

Date: January 8, 2026

To: The I-35W Solutions Alliance Board of Directors

From: Rob Vanasek

Re: Legislative Report

Plenty of big news in recent days. On Tuesday MnDOT announced the following funding news for the Solutions Alliance project priorities:

- \$17.9M for Hwy 13, Burnsville (\$10M MN Hwy Freight Program)/Savage (\$7.9 Transportation Economic Development Program)
- \$7M for I-35 and County Rd 2, Elko New Market (MN Hwy Freight Program)
- \$7M for I-35 and County Rd 50/5, Dakota County (MN Hwy Freight Program)

Additional funds totaling \$2.4M from the Minnesota Highway Freight Program will be used to update district and statewide freight plans to support statewide economic development. More information can be found here: <https://content.govdelivery.com/accounts/MNDOT/bulletins/402e04b>.

House Transportation Co-Chair Erin Koegel has announced she is not running for re-election in the fall. She has stepped down from Co-Chairing Transportation and will be taking that gavel for the Commerce Committee following Co-Chair Kaohly Her's election to Mayor of Saint Paul.

Representative Brad Tabke, Shakopee, will be the new Co-Chair of Transportation, sharing the Gavel with Co-Chair Jon Koznick in 2026.

There are two special elections at the end of February. One to replace Her's Saint Paul seat and one to replace now Senator Amanda Hemingson-Jaegar in Maplewood/Woodbury. It is expected that the House will again be tied 67-67 going into the regular session.

Walz, Champion for Transportation Funding, Drops Bid For 3rd Term

There were rumors over the weekend but on Monday morning at 8 a.m. it was officially announced by the Governor that he would not run for re-election this fall. His path to pull off a never before won 3rd consecutive term paired with the snowballing fraud narrative became too treacherous.

Throughout his time in Congress on the Transportation Committee and in the Governor's corner in Saint Paul Walz was aggressive in seeking increased, ongoing funding streams for roads, bridges and transit. There were significant increases in revenues and funding dedicated to transportation prioritized in many of his budget recommendations to the legislature, passed and enacted into law over his last seven years as Governor. However, I'll remind us that transportation took a cut of \$115M in this biennium and another \$133M in GF cuts in the out biennium in the budget passed last session

Per his press release announcement:

“In September, I announced that I would run for a historic third term as Minnesota’s Governor. And I have every confidence that, if I gave it my all, I would succeed in that effort.

“But as I reflected on this moment with my family and my team over the holidays, I came to the conclusion that I *can’t* give a political campaign my all. Every minute I spend defending my own political interests would be a minute I can’t spend defending the people of Minnesota against the criminals who prey on our generosity and the cynics who prey on our differences.

“So I’ve decided to step out of the race and let others worry about the election while I focus on the work.

“I know this news may come as a surprise. But I’m passing on the race with zero sadness and zero regret. After all, I didn’t run for this job so I could *have* this job. I ran for this job so I could *do* this job. Minnesota faces an enormous challenge this year. And I refuse to spend even one minute of 2026 doing anything other than rising to meet the moment. Minnesota has to come first – always.

Status of the MN Governor’s Race

There has been a historic DFL statewide advantage (no R has been elected statewide since Tim Pawlenty in 2006-the year Walz got elected to Congress), but currently there are about a dozen Republicans running for Governor and zero Democrats. Expect that to change once Senator Klobuchar announces her intentions.

Klobuchar says she’s seriously considering it and fielding calls of support. No one is aware of her timeline for deciding. MN Sec. of State Steve Simon was seriously considering last spring if Walz had stepped down then. MN AG Keith Ellison could consider getting in. Rep. Angie Craig had been rumored in the Spring to have been considering the Governor’s race too if Walz had stepped down.

Speaker Lisa Demuth and Representative Kristen Robbins, chair of the House anti-fraud committee, might be better positioned than others, but Scott Jensen, former senator and ’22 nominee, and Mike Lundell, My Pillow owner, have better name ID and fundraising potential. Kendal Qualls, businessman and 3rd CD nominee in ’20, Chris Madel, defense attorney who defends peace officers, all round out the top tier GOP candidates.

Transportation does not appear to be a major topic on voters minds at this point in the cycle.