

March 25, 2025

Senator John Marty  
Senate Finance Committee  
3235 Minnesota State Building  
Saint Paul, MN 55155

Representative Zach Stephenson  
House Ways and Means Committee  
5th Floor, Centennial Office Building  
Saint Paul, MN 55155

Senator Eric Pratt  
Senate Finance Committee  
2217 Minnesota State Building  
Saint Paul, MN 55155

Representative Paul Torkelson  
House Ways and Means Committee  
2nd Floor, Centennial Office Building  
Saint Paul, MN 55155

Senator Sandra Pappas  
Senate Capital Investment Committee  
2113 Minnesota Senate Building  
Saint Paul, MN 55155

Representative Fue Lee  
House Capital Investment Committee  
5th Floor, Centennial Office Building  
Saint Paul, MN 55155

Senator Karin Housley  
Senate Capital Investment Committee  
2213 Minnesota State Building  
Saint Paul, MN 55155

Representative Mary Franson  
House Capital Investment Committee  
2nd Floor, Centennial Office Building  
Saint Paul, MN 55155

Dear Members of the Minnesota Legislature:

The purpose of this letter is to officially transmit an update to Governor Walz's 2025 Infrastructure Plan, which was originally released January 23, 2025. This capital budget makes critical investments across the state, ensuring state facilities are well-maintained and communities thrive, while maintaining fiscal responsibility. The Governor's revised recommendation includes \$700 million in general obligation (GO) bonds, \$97 million in trunk highway cash, and \$10 million in general fund cash. The debt service required to finance the general obligation bonds in the Governor's revised recommendations are equal to the February Debt Capacity Forecast. These impacts are shown in the table below, which reflects the revisions described next.

1. Decrease to GO bond recommendations in response to the February Forecast

The Governor recommends \$90 million less in GO bonds to maintain compliance with the state's capital investment guidelines and in response to a more constrained fiscal picture in the February 2025 Forecast. The November 2024 Forecast assumed a \$790 million GO bond bill and the February 2025 Forecast assumes a \$700 million GO bond bill passing in the 2025 session based upon the updated debt capacity forecast. To maintain asset preservation as a high priority in the Governor's recommendations, proportional reductions were made to agency asset preservation projects and other projects.

2. Add general fund cash for asset preservation needs and long-term planning at the Department of Corrections

The Governor recommends \$9 million in general fund cash for asset preservation and \$1 million in general fund cash for long-term strategic planning needs at the Department of Corrections.

The Governor's 2025 original and revised capital budget recommendations, by fund, are outlined below:

<b>Governor's Recommendations</b> <i>(Amounts in thousands)</i>	<b>Original</b>	<b>Revised</b>	<b>Change</b>
General Obligation Bonds	790,000	700,000	(90,000)
General Fund Cash	0	10,000	10,000
Trunk Highway Cash	97,026	97,026	0
<b>All Funds Total</b>	<b>887,026</b>	<b>807,026</b>	<b>(80,000)</b>

A complete listing of projects in the Governor's 2025 revised capital budget recommendations are posted on our website at <https://mn.gov/mmb/budget/capital-budget/current/>.

If you need additional information or assistance, please contact Maddy Kennedy on my staff at [Madeleine.Kennedy@state.mn.us](mailto:Madeleine.Kennedy@state.mn.us) or 651-392-3879.

Sincerely,



Erin Campbell, Commissioner

Cc:

Sen. Erin Murphy, Senate Majority Leader  
Sen. Mark Johnson, Senate Minority Leader  
Rep. Lisa Demuth, Speaker of the House  
Rep. Melissa Hortman, Speaker Emerita  
Eric Nauman, Senate Principal Fiscal Analyst  
Emily Adriaens, House Chief Fiscal Analyst,  
Hannah Grunewald Noeldner, Senate Capital Investment Fiscal Analyst  
Andrew Lee, House Capital Investment Fiscal Analyst  
Leah Montgomery, Deputy Chief of Staff, Governor's Office  
Emmet Hedin, Senior Policy Advisor, Governor's Office  
Ahna Minge, Assistant Commissioner and State Budget Director, Minnesota Management & Budget  
Travis Bunch, Director of Budget Policy and Analysis, Minnesota Management and Budget  
Maddy Kennedy, Capital Budget Coordinator, Minnesota Management and Budget