Minnesota's Permanent School Fund

Informational Update
September 2026

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Minnesota Permanent School Fund

What is the Permanent School Fund?

- When Minnesota became a state, millions of acres of public lands were placed into a permanent trust to help fund public schools.
- Dating back to 1858, Minnesota's Permanent School Fund is one of the oldest sources for funding for public education in our state.
- Several state agencies work together to manage the Permanent School Fund including the MN Department of Natural Resources, the MN Department of Education, and the State Board of Investment.
- The current value of the fund is approximately $2.3 billion.

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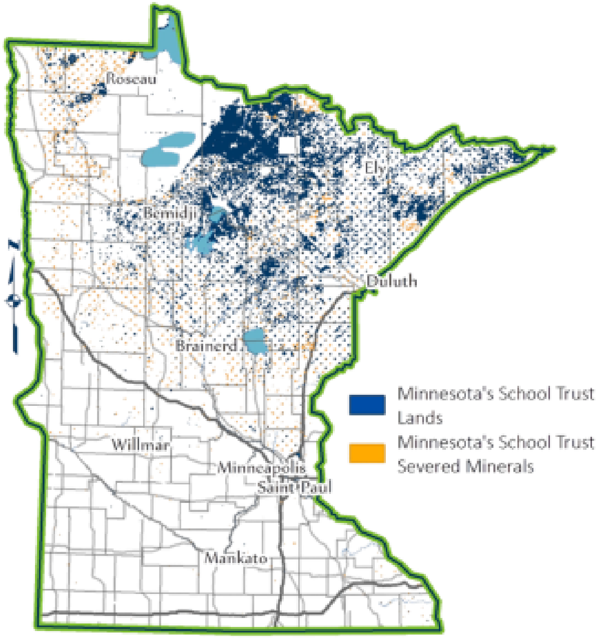
Where do the funds come from?



- This constitutionally created trust fund includes the proceeds from more than 2.5 million acres of land and 1 million acres of mineral rights.
- Over time, many of the original trust lands in Southern Minnesota were sold for farming or development.
- Today, 92% of the public lands in this trust are located in Northern Minnesota.

**information and images provided by MSBA*

Where do the funds come from?

- This land includes forests, grasslands, farmlands used for grazing and crop production, construction aggregate, and mineral production.
- A significant portion of the current trust lands are wetlands that are low-lying and inaccessible.
- The fund earns money from activities like timber harvesting, mining, land leases, and other natural resource uses.

The Limits of the Current System

- The current way the trust is distributed to schools is tightly restricted by historical rules within the Minnesota Constitution.
- These rules have not evolved with modern accounting and trust distribution practices and are inhibiting disbursements to Minnesota's public schools.
- This information is based on the findings of a nonpartisan legislative task force in 2024, that determined the current constitutional formula was severely limiting fund distribution.

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The Proposed Amendment

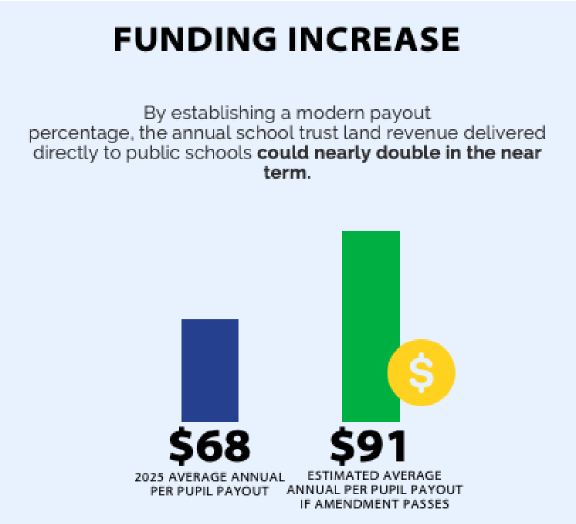
- Bipartisan House File 3900 / SF3593 passed overwhelmingly in the 2026 Minnesota Legislative Session to put a Permanent School Fund question on the November 2026 ballot.
- This question would shift the funding distribution method from Yield Only (historically roughly 2.5% of average market value) to 4.5% POMV which would distribute 4.5% based on a rolling three-year average of the fund’s total market value.

What is the Difference?

- Based on 2025's data, this would have increased the distribution from the Permanent School Fund by $33 per pupil for every school district.

WHAT DIFFERS

2-2.5% annual distribution	Estimated 4.5% annual distribution
Interests and dividends only	Includes full market value
$68 per pupil per school district in 2025	$91 potential annual per pupil payout per district



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What does this mean for Jordan?

- In 2025, Jordan Public Schools received $123,985.15 from the Permanent School Fund.
- The estimated funding Jordan Public Schools would receive if this constitutional amendment passes would be $184,003.57.
- The change in funding distribution would lead to an increase of approximately $60,000 for Jordan Public Schools.

What this means for Minnesota tax payers

- There is **no new individual or property taxes** and **taxes will not increase** as a result of this proposed amendment.
- This amendment simply unlocks and better leverages a substantial, existing state asset that has been dedicated to public schools since 1858.
- This provides some relief for strained school budgets across the state and gives more stable, predictable funding for school districts.

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The Proposed Ballot Question

OFFICAL BALLOT LANGUAGE

"Shall the Minnesota Constitution be amended to increase the funding going to all school districts from the permanent school fund, which is a fund that supports school districts without raising individual income or property taxes, effective July 1, 2027?"

CRITICAL VOTING RULE

LEAVING THE QUESTION BLANK IS A "NO" VOTE

in Minnesota, constitutional amendments require a **majority of all voters casting ballots in that election** to pass.

If a voter skips this question on their ballot but votes for other races, it is counted as a "No" vote. Active voter education on this rule is vital.

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Questions?