Association of Metropolitan School Districts

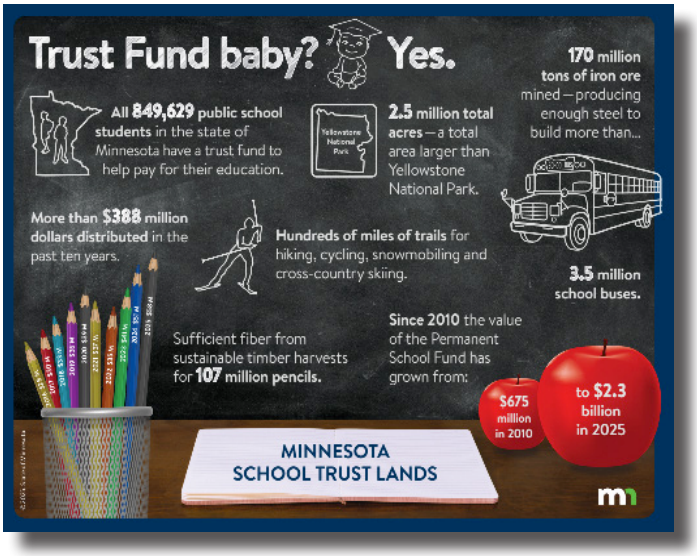
PERMANENT SCHOOL FUND

2026

CONSTITUTIONAL AMENDMENT WOULD INCREASE FUNDING FOR SCHOOLS

Passage of the Amendment Would Increase Distributions From the Permanent School Fund.

The Minnesota Legislature approved bipartisan legislation in the 2026 legislative session placing a question on the ballot in November to amend the State Constitution. The proposed amendment would modernize the distribution formula from the Permanent School Fund (PSF) increasing the funding schools receive.



What is the Permanent School Fund?
The Fund's history goes back to the earliest days of the United States, even before the U.S. Constitution was adopted and long before Minnesota became a state. In 1785, Congress created a system for organizing the westward expansion. The land was divided into townships, and each township was split into 36 sections. To help support public education, Congress set aside one section in every township, with the land or its proceeds dedicated to funding local public schools.

Minnesota's Department of Natural Resources manages about 2.5 million acres of school trust land, with proceeds from land management activities such as timber sales, mining, and land leases added to the fund. Revenues are invested by the State Board of Investment, and the MN Department of Education annually distributes a portion to every public school district.

What exactly changes if this passes?
Minnesota's Constitution currently limits distributions to the net interest and dividends earned on the Fund often resulting in small and unpredictable payments. If voters approve the Constitutional amendment this November, the distributions could include capital gains from asset appreciation and the state would adopt a 4.5 percent distribution rate, calculated using a three-year rolling average of the Fund's value. In recent years, distributions have averaged only 2.5% of the fund's value.

Does this solve all of Minnesota's school funding challenges?
NO. The proposed amendment would modernize the distribution formula from the PSF and modestly increase the funding schools receive from the fund. For example, had the proposed formula been in effect for FY25, schools would have received approximately $33 more per student than under the current distribution method. School districts will continue to rely on voter approved referendums to ensure their students have the resources and opportunities they need to be successful.

Will my property taxes go up?
NO. Passage of this amendment will provide a funding increase without increasing taxes and without using revenue from the state general fund.

Who supports this?
The bipartisan legislation for the amendment is based on a recommendation from a 2024 Task Force commissioned by the Legislature. The Task Force analyzed distribution policies from educational trust funds in other states, Minnesota trust funds, and higher education endowments, and found that most endowments distribute between 4 to 5 percent of their average value — nearly double the state's current

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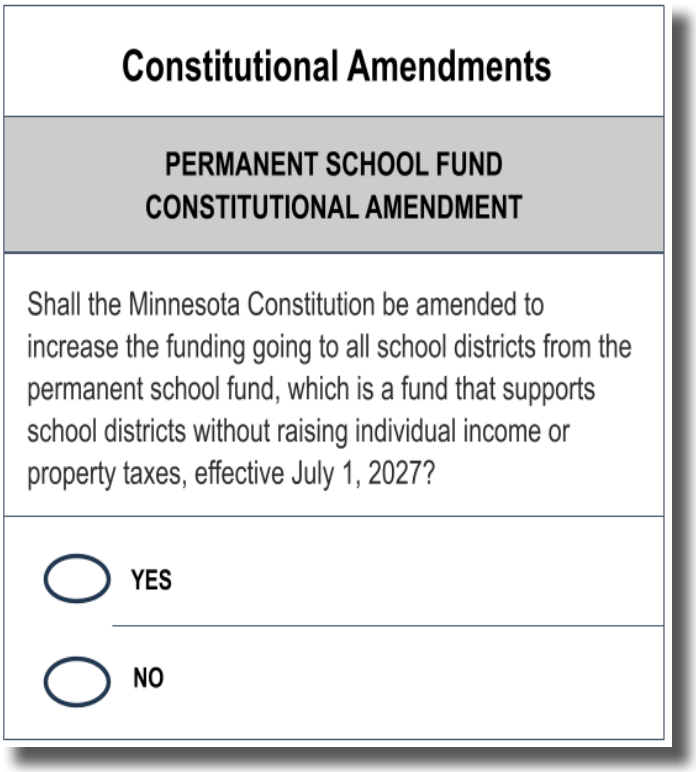
VOTERS ENCOURAGED TO LEARN MORE ABOUT PSF

distribution rate. The Task Force report highlights that strong returns over the last 15 years have tripled the value of the fund — growing from $675 million in FY10 to $2.3 billion by FY25. An estimated $58 million was distributed to schools statewide in FY25.

What's on the ballot
For the amendment to be approved, the question must receive a majority of all votes cast in the election. If a voter does not vote on the question, it has the effect of being a "no" vote.

Voters can use the resources below to learn more about the proposed amendment, the history of the Permanent School Fund, and election and voting information.

- Read the PSF Task Force Report
- LINK: View Informational Slides about the PSF
- Election and Voting Information



ABOUT AMSD

The Association of Metropolitan School Districts represents more than 50 K-12 school districts and intermediate / cooperative districts. AMSD member school districts enroll more than one-half of all public school students in Minnesota, with the mission to lead the transformation of public education.

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