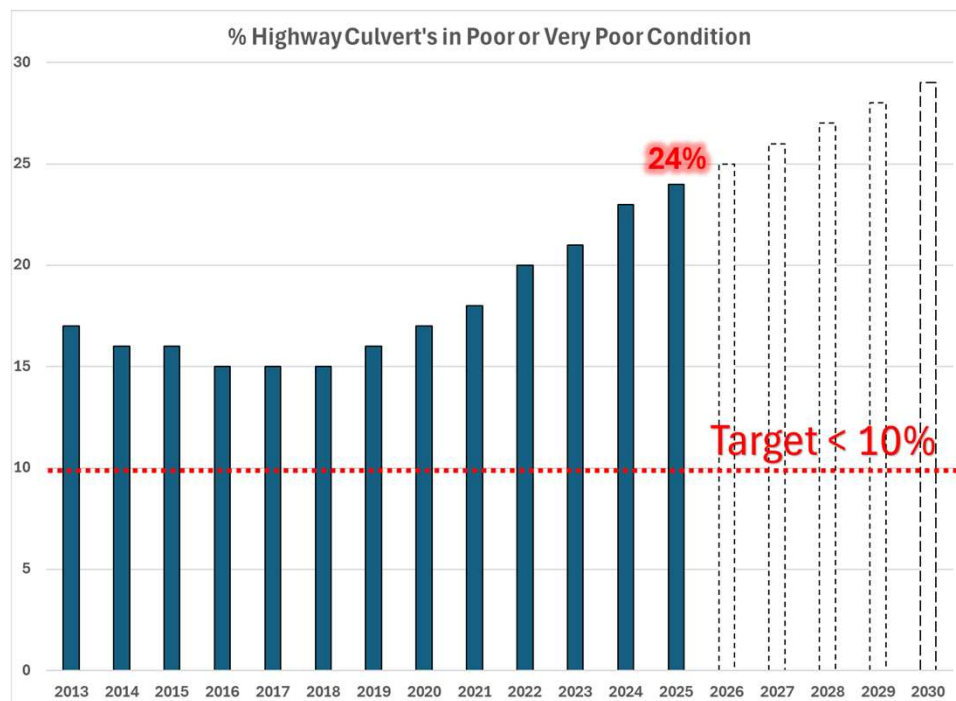
Drainage Asset Management Program

\$4 million in Trunk Highway Funds to improve the resiliency of transportation hydraulic infrastructure

- Enhance safety, reduce vulnerability to extreme precipitation events, and minimize expensive emergency maintenance
 - Wetter winters with frequent freeze/thaw cycles have damaged some culverts and storm sewer systems
- Funding to inventory, monitor & inspect assets; repair damaged assets; and provide training



Drainage Asset Management Program, cont.



- 2,660 bridges over water, 70,000 culverts, 80,000 storm sewers, and 1,700 stormwater facilities.
- \$225K minimum price to replace a >10 ft bridge culvert
 - Nearly \$700M total replacement value
- Previous appropriations: none

Transportation Building Remodel

\$8 million in Trunk Highway Funds and \$2 million of General Funds to remodel the Transportation Building

- Enable MnDOT to renovate existing workspaces in the Transportation Building, located on the Capitol Complex.
 - MnDOT aims to vacate ~2 floors, ~\$1M/ year from lease savings
- Funds will be used to improve energy efficiency, security measures, accessibility.
 - Constructed in 1950s and last remodeled in 1990s with trunk highway bonds and cash

Transportation Building Remodel, cont.

- Ongoing operations/maintenance costs are split 75% / 25% Trunk Highway cash / General Fund cash, per MS 174.59, created in 2023
 - Physical security costs: \$1.8M appropriated to Admin, following 75% / 25% split (Laws of 2024, CH 127)
 - Exterior building repairs: \$18.197M in Trunk Highway bonds appropriated to Admin (Laws of 2008, CH 152)
- Dept. of Admin request (\$12.4M in General Fund cash) buildout/maximize space at transportation building

Thank You!