

Date: February 12, 2026

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

From: Rob Vanasek

Re: Legislative Report

2026 – Will anything happen?

2026 is not only an election year with lots of uncertainty ahead due to all 201 legislator seats on the ballot, along with the Governor (and the rest of the constitutional officers), we've seen more legislative retirements already announced than redistricting years. Most are Chairs, Ranking Members, and current or former caucus leaders and assistant leaders from all four legislative caucuses. The loss of Melissa and Mark Hortman, the shooting of Senator Hoffman and his wife, and the near misses on others have many reevaluating what is best for them.

The first day of session will not include any bill introductions. Those will come Thursday. The first day will be a tribute in the Senate to Senator John Hoffman and his wife before Senators and the Governor join all House members in a remembrance to Speaker Emerita Melissa Hortman. There is a sliver of hope that at least in the beginning of this session there's a reset on the types of rhetoric used in debate at the legislature.

In my conversations with staff in the Governor's office, they expect to have supplemental budget recommendations to the legislature. Mostly cuts to programs, (but potentially some very focused increases), that are funded by the General Fund.

There are a few issues that came up late in the process that may see action in the Transportation committees, particularly in the House.

It is a bonding year and many of those transportation related projects have at times received hearings in Transportation Committees, but given the limited (4/5) hearings that each Co-Chair gets the gavel, they may not use committee time for bonding projects. The GOP House Capital Investment Co-Chair, Mary Franson, did share with me that if projects were given a hearing last year or toured last summer and fall they would not be a hearing this session. She also shared that she plans to bring a bill forward to put a tax on bottled water as a revenue raiser to fund the severe needs of water and wastewater infrastructure.

Governor Walz will separately bring forward his own Capital Budget recommendations to the legislature. We may see that soon.

The State Revenue Review for January that just came out shows a half billion to the positive above the November Economic Forecast. Mostly attributed to higher individual income tax receipts than expected. We'll see the bigger picture when the February Economic Forecast and the April Revenue and Economic Update come out.

Klobuchar is in. U.S. Senator Am Klobuchar announced she is running for governor and she is polling much better than Tim Walz was in head to head match-ups. Amongst the 10 or so GOP candidates for governor, Speaker Lisa Demuth came in a strong first (32%), followed by Kendall Qualls (25%), and Mike Lindell (17.5%) in the Caucus Strawpoll results last week. Speaker Demuth also has raised slightly more in the latest finance reports than the other GOP frontrunners.

Senator Jeff Howe is off the Transportation Committee and is replaced by Senator Julia Coleman. In the House new State Representative Meg Luger Nikolai, Saint Paul, will be joining the transportation committee replacing Representative Kaela Berg, Burnsville, who is the author of the bill to fund the Hwy 13 and Nicollet Ave interchange.

The new dynamic in the House Transportation Committee with the new DFL Co-Chair (Tabke) will definitely be a change from 2025, and while its early, it may lead to a surprisingly more productive transportation policy (and fiscal?) output than expected.