

2026 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Transportation

Transportation

Transfer Authority for Air Transportation Services Account

The Governor recommends a onetime transfer from the aircraft capital account to the air transportation services account, both of which are within the air transportation revolving fund which is a subset of the state airports fund. Funds in the services account are available for air service operating costs, including maintenance on the Minnesota Department of Transportation (MnDOT) aircraft used by MnDOT staff, other state employees, and constitutional officers. The transfer increases resources available for near term operations and maintenance needs.

Air Transportation Revolving	Transfers In	\$550	\$0
Air Transportation Revolving	Transfers Out	\$550	\$0
Air Transportation Revolving	Expenditures	\$550	\$0

Travel Demand Modeling Extension

The Governor recommends extending from June 30, 2026 to June 30, 2029 the availability of a Laws 2024, Chapter 127 trunk highway fund appropriation of \$3 million for implementation and development of statewide and regional travel demand modeling. Absent an extension, it is estimated that about \$2.75 million will cancel. This recommendation is budget neutral.

Trunk Highway	Expenditures	\$0	\$0
---------------	--------------	-----	-----

Metropolitan Council - Transportation

Reduce Transit System Operations Appropriation

The Governor recommends reducing the general fund appropriation for transit system operations at the Metropolitan Council. The Council would instead rely on other sources of funding for transit operations, such as the regional transportation sales tax or reserves.

General	Expenditures	(\$1,751)	(\$40,028)
---------	--------------	-----------	------------

Public Safety - Transportation

State Patrol Deficiency

The Governor recommends onetime funding for the State Patrol to address a FY 2026 general fund deficiency. Exceptional circumstances have increased overtime and related costs, including supplemental executive, legislative, and judicial security; a mutual aid request related to the Annunciation school shooting; and the deployment of the Mobile Response Team (MRT) in response to requested local assistance to keep Minnesotans safe during the federal immigration enforcement surge. Funding will sustain current service levels for the public and allied agencies.

General	Expenditures	\$1,920	\$0
---------	--------------	---------	-----

Capitol Security Enhancements

The Governor recommends funding for the State Patrol to implement security enhancements across the Capitol complex. Onetime costs include vehicle gates at intersections on the Capitol complex, portable vehicle barricades, security kiosks, camera trailers, and related equipment. Ongoing costs support operations and staffing, including a 911 call center at the Capitol Security dispatch center, training and development capacity, a dedicated technology team, an additional explosive-detection canine team, and more. This recommendation funds 12 new staff.

General	Expenditures	\$10,834	\$5,418
---------	--------------	----------	---------

2026 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Transportation

Public Safety - Transportation

Capitol Security Screening

The Governor recommends funding to implement permanent, year-round weapons screening in the Minnesota State Capitol. Costs include staffing, equipment, training, and operations, with near-term reliance on overtime that transitions to full-time staffing as personnel are hired and trained. This recommendation adds 42 new full-time positions (14 State Patrol Troopers and 28 Capitol Security Officers). This recommendation front-loads certain overtime costs for appropriation in FY 2027 and provides extended availability so that long-term program costs are reflected in the FY 2028-2029 biennium.

General	Expenditures	\$12,155	\$13,459
---------	--------------	----------	----------

DVS Credential Integrity

The Governor recommends creating a centralized fraud-prevention and investigation capability for the Driver and Vehicle Services (DVS) division to improve the integrity of driver's licenses and identification cards. This recommendation funds eight new staff and operating costs. It also provides statutory authority for DVS to use federal verification systems to electronically validate passports and citizenship documents submitted with standard driver's license and identification card applications, aligning practices with those used for REAL ID and Enhanced Driver's Licenses.

Restrict Misc Special Revenue	Expenditures	\$962	\$1,924
-------------------------------	--------------	-------	---------

DVS Technology Account Transfer

The Governor recommends a onetime transfer from the driver and vehicle services operating account to the driver and vehicles services technology account ("technology account"). The technology account funds the MNDRIVE system through a technology surcharge on most driver and vehicle transactions as well as a portion of vehicle transaction filing fees. The technology account is estimated to be insolvent by FY 2029. This recommendation would extend the account's solvency without raising fees.

Restrict Misc Special Revenue	Transfers In	\$15,000	\$0
Restrict Misc Special Revenue	Transfers Out	\$15,000	\$0
Restrict Misc Special Revenue	Expenditures	\$15,000	\$0

Repeal of System Review and Reporting Requirement

The Governor recommends repealing the biennial audit requirement in Minnesota Statutes, section 171.12, subdivision 1a, paragraph (d) related to data classification, use, and security of the driver and vehicle information system. The requirement predates the MNDRIVE system and is redundant to existing safeguards. Repeal would result in savings of \$156 thousand each biennium, displayed as savings of \$78 thousand per year for ease of implementation.

Restrict Misc Special Revenue	Expenditures	(\$156)	(\$156)
-------------------------------	--------------	---------	---------

Replace License Plates at Time of Vehicle Transfer

The Governor recommends that the Department of Public Safety (DPS), Driver and Vehicle Services (DVS) division require removal of existing license plates when a vehicle is sold and that those plates be replaced with new plates purchased and issued to the buyer when a title change occurs in Minnesota. The recommendation establishes a plate-replacement transaction at the point of sale, generating filing fees, plate fees, and technology surcharges under current law. The recommendation also increases plate production costs.

General	Revenues	\$51	\$204
Restrict Misc Special Revenue	Revenues	\$2,114	\$8,456
Restrict Misc Special Revenue	Expenditures	\$1,666	\$6,662

2026 Governor's Supplemental Budget Recommendations
All Funds by Agency
(Dollars in Thousands)

FY 2026-27

FY 2028-29

Transportation

Public Safety - Transportation

Minnesota as a Lienholder State for Vehicle Titles

The Governor recommends designating the financial institution as the title holder for vehicles with liens, replacing the current practice of the owner holding the title. The proposal also moves lien services to a more electronic process, reducing lost paperwork and delays. This recommendation includes one new staff person, but those costs are more than offset in FY 2028 and beyond by a \$268 thousand per year reduction in printing and mailing costs, since lien release cards would no longer need to be sent. The Governor also recommends that DVS absorb \$45 thousand in FY 2027 to update the MNDRIVE system using existing resources.

Restrict Misc Special Revenue	Expenditures	\$98	(\$346)
-------------------------------	--------------	------	---------

Audit Assessment Payment Plan for Motor Carriers

The Governor recommends allowing audited motor carriers with inadequate records to pay required assessments over two years rather than in a single payment. The records are intended to demonstrate that carriers are paying fuel and registration taxes properly across states. This recommendation adds one staff person funded by the driver and vehicle services operating account (DVSOA) to administer the payment plan. Participating motor carriers would pay a \$50 set up fee, generating a small amount of revenue to the DVSOA. The change is expected to improve payment compliance and increase revenues to the highway user tax distribution (HUTD), which are distributed to various transportation funds as required by the Constitution.

Restrict Misc Special Revenue	Revenues	\$0	\$12
Restrict Misc Special Revenue	Expenditures	\$106	\$212
Municipal State Aid Street	Transfers In	\$0	\$50
Municipal State Aid Street	Expenditures	\$0	\$50
County State Aid Highway	Transfers In	\$0	\$191
County State Aid Highway	Expenditures	\$0	\$191
Trunk Highway	Transfers In	\$0	\$346
Highway User Tax Distribution	Revenues	\$0	\$587
Highway User Tax Distribution	Transfers Out	\$0	\$587

Mobile ID

The Governor recommends authorizing an electronic mobile digital driver's license and identification (Mobile ID) option that allows Minnesotans to store and transmit driver's license or ID data from a phone or tablet without unnecessarily divulging personally identifiable information. This recommendation funds five staff in the Driver and Vehicle Services (DVS) division, rulemaking, business processes updates, and a public information campaign. The Governor also recommends that DVS absorb \$681 thousand in FY 2027 to update the MNDRIVE system using existing resources.

Restrict Misc Special Revenue	Expenditures	\$903	\$1,133
-------------------------------	--------------	-------	---------

Driver's License Same-Day Issuance Pilot Sunset

The Governor recommends repealing the pilot program in Laws 2021, First Special Session, Chapter 5 that authorizes same-day issuance of driver's licenses and identification cards at two locations. Both sites have ceased over-the-counter same-day issuance. This recommendation repeals the session law and reduces the driver services appropriation by \$155 thousand per year, which is the amount from the Laws 2021 appropriation that is currently in the base driver services appropriation for this purpose.

Restrict Misc Special Revenue	Expenditures	(\$155)	(\$310)
-------------------------------	--------------	---------	---------

2026 Governor's Supplemental Budget Recommendations

All Funds by Agency

(Dollars in Thousands)

FY 2026-27

FY 2028-29

Transportation

Public Safety - Transportation

Public Safety Officer Death Benefit Eligibility Modifications

The Governor recommends expanding eligibility for public safety officer line-of-duty death benefits to include deaths caused by exposure to specific infectious diseases, including COVID-19. The change applies retroactively to February 1, 2020. This recommendation also expands the benefit to apply to part-time fire fighters. These changes are expected to increase expenditures by about \$1.3 million one time, but the existing appropriation is estimated to be able to support this expansion. This recommendation is budget neutral.

General	Expenditures	\$0	\$0
---------	--------------	-----	-----

Elected Official Notification System

The Governor recommends requiring state elected officials to submit and annually update contact information with the Department of Public Safety (DPS) to allow for more efficient safety communication to these officials. DPS may disclose this information only to ensure the safety and security of elected officials or their immediate family members or for law enforcement purposes when needed for protecting public safety. Submitted information will be classified as private. Constitutional officers, members of the legislature, Supreme Court justices, and members of the state's federal congressional delegation are covered by this recommendation. This recommendation is budget neutral.

General	Expenditures	\$0	\$0
---------	--------------	-----	-----