### MINNESOTA OFFICE OF SCHOOL TRUST LANDS

March 25, 2025

Honorable Peter Fischer Honorable Josh Heintzeman Co-chairs, House Environment and Natural Resources Finance and Policy Committee 658 Cedar Street, Centennial Office Building, 2<sup>nd</sup> Floor St. Paul, MN 55155

#### Re: House File 1587 (Stephenson)

Dear Chairs Fischer & Heintzeman:

As Minnesota's School Trust Lands Director, I am submitting this written testimony in support of House File 1587 (Stephenson) that appropriates funds to Minnesota Department of Natural Resources (MNDNR) to condemn 13.59 acres of school trust lands located within the Leech Lake Band of Ojibwe reservation boundaries.

The statutory goal of the Permanent School Fund is to "secure the maximum long-term economic returns from the school trust lands consistent with the fiduciary responsibilities ... established in the constitution[.]" (See <u>Minn. Stat. sec. 127A.31</u>)

The 13.59-acre parcel to be condemned by MNDNR and subsequently conveyed to the Leech Lake Band of Ojibwe does not generate revenue from forest products or minerals management and produces meager revenue returns from a small lease to the Leech Lake Band Ojibwe. The lease was necessary because of the unintentional encroachment by the Bena Community Center on school trust land, as depicted on the attached survey. Additionally, this school trust parcel does not have legal access thereby hindering the viability of any public auction process as a prospective buyer would necessarily need to acquire access from the Leech Lake Band of Ojibwe. As such, the Office of School Trust Lands believes that divesting of this 13.59-acre school trust parcel is in the long-term best interests of school trust beneficiaries.

The condemnation and investment of market value (\$197,000) will support the state's public education system in perpetuity, fulfilling our fiduciary duty to ensure that both current and future beneficiaries receive maximum economic returns from school trust assets.

Sincerely,

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Aaron M. Vande Linde School Trust Lands Director

Enclosures

## MINNESOTA OFFICE OF SCHOOL TRUST LANDS

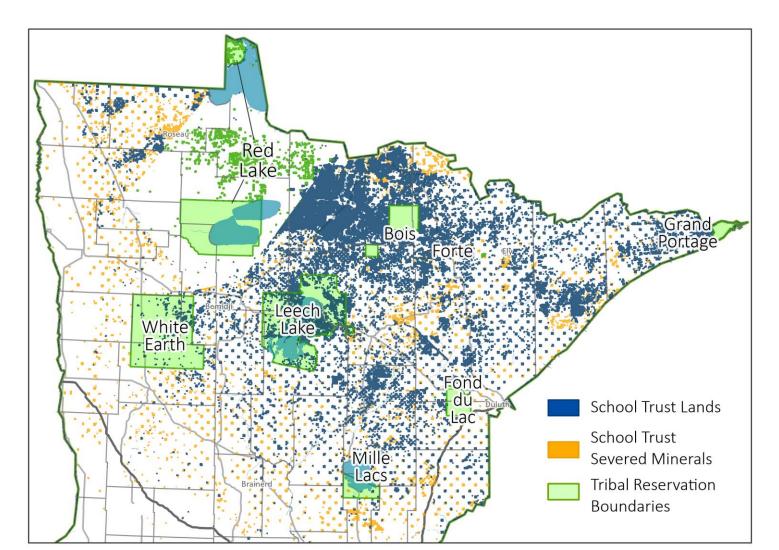
#### Below is an excerpt from 2023 School Trust Lands Asset Management Plan, Phase 1

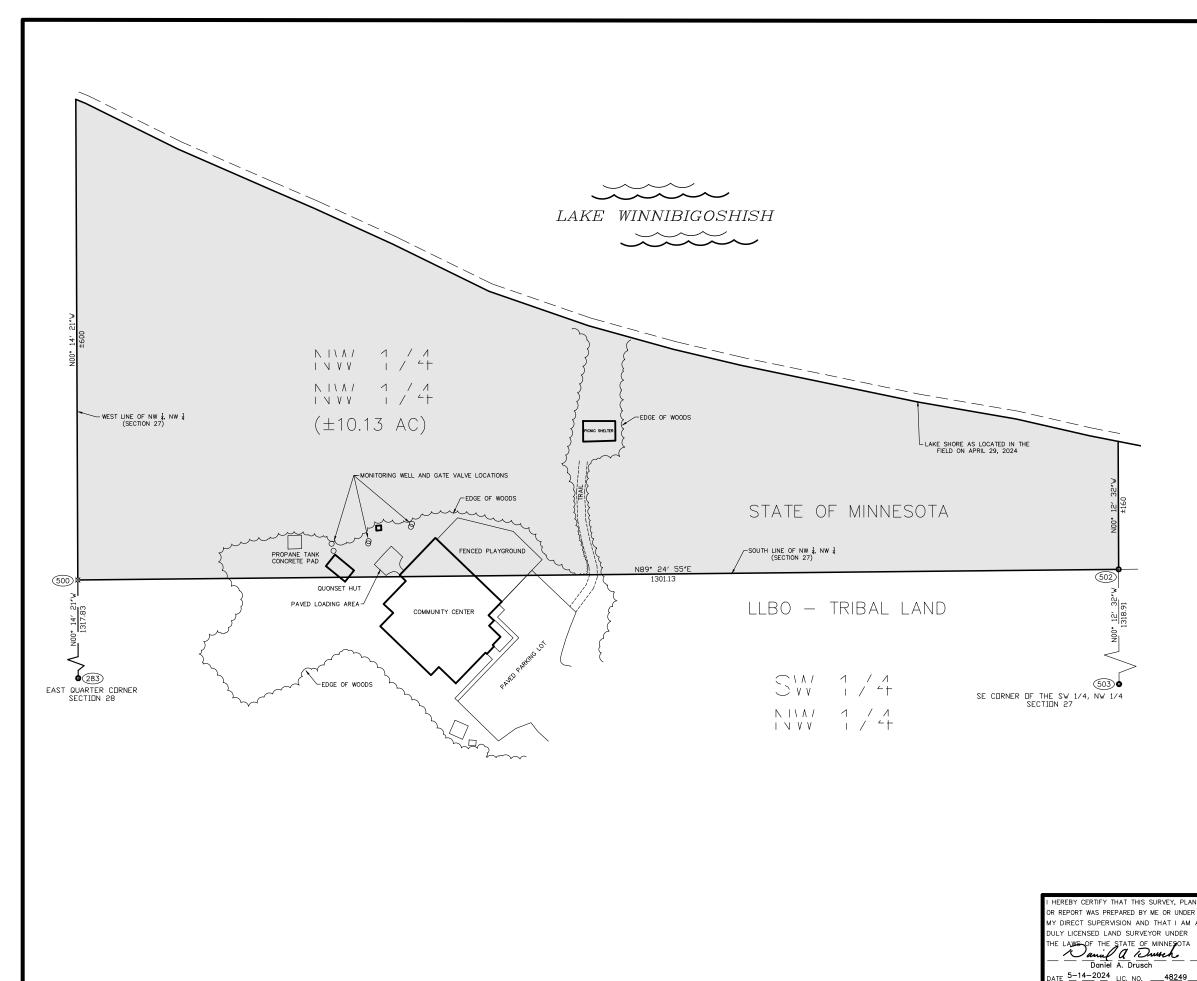
| Tribal Reservation           | Acres of<br>School Trust Lands | Acres of Additional<br>Severed Minerals | Total Acres |
|------------------------------|--------------------------------|---|-------------|
| Leech Lake Band of Ojibwe    | 142,274                        | 7,174                                   | 149,448     |
| White Earth Band of Ojibwe   | 16,975                         | 10,144                                  | 26,939      |
| Mille Lacs Band of Ojibwe    | 992                            | 1,764                                   | 2756        |
| Fond du Lac Band of Ojibwe   | 240                            | 0                                       | 240         |
| Red Lake Band of Ojibwe      | 133                            | 4                                       | 137         |
| Grand Portage Band of Ojibwe | 55                             | 71                                      | 126         |

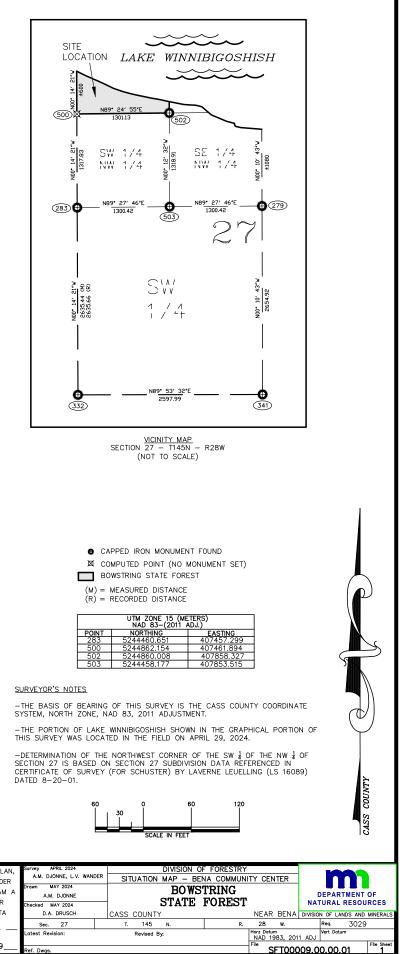
Table 3. School trust land acreages within tribal reservations

#### Ceded Territories and Tribal Reservations

All 2.5 million acres of Minnesota school trust lands are located within ceded territories with a small subset situated within tribal reservations boundaries. Figure 2 depicts the intersection of school trust lands within tribal reservations and Table 3 specifies the acreages of school trust lands within each reservation boundary. As detailed below, DNR manages all school trust lands, including those within tribal boundaries, to secure the maximum long-term economic return using sound natural 9 resource conservation and management principles and through other state law. DNR consults with Minnesota tribal governments in the management of school trust lands within tribal reservations and, where there are issues of tribal interest, on school trust lands within ceded territories.







March 26, 2025

# Ref1: HF1587 Funding to condemn state land and transfer to Tribal ownership for no consideration

Members of the House Environment and Natural Resources Finance and Policy Committee

Dear Environment and Natural Resources Finance and Policy Committees Members,

I OPPOSE HF1587 for several reasons. A few appear below.

- 1. There has been no statement or reason given that the land located along Lake Winnibigoshish in Bena township is contaminated or the source of contamination.
- 2. No representative of the area supports the bill through the author option, nor has any local representatives supported the bill.
- 3. The Leech Lake News claims the land is "surplus" and not contaminated per the March 14, 2025, *Leech Lake News*.
- 4. Further this bill claims a need for \$250,000 to be supplied by the state in order to transfer the land to the tribe for "no consideration" (HF1587)
- 5. The land may be connection to submerged water federally transferred to the tribe in 2024 per the Department of Agriculture's Document 89 FR 53938 published on June 28, 2024. It leads to speculation that the bill's wording on lines 1.21 through 1.22 "as it existed in 2024" is connected with federal actions made in 2024.
- 6. There is no reason given why the State of Minnesota would knowingly spend \$250,000 to take place public land into private ownership under federal law rather than state law.
- 7. There is no indication of approval from nearby landowners that there is no interest in the land for further business ventures or private ownership.
- 8. There is no value given of the land that would be permanently removed from Minnesota regulation and taxation.

The bill lacks specifics and appears to have a misplaced purpose including spending of \$250,000 on land that will become privately owned with no taxation. Further, the bill does not identify a tribe, yet the Leech Lake Band of Ojibwe is confident the land will become their land free of debt. This is clearly not a productive use of taxpayer funds. HF1587 deserves no support.

Thank you, Stephanie Chappell