

2025 Governor's Capital Budget Recommendations

(\$ in Thousands)

	Funding Source	Recommendation Amount
STATE AGENCY PROJECTS		

Administration

Capitol Complex Security Upgrades Phase III

	General Obligation Bonds	3,700
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The Governor recommends \$3.7 million for design, construction and equipment to increase physical security in and around the Capitol Complex. This project implements recommendations of the Advisory Committee on Capitol Area Security.

Capital Asset Preservation and Replacement Account (CAPRA)

	General Obligation Bonds	1,560
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The Governor recommends \$1.560 million to fund the Capital Asset Preservation and Replacement Account (CAPRA). This account is for emergency repairs and unanticipated hazardous material abatement needs for state owned facilities.

	General Obligation Bonds	5,260
Administration Total		5,260

Amateur Sports Commission

National Sports Center Asset Preservation (Blaine)

	General Obligation Bonds	7,090
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The Governor recommends \$7.090 million for asset preservation for projects at the National Sports Center (NSC) in Blaine. These projects are intended to ensure the safety and health of participants and staff using the Center's facilities. The NSC has an estimated \$78.96 million in deferred maintenance needs.

Grant Program: Mighty Ducks

	General Obligation Bonds	900
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The Governor recommends \$900 thousand to provide grants to local communities to upgrade ice arenas, primarily through replacing refrigerant and improving air quality. This would help communities meet safety guidelines for arenas, as well as make other improvements.

	General Obligation Bonds	7,990
Amateur Sports Commission Total		7,990

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Children, Youth and Families

Early Childhood Facilities		
	General Obligation Bonds	2,700

The Governor recommends \$2.7 million in general obligation bonds to construct and renovate early childhood facilities. The purpose of this funding is to ensure families have access to early childhood programs housed in safe facilities. DCYF will select projects through an RFP process. The Governor recommends lowering the program's non-state match from 50% to 25%.

	General Obligation Bonds	2,700
Children, Youth and Families Total		2,700

Corrections

Asset Preservation		
	General Obligation Bonds	44,015
	General Fund Cash	9,000
	Total:	53,015

The Governor recommends \$44.015 million in GO bonds and \$9 million in general fund cash for asset preservation to repair and renew state correctional facilities. This includes, but is not limited to, safety hazards and code compliance issues, perimeter security systems upgrades, tuck pointing, roof replacement, window and door replacement, and abatement of hazardous materials. The Department of Corrections' deferred maintenance backlog is an estimated \$733.1 million.

Rush City - Education & Programming Expansion		
	General Obligation Bonds	57,970

The Governor recommends \$57.970 million for an expansion of Incarcerated Persons' educational, rehabilitative, and programming space needs at the Department's Rush City Correctional Facility. This project would add roughly 28,000 square feet of new, additional programming space and remodel roughly 16,000 square feet of existing space at the facility.

Space Consolidation and Strategic Planning Studies		
	General Fund Cash	1,000

The Governor recommends \$1 million in general fund cash for studies to assess the long-term space and strategic planning of Minnesota's correctional facilities.

	General Obligation Bonds	101,985
	General Fund Cash	10,000
Corrections Total		111,985

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Direct Care and Treatment

Asset Preservation

General Obligation Bonds	9,420
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The Governor recommends \$9.420 million for asset preservation needs at DCT facilities throughout Minnesota to ensure they are functional, safe and in good repair. The Department's total estimated deferred maintenance needs are \$163.7 million.

St. Peter Water and Sewer Construction

General Obligation Bonds	15,000
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The Governor recommends \$15 million to upgrade and replace the water, sanitary and storm sewer infrastructure at the St. Peter Campus. These systems have exceeded their useful life and their replacement will ensure 1,100 clients and staff have access to functioning and safe water infrastructure.

	General Obligation Bonds	24,420
Direct Care and Treatment Total		24,420

Education

Library Construction Grants

General Obligation Bonds	900
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The Governor recommends \$900 thousand for the Library Construction competitive grant program. This program enables public libraries to improve access by removing architectural barriers or to renovate, expand, or construct library facilities.

	General Obligation Bonds	900
Education Total		900

Employment and Economic Development

Transportation Economic Development Public Infrastructure Grant Program

General Obligation Bonds	1,800
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The Governor recommends \$1.8 million for the Transportation Economic Development Infrastructure (TEDI) program. TEDI is a statewide, competitive grant program that provides communities up to 100 of road and public infrastructure project costs to support economic development, private investment, and create jobs. TEDI can be combined with the Minnesota Department of Transportation's Transportation Economic Development (TED) program.

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Employment and Economic Development

Greater MN Business Development Public Infrastructure Program		
	General Obligation Bonds	2,000

The Governor recommends \$2 million for the Business Development Public Infrastructure (BDPI) program. BDPI is a competitive grant program that provides cities in Greater Minnesota with up to 50% of public infrastructure costs necessary to support economic development. Eligible public infrastructure projects include sewers, streets, wastewater collection and treatment, drinking water, and utility extensions.

	General Obligation Bonds	3,800
Employment and Economic Development Total		3,800

Historical Society

Historic Sites Asset Preservation		
	General Obligation Bonds	4,300

The Governor recommends \$4.3 million for preservation and restoration of historic structures, landscapes, and building systems in the State Historic Sites Network and for monuments located statewide. Projects are prioritized based on long range planning, building analysis, and structural conditions. These sites have a total estimated \$81.1 million in deferred maintenance needs.

County and Local Historic Preservation Grants		
	General Obligation Bonds	900

The Governor recommends \$900 thousand for grants to preserve historic assets owned by county and local entities. This program leverages local funding to preserve historic structures such as depots, senior and community centers, schools, bridges, theaters, park buildings, museums, water towers, and township halls.

	General Obligation Bonds	5,200
Historical Society Total		5,200

Housing Finance

Public Housing Rehabilitation		
	General Obligation Bonds	7,000

The Governor recommends \$7 million for the Public Housing Rehabilitation program to preserve existing public housing and keep it safe and healthy for residents. Funds are awarded statewide on a competitive basis to local public housing authorities for improvements in fire suppression systems, accessibility improvements, heating and cooling systems, building envelopes, energy efficient windows, elevators, and other critical health and safety items.

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	Funding Source	Recommendation Amount
Housing Finance		
	General Obligation Bonds	7,000
Housing Finance Total		7,000

Management and Budget

Bond Sale Expenses

	General Obligation Bonds	700
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The Governor recommends \$700 thousand to cover expenses associated with the bond sales necessary to fund the projects included in the Governor's 2025 capital budget recommendations.

	General Obligation Bonds	700
Management and Budget Total		700

Metropolitan Council

Busway Capital Improvement Program Bus Rapid Transit

	General Obligation Bonds	5,000
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The Governor recommends \$5 million for design, environmental work, acquisition of right-of-way, engineering, and construction along regional busway corridors.

Regional Parks and Trails Grant Program

	General Obligation Bonds	1,500
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The Governor recommends \$1.5 million to improve and expand the metropolitan regional parks and trails system. The funds will be partially matched by the Metropolitan Council.

Inflow and Infiltration Grant Program

	General Obligation Bonds	4,600
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The Governor recommends \$4.6 million for grants to municipalities for public infrastructure improvements to reduce inflow and infiltration into local and regional wastewater collection systems.

	General Obligation Bonds	11,100
Metropolitan Council Total		11,100

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Military Affairs

Duluth Hangar Design		
	General Obligation Bonds	3,000

The Governor recommends \$3 million to design a new hangar to hold aircraft at the Duluth International Airport in support of the 148th Fighter Wing of the Minnesota Air National Guard. The cost of the total project, which would eventually replace existing hangars, is estimated to be \$28 million. The project is anticipated to be fully state supported.

	General Obligation Bonds	3,000
Military Affairs Total		3,000

Minnesota State

Higher Education Asset Preservation and Replacement (HEAPR)		
	General Obligation Bonds	84,885

The Governor recommends \$84.885 million for Higher Education Asset Preservation and Replacement funding to repair and replace buildings across the Minnesota State system. The funds will go to exterior updates, HVAC, and safety features. Minnesota State's total current deferred maintenance needs are estimated to be \$1.55 billion for state-supported buildings.

	General Obligation Bonds	84,885
Minnesota State Total		84,885

Minnesota Zoo

Asset Preservation		
	General Obligation Bonds	3,140

The Governor recommends \$3.14 million in asset preservation funding for the Zoo, which will prioritize replacing or repairing skylights, masonry, roofs, and bridge decking. Other priorities include upgrading or renovating HVAC systems, accessibility, animal exhibits, and parking lot asphalt. The Zoo's estimated total deferred maintenance need is \$66.97 million.

	General Obligation Bonds	3,140
Minnesota Zoo Total		3,140

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Natural Resources

Natural Resources Asset Preservation

General Obligation Bonds	50,260
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The Governor recommends \$50.260 million for major repairs and renovations of DNR capital assets, including buildings, roads, trails, public water accesses, fish hatchery infrastructure, bridges, and recreational facilities. The renovations will help to ensure the assets are safe and functional for the recreating public, support the conservation of Minnesota's natural resources, and preserve the state's existing investments. The DNR's estimated total deferred maintenance for buildings alone is \$174.2 million. The deferred maintenance estimate for all built assets is \$778 million.

Natural Resources Betterment of Buildings

General Obligation Bonds	11,100
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The Governor recommends \$11.1 million to reconstruct or replace DNR offices, buildings, and other facilities that are unsafe or obsolete to create a safe workplace and better serve Minnesotans. Storage at the Hibbing Drill Core Library is a priority in this project.

Natural Resources Acquisition and Betterment of Public Lands

General Obligation Bonds	6,500
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The Governor recommends \$6.5 million to acquire and improve state lands to conserve and manage Minnesota's natural resources and enrich outdoor recreational opportunities.

Improving Accessibility of DNR-Managed Lands and Facilities

General Obligation Bonds	1,642
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The Governor recommends \$1.642 million to complete accessibility projects at high-visitation state parks and wildlife management areas.

Flood Hazard Mitigation Grant Assistance Program

General Obligation Bonds	5,600
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The Governor recommends \$5.6 million for cost-share grants to local governments, including cities, counties, and watershed districts, for projects that reduce flood risk. These projects include purchasing and removing damaged and at-risk residential structures from the floodplain, and constructing levees, pumping stations, and multi-purpose flood impoundments.

Parks and Trails Local and Regional Grant Program

General Obligation Bonds	1,300
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The Governor recommends \$1.3 million to provide competitive grants to local governments for acquisition and development of local and regional parks and trails across the state.

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Natural Resources

Dam Safety Program - Rapidan Dam

	General Obligation Bonds	10,000
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The Governor recommends \$10 million for the Dam Safety Program for repair, modification, reconstruction, or removal of public dams, with a priority on Rapidan Dam. Funds would be used to address public safety hazards, such as stabilizing the stream and stream banks and/or dam removal.

	General Obligation Bonds	86,402
Natural Resources Total		86,402

Perpich Center for Arts Education

Asset Preservation

	General Obligation Bonds	1,260
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The Governor recommends \$1.260 million for asset preservation to update, repair, and replace various building systems. The Perpich Center's estimated total deferred maintenance needs are \$8.95 million.

	General Obligation Bonds	1,260
Perpich Center for Arts Education Total		1,260

Pollution Control

Statewide Drinking Water Contamination Mitigation for Public Infrastructure

	General Obligation Bonds	8,000
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The Governor recommends \$8 million to remove manmade contaminants, such as PFAS, from the drinking water supplies of communities in Minnesota that are unable to provide safe drinking water due to these contaminants.

	General Obligation Bonds	8,000
Pollution Control Total		8,000

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Public Facilities Authority

State Match for Federal Grants to State Revolving Fund Loan Programs

	General Obligation Bonds	39,000
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The Governor recommends \$39 million to match EPA funds and federal infrastructure bill funding, and to increase lending capacity in the Clean Water and Drinking Water Revolving Funds. State and federal funds are used with loan repayments and Public Facilities Authority revenue bonds to provide low interest loans to communities for clean water and drinking water infrastructure project statewide. Eligible projects are prioritized based on environmental and public health criteria. The Governor also recommends amending the program statutes to authorize Clean Water principal forgiveness grants for 50% of project costs up to \$3 million for emerging contaminants, and to authorize Drinking Water principal forgiveness grants for 50% up to \$3 million for projects needed to comply with a maximum contaminant level as defined by the federal Safe Drinking Water Act.

Water Infrastructure Funding Program

	General Obligation Bonds	23,485
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The Governor recommends \$23.485 million for the Water Infrastructure Funding (WIF) program which provides supplemental assistance grants to communities that meet affordability criteria and receive Public Facilities Authority loans or water financing from the U.S. Department of Agriculture's Rural Development program. These grants help communities build clean water and drinking water infrastructure projects while keeping costs affordable for residents. The Governor also recommends amending the program's statute to increase the maximum project award amount from \$5 million to \$10 million.

Point Source Implementation Grants Program

	General Obligation Bonds	18,527
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The Governor recommends \$18.527 million for the Point Source Implementation Grants (PSIG) program which provides grants to communities to help pay for water treatment plant upgrades to address water quality restoration and protection goals. These grants help communities construct wastewater, storm water, and drinking water treatment projects when the Pollution Control Agency determines that higher levels of treatment are necessary to meet water quality goals. The Governor also recommends amending the program's statute to increase the maximum project award amount from \$7 million to \$12 million.

Emerging Contaminants Grant Program

	General Obligation Bonds	18,000
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The Governor recommends \$18 million for a new Emerging Contaminants Grant Program for local governments for the construction of drinking water treatment systems and/or alternative water supplies to mitigate impacts from emerging contaminants such as manganese and polyfluoroalkyl (PFAS) substances.

	General Obligation Bonds	99,012
Public Facilities Authority Total		99,012

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	Funding Source	Recommendation Amount
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Public Safety

BCA Southern Minnesota Regional Office and Laboratory

	General Obligation Bonds	68,684
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The Governor recommends \$68.684 million for a new Bureau of Criminal Apprehension regional office and laboratory facility in Mankato. Funding will be used to acquire land, design, construct, furnish and equip the new facility, which will provide investigatory and laboratory analysis for criminal investigations in the southern region of Minnesota.

BCA Bemidji Regional Office and Laboratory Expansion

	General Obligation Bonds	4,203
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The Governor recommends \$4.203 million for design and land acquisition costs related to the expansion of the Bureau of Criminal Apprehension's Bemidji regional facility. Once complete, this project would renovate the current 26,000 square foot Bemidji Regional Office and Forensic Science Laboratory and add a new 27,000 square foot building expansion to provide the facility with the space and resources needed to meet increased regional demand for BCA services.

State Patrol Headquarters Building

	Trunk Highway Cash	97,026
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The Governor recommends \$97.026 million for the construction of a new headquarters building for the State Patrol. Funding is to construct and equip a headquarters building with consolidated metropolitan area office space, training space, fleet operations, evidence storage, and related warm and cold storage facilities to aid in public safety response. This proposal is included in the Governor's FY 2026-27 operating budget recommendation.

	General Obligation Bonds	72,887
	Trunk Highway Cash	97,026
Public Safety Total		169,913

State Academies

Pre-Design: MSAD Student Center

	General Obligation Bonds	400
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The Governor recommends \$400 thousand for pre-design to replace up to five buildings with a single student center on the Minnesota State Academy for the Deaf campus. The current facilities are not accessible to all students, not energy efficient, and require significant upkeep.

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	Funding Source	Recommendation Amount
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State Academies

Pre-Design: MSAB Therapy Pool and Related Improvements

	General Obligation Bonds	400
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The Governor recommends \$400 thousand for predesign to replace a pool/therapeutic hot tub on the Minnesota State Academy for the Blind campus. The project would engage in predesign activities to renovate the pool area to make the area accessible to all students.

Asset Preservation

	General Obligation Bonds	940
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The Governor recommends \$940 thousand for asset preservation funding to update, repair, and replace buildings and building systems at the Minnesota State Academies. The State Academies' estimated total deferred maintenance is \$33.5 million.

	General Obligation Bonds	1,740
State Academies Total		1,740

Transportation

Highway Railroad Grade Crossing-Warning Devices Installation & Replacement

	General Obligation Bonds	1,800
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The Governor recommends \$1.8 million to replace aging or outdated railroad crossing gates and signal warning systems around the state.

Port Development Assistance Program

	General Obligation Bonds	1,800
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The Governor recommends \$1.8 million for the Port Development Assistance Program, which supports the infrastructure needs of publicly owned ports on the Great Lakes and inland river navigation systems. These grants provide up to 80% of project funding, with the remainder coming from local sources.

	General Obligation Bonds	3,600
Transportation Total		3,600

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	Funding Source	Recommendation Amount
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University of Minnesota

Higher Education Asset Preservation and Replacement (HEAPR)		
	General Obligation Bonds	84,885

The Governor recommends \$84.885 million for asset preservation across the University of Minnesota's campuses. Asset preservation would focus on health, safety and accessibility, mechanical systems, utility infrastructure and energy efficiency, and building envelopes. Current total deferred maintenance for state supported buildings is \$2.7 billion.

	General Obligation Bonds	84,885
University of Minnesota Total		84,885

Veterans Affairs

Asset Preservation		
	General Obligation Bonds	9,830

The Governor recommends \$9.830 million for department-wide asset preservation. MDVA uses asset preservation funding to maintain and repair over 1.4 million square feet spread over 12 different locations with nearly six dozen buildings, some of which are over 100 years old, that house hundreds of client residents. MDVA has an estimated total of \$119.72 million in deferred maintenance needs.

Minneapolis Veterans Home - Building 16 Remodel		
	General Obligation Bonds	17,404

The Governor recommends \$17.404 million for design and construction of a remodel of Building 16 at the Minneapolis Veterans Home. The remodel would provide updated facilities for treatment and program space to better meet the needs of residents.

	General Obligation Bonds	27,234
Veterans Affairs Total		27,234

Water and Soil Resources Board

Local Government Roads Wetlands Replacement Program		
	General Obligation Bonds	3,600

The Governor recommends \$3.6 million to support replacing wetlands drained or filled by local government road construction projects with wetlands elsewhere in the state. Funding for this program helps ensure that local road construction projects can proceed as planned. This program allows Minnesota to meet the "no net loss" of wetlands requirements in state and federal regulations.

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	Funding Source	Recommendation Amount
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Water and Soil Resources Board

Reinvest in Minnesota (RIM) Reserve Program		
	General Obligation Bonds	9,300

The Governor recommends \$9.3 million for the Reinvest in Minnesota (RIM) Reserve Program to acquire permanent easements in ecologically sensitive areas to improve water quality and wildlife habitat. The federal government will provide a match for this appropriation.

	General Obligation Bonds	12,900
Water and Soil Resources Board Total		12,900

State Agency Projects Financing by Funding Source		
	General Obligation Bonds	660,000
	General Fund Cash	10,000
	Trunk Highway Cash	97,026
State Agency Total		767,026

LOCAL GOVERNMENT PROJECTS

Local Projects

Local Projects Set-Aside		
	General Obligation Bonds	40,000

The Governor recommends \$40 million to support capital projects from political subdivisions.

	General Obligation Bonds	40,000
Local Projects Total		40,000

Local Government Projects Financing by Funding Source		
	General Obligation Bonds	40,000
Local Government Total		40,000

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	Funding Source	Recommendation Amount
All Projects Financing by Funding Source		
	General Obligation Bonds	700,000
	General Fund Cash	10,000
	Trunk Highway Cash	97,026
STATE AGENCY AND LOCAL GOVERNMENT TOTAL		807,026