

Subject Permanent School Fund; American Indian Schools

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Overview

The Permanent School Fund (PSF) of Minnesota consists of the proceeds of the lands granted to the state by the federal government for the use of K12 schools, proceeds from swamplands granted to the state, and cash and investments credited to the fund. While much of the initial land granted to the state has been sold—and the funds resulting from those sales have been placed in the endowment fund, the state is still responsible for managing about 2.5 million acres of school trust land. The state has the obligation to manage these PSF lands in a manner that provides the best return to the fund. The net proceeds from these land management activities (timber sales, minerals activities, lease revenue, etc.) are periodically added to the principal of the endowment fund. The State Board of Investment (SBI) estimates the current endowment balance at roughly \$1.9 billion.

The SBI invests the principal of the fund, subject to direction from the Constitution and state law. The annual interest and dividends arising from the fund are required by the Constitution to be distributed to the state's school districts according to the method described in statute. It is this interest and dividends that is paid annually to Minnesota's school districts and charter schools on a per student basis. The current year's payment is expected to be about \$60 per pupil, totaling about \$51 million statewide.

H.F. 4453 authorizes payment of funds from the permanent school fund endowment to American Indian schools in the same manner that payments are currently made to all school districts and charter schools.

Summary

Section	Description
1	<p>School endowment fund; apportionment.</p> <p>Authorizes payment of funds from the permanent school fund endowment to American Indian schools in the same manner that payments are currently made to all school districts and charter schools.</p>



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