Minnesota Constitutional Amendment, Fall 2026

Board Presentation
August 10, 2026

Agenda

- Explaining the Permanent School Fund
- What is Proposed
- What Voters Should Know
- Difference from Operating Referendum
- Ballot Language
- Communication Planning
- Questions

What is the Permanent School Fund?

**The Permanent School Fund was established in Minnesota's Constitution when the state was founded in 1858.
The fund was created using lands granted to Minnesota specifically to support public education.**

Today, revenues generated from school trust lands - including timber, mining, leases, and other natural resource activities - are invested through the State Board of Investment, creating a permanent source of support for Minnesota's public schools.

Over the past decade, the fund has grown significantly - from approximately $675 million in 2010 to more than $2.3 billion today - yet constitutional restrictions written generations ago limit how much of that growth can be distributed to schools

- **Minnesota School Boards Association 2026**

What is being Proposed?

Following a comprehensive review by a bipartisan legislative task force, the Minnesota Legislature approved a constitutional amendment that would allow annual distributions to schools to be based on 4.5% of the fund's three-year rolling average market value, rather than primarily on interest and dividend earnings alone.

This modernized approach is widely used by university endowments, charitable foundations, and other long-term trusts because it:

- **Increases annual distributions**
- **Provides more predictable funding**
- **Preserves the long-term health of the fund**

- Minnesota School Boards Association 2026

What voters should know

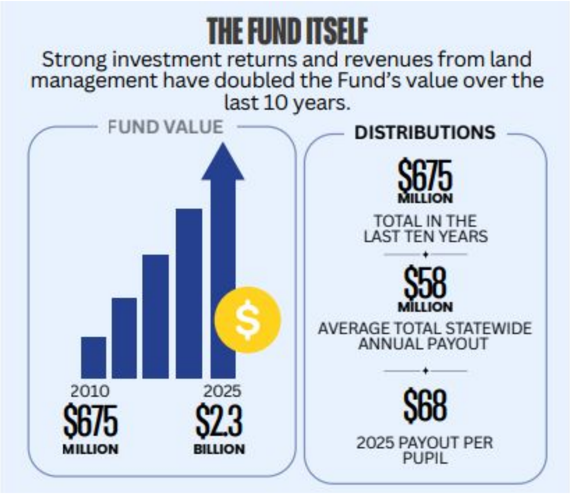
This proposal is unique because it:

- Does not increase taxes. The amendment changes how an existing trust fund distributes revenue. No property taxes, income taxes, sales taxes, or any other taxes are raised.
- The fund already exists. The Permanent School Fund has supported Minnesota public schools since 1858.
- A nonpartisan task force of investment, trust, legal, and education experts unanimously recommended this change, modeling approaches used by university endowments and school trust funds nationwide.
- All public school districts, charter schools, and tribal schools receive per-pupil funding if approved.
- The fund has grown dramatically, from nearly $675M in 2010 to over $2.3B today, but distributions lag due to constitutional restrictions.

How is this different from the operating referendum approved last fall?

Fall 2025 Operating Referendum:
- Was for ISD 110 only
- $731 per pupil in new revenue from local taxpayers

Permanent School Fund Amendment
- For all Minnesota Public Schools
- No tax increase
- Amount of increase is modest, estimated around $25-30 per pupil
  - Current average annual per pupil amount is $68
  - Note: Some materials and reports read “40% increase.” This is not for all revenue we receive, but of this specific fund



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 texas, 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.**

Communication Planning

Similar to our fall referendum, our official ISD 110 communications should provide factual information and not encourage how to vote on this issue.

Current Plans for Communication:

- **Site Newsletters**
- **District Newsletter**
- **CommuniCAT**
- **Waconia Patriot**
- **Social Media**

Questions?