

The Minnesota Capital Budget Explained

What is the capital budget?

The capital budget primarily funds public infrastructure projects, which are owned by a government entity. These projects are mainly funded through the use of bonds.

What is a capital project?

Generally, a capital project is the acquisition or improvement of long-lived fixed assets: buildings, roads, and other infrastructure.

Capital budgets often include projects like acquisition of land, repair or construction of state facilities or state parks, as well as for local governments to repair or build bridges and parks.

What is the timeline for the capital budget?

The governor is required to submit a capital budget recommendation every even-numbered year, but can submit one every year.



How are capital projects funded?

The state pays for capital improvement projects using a variety of methods. The prevalent method is by borrowing money through the issuing of bonds. Bonds are essentially promises to repay the money borrowed at a specified time and interest rate. Additionally, local projects often combine state funds with local funding.

Questions about the process?

Contact Clark at
cgoldenrod@mnbudgetproject.org

Want to know who serves on the Legislature's Capital Investment Committees?

<https://www.leg.state.mn.us/>

Sources: Minnesota Management and Budget, House Research

Minnesota Capital Budget Timeline

