



Association of Metropolitan School Districts

PERMANENT SCHOOL FUND

2026

A CALL FOR A CONSTITUTIONAL AMENDMENT

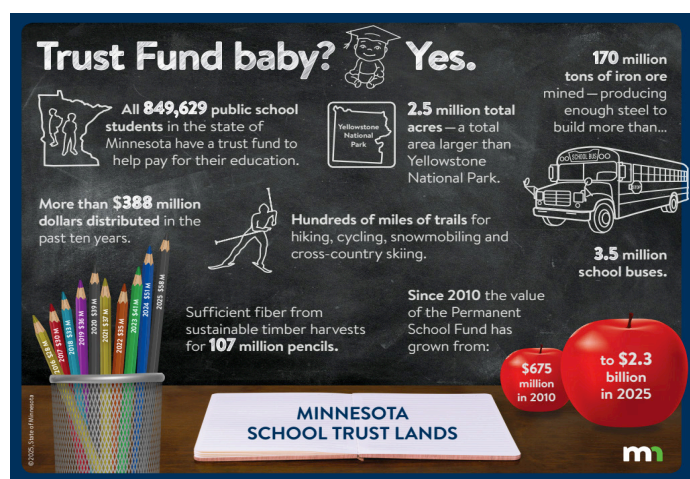
If the Legislature acts, Minnesotans could vote on a Constitutional amendment in November that would increase funding school districts receive from the state's Permanent School Fund — a top priority for AMSD.

The Minnesota Legislature is considering a ballot question to amend the State Constitution this fall that would increase the funding schools receive from the Permanent School Fund (PSF). The PSF — a constitutionally established trust dating back to Minnesota's statehood — can be traced back to as early as the 1700s when the country's founding leaders, during westward expansion, created a framework for states to share profits from mineral rights on public lands to fund public education. Revenues are invested by the State Board of Investment and distributed to school districts by the MN Department of Education.

While much of the initial land granted to the state in the 1800s has been sold over the years, Minnesota's Department of Natural Resources still manages about 2.5 million acres of school trust land, with proceeds from land management activities such as timber sales, mining, and land leases annually added to the fund. Minnesota's constitution currently allows only the interest and dividends earned on the Fund to be distributed to schools, often resulting in small and unpredictable payments.

But that could change under legislation being considered in the 2026 session. [HF3900 \(Igo\)](#) and [SF3593 \(Kunesh\)](#), would put a question to amend the State Constitution on the ballot this fall. If passed, Minnesotans could vote in November to increase the distribution of proceeds from the Fund, from the current approximately 2.5 percent each year to 4.5 percent of market value (PMOV) using the three-year average value of the Fund. The Constitutional amendment, the bills' authors say, would increase and stabilize the amount school districts annually receive.

The legislation is based on a [report from a 2024 Task Force](#), which recommended the changes. Denise Dittrich, director of government relations for the MN School Boards Association, served on the task force and led efforts to modernize the Permanent School Fund when



she served in the Legislature. She noted that the task force found the current constitutional and statutory framework restricts and limits the state's ability to disburse funds, and recommended the state adopt a market value-based distribution model, like modern endowments. Most endowments, the report notes, distribute between 4 to 5 percent of their average value — nearly double the state's current distribution rate.

The report also highlighted that strong returns over the last 10 years have helped double the Fund's value — and more than triple its value over the last 15 years — growing from \$675 million at the end of FY10 to \$2.3 billion at the end of FY25. An estimated \$58 million was distributed to schools statewide in FY25.

"In the wake of the [significant \\$223 million in budget shortfalls facing AMSD member districts next year](#) and beyond, the proposed Constitutional amendment could provide badly needed funding for our schools," said AMSD Chair Alison Sherman.



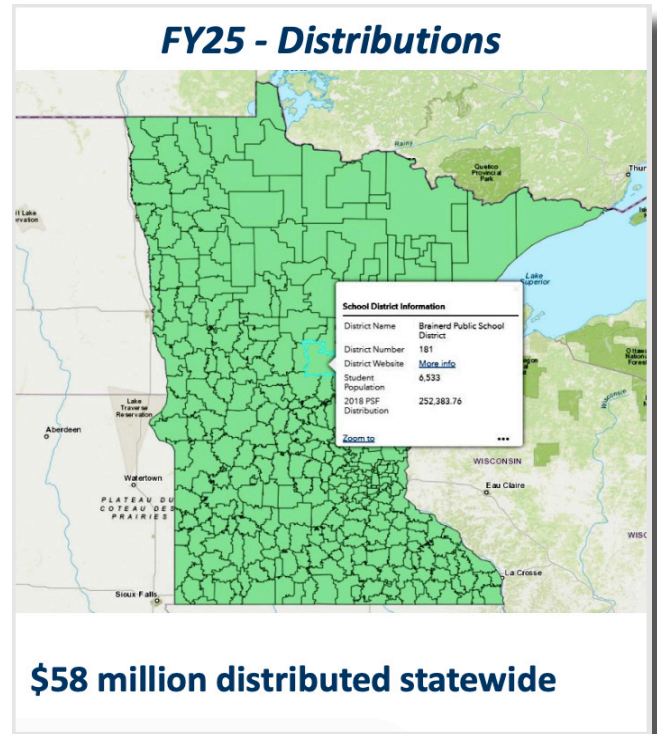


Association of Metropolitan School Districts

AMSD URGES LEGISLATURE TO APPROVE BALLOT QUESTION TO INCREASE PERMANENT SCHOOL FUND PAYMENTS

AMSD is urging legislators to pass the Constitutional amendment ballot question in the 2026 session as a stand alone bill.

- [LINK: 2026 Office of School Trust Lands Presentation](#)
- [LINK: 2026 Office of School Trust Lands Handout](#)
- [LINK: 2026 State Board of Investment Presentation](#)
- [LINK: Permanent School Fund Task Force Report](#)
- [LINK: PSF Endowment Calculation](#)



ABOUT AMSD

The Association of Metropolitan School Districts represents more than 50 K-12 school districts and intermediate / cooperative districts. AMSD member school districts enroll more than one-half of all public school students in Minnesota, with the mission to lead the transformation of public education.

CONTACT AMSD

Association of Metropolitan School Districts
Scott Croonquist, Executive Director

2 Pine Tree Drive, Suite 380
Arden Hills, Minnesota 55112

scroonquist@amsd.org
612-203-5631

AMSD MEMBER DISTRICTS

Anoka-Hennepin School District • Bloomington Public Schools • BrightWorks • Brooklyn Center Community Schools • Buffalo-Hanover-Montrose • Burnsville-Eagan-Savage School District 191 • Centennial School District • Columbia Heights Public Schools • Duluth Public Schools • Eastern Carver County Schools • Eden Prairie Schools • Edina Public Schools • Elk River School District ISD #728 • Farmington Area Public Schools • Forest Lake Area Schools • Fridley Public Schools • Hastings Public Schools • Hopkins Public Schools • Intermediate School District #287 • Intermediate School District #917 • Inver Grove Heights Schools • Lakeville Area Public Schools • Mahtomedi Public Schools • Mankato Area Public Schools • Minneapolis Public Schools • Minnetonka Public Schools • Mounds View Public Schools • North St. Paul-Maplewood-Oakdale School District • Northeast Metro Intermediate School District #916 • Northwest Suburban Integration District • Orono Schools • Osseo Area Schools • Perpich Center for Arts Education • Prior Lake-Savage Area Schools • Richfield Public Schools • Robbinsdale Area Schools • Rochester Public Schools • Rockford Area Schools • Rosemount-Apple Valley-Eagan Public Schools • Roseville Area Schools • Shakopee Public Schools • South St. Paul Public Schools • South Washington County Schools • SouthWest Metro Intermediate District • Spring Lake Park Schools • St. Anthony-New Brighton Independent School District • St. Cloud Area School District 742 • St. Louis Park Public Schools • St. Michael Albertville Schools • Saint Paul Public Schools • Stillwater Area Public Schools • Wayzata Public Schools • West St. Paul-Mendota Heights-Eagan School District • Westonka Public Schools • White Bear Lake Area Schools