REPORT FROM BOARD MEMBER ROB SCHOENROCK
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Here's a great article that's in the White Bear Press, that has some great information on the upcoming Amendment that is on the ballot.

Amendment asks voters to boost school funding

By Loretta Harding/Contributing Writer
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Voters checking their ballots thoroughly during the Nov. 3 general election will notice an item at the very bottom on the backside of their ballots. That item will ask the following question:

“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?”

Voters will be asked to fill in the “Yes” oval or the “No” oval.

Not filling in either oval will be a vote for the “No” column.

Here is a little history to help voters make up their minds on this important question before they head to the polls.

When Minnesota became a state in 1858, the federal government granted millions of acres of land to the State of Minnesota for the use of its public schools. A fund called the Permanent School Fund (PSF) was created from the proceeds of land sales and leases, which were then invested and reinvested. This fund shares its earnings twice a year with every public school district and charter school in the state, based on student enrollment.

Since 1858, the fund has been managed by members of the State Board of Investment, who invest the money in stocks and bonds to make the fund grow in value. Wise investment will make both the principal and the dividends received by schools become more valuable.

Over time, careful management has helped the PSF grow to more than $2.3 billion in 2025. In 2010, the PSF was $675 million.

The membership of the State Board of Investment, as specified in the Minnesota Constitution Article XI, is made up of the governor (who is designated as chair), state auditor, secretary of state and attorney general.

The SBI operates much like the financial department of our school districts by looking for opportunities to make money. For example, the Mahtomedi School District financial team crunches numbers all year long with the goal of balancing the budget in an era of ever-rising costs by making the most of its investments and finding dollars here and there.

School districts search for millions of dollars in revenues to offset millions of dollars in expenditures. Funding from the PSF is one of the revenue sources school districts count on.

The Mahtomedi School Board recently studied the amendment question and presented information about the PSF and the changes the PSF is asking voters to approve.

The amendment is asking voters whether changes should be made to increase the annual payout to schools from 2.5% to 4.5% of the fund's average value. The changes to increase the annual payout will involve different, less restrictive investment strategies to yield more revenue and modernize the way the funds are distributed.

Given the rise in the performance of the new investments over the last seven to 10 years, the school trust investments have gone up in value. But the distribution amount could be much more without impacting the long-term viability of the principal, Mahtomedi Schools Superintendent Barb Duffrin said.

At present, each Minnesota district receives approximately $68 per pupil. If the amendment passes, there is the potential for each district to receive $101 per pupil. "It's not a make or break for a budget, but it is a significant boost to the budget at $100,000 for our district," Duffrin said.

"It's predictable funding, which is something we talk about a lot here," Duffrin said. "When legislative changes are huge and don't allow us to have predictable funding, that's a real challenge for us, especially our small districts, so any place we can find more predictable funding is a good thing for us."

Of course, school districts such as Mahtomedi would be in favor of the “Yes” vote on the constitutional amendment question for reasons shown above.

“Who would vote ‘No?’ The money from the PSF land comes from leases, forestry and mining, which is a red flag for people who fear that mining and logging will increase. However, the land will continue to be used for the purpose it has always been used for,” Duffrin said.

The Minnesota School Trust holds approximately 2.5 million acres of land today, along with an additional 1 million acres of severed mineral rights. Most of these lands (92%) are concentrated across 10 northern Minnesota counties that include the Boundary Waters Canoe Area Wilderness. These lands are also intermixed with county, federal, private and other state-owned lands.

More state history and a timetable involving the PSF lands follows:

• 1858: Minnesota became a state and received millions of acres of land from the federal government for public schools. These lands created the school trust lands.

• 1900: Many of the original acres in the southern part of the state had been sold. State policy then shifted to preserving remaining lands for the long-term interest of Minnesota’s public school students.

• 2024: The Minnesota Legislature established a nonpartisan task force to evaluate the PSF and make recommendations to the Legislature.

• 2026: In January, the PSF task force reported its recommendations to the Legislature.

• 2026: The Minnesota House and Senate passed legislation with bipartisan support to update how the PSF is distributed.

Before heading to the polls, remember — the amendment will not:

• create a new fund

• change the purpose of the trust

• raise income or property taxes