



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?

While the increased funding won't erase the budget

Trust Fund baby? Yes.

- All **849,629** public school students in the state of Minnesota have a trust fund to help pay for their education.
- 2.5 million total acres** — a total area larger than Yellowstone National Park.
- 170 million tons** of iron ore mined — producing enough steel to build more than...
- More than **\$388 million** dollars distributed in the past ten years.
- Hundreds of miles of trails for hiking, cycling, snowmobiling and cross-country skiing.
- 3.5 million** school buses.
- Sufficient fiber from sustainable timber harvests for **107 million** pencils.
- Since 2010 the value of the Permanent School Fund has grown from: **\$675 million in 2010** to **\$2.3 billion in 2025**

MINNESOTA SCHOOL TRUST LANDS

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challenges facing school districts, it will provide desperately needed resources to help students succeed. If the amendment is approved, school districts would see an increase of approximately \$27.19 per pupil.

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 distribution rate.

The Task Force report highlights that strong returns over the last 15 years have tripled the value of the fund — growing





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VOTERS ENCOURAGED TO LEARN MORE ABOUT PSF

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](#)

Constitutional Amendments

PERMANENT SCHOOL FUND CONSTITUTIONAL AMENDMENT

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?

YES

NO

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.

CONTACT AMSD

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AMSD MEMBER DISTRICTS

Anoka-Hennepin School District • Bloomington Public Schools • BrightWorks • Brooklyn Center Community Schools • Buffalo-Hanover-Montrose • Burnsville-Eagan-Savage School District 191 • Centennial School District • Columbia Heights Public Schools • Duluth Public Schools • Eastern Carver County Schools • Eden Prairie Schools • Edina Public Schools • Elk River School District ISD #728 • Farmington Area Public Schools • Forest Lake Area Schools • Fridley Public Schools • Hastings Public Schools • Hopkins Public Schools • Intermediate School District #287 • Intermediate School District #917 • Inver Grove Heights Schools • Lakeville Area Public Schools • Mahtomedi Public Schools • Mankato Area Public Schools • Minneapolis Public Schools • Minnetonka Public Schools • Mounds View Public Schools • North St. Paul-Maplewood-Oakdale School District • Northeast Metro Intermediate School District #916 • Northwest Suburban Integration District • Orono Schools • Osseo Area Schools • Perpich Center for Arts Education • Prior Lake-Savage Area Schools • Richfield Public Schools • Robbinsdale Area Schools • Rochester Public Schools • Rockford Area Schools • Rosemount-Apple Valley-Eagan Public Schools • Roseville Area Schools • Shakopee Public Schools • South St. Paul Public Schools • South Washington County Schools • SouthWest Metro Intermediate District • Spring Lake Park Schools • St. Anthony-New Brighton Independent School District • St. Cloud Area School District 742 • St. Louis Park Public Schools • St. Michael Albertville Schools • Saint Paul Public Schools • Stillwater Area Public Schools • Wayzata Public Schools • West St. Paul-Mendota Heights-Eagan School District • Westonka Public Schools • White Bear Lake Area Schools