

**SENATE  
STATE OF MINNESOTA  
NINETY-FOURTH SESSION**

**S.F. No. 3594**

(SENATE AUTHORS: KUNESH, Hoffman, Farnsworth and Hauschild)

DATE	D-PG	OFFICIAL STATUS
02/17/2026	6316	Introduction and first reading Referred to Education Policy
02/23/2026	6379	Author added Farnsworth
02/26/2026	6380	Author added Hauschild
03/25/2026	6388	Comm report: To pass and re-referred to Environment, Climate, and Legacy Comm report: To pass as amended and re-refer to Education Policy

1.1 A bill for an act

1.2 relating to education; modifying the duties of the school trust lands director;

1.3 modifying the director's required report to the Legislative Permanent School Fund

1.4 Commission; requiring a report; amending Minnesota Statutes 2024, section

1.5 127A.353, subdivision 4, by adding a subdivision.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2024, section 127A.353, subdivision 4, is amended to read:

1.8 Subd. 4. **Duties; powers.** (a) The school trust lands director shall:

1.9 (1) act in a fiduciary capacity for trust beneficiaries in accordance with the principles

1.10 under section 127A.351;

1.11 (2) evaluate the school trust land asset position;

1.12 (3) determine the estimated current and potential market value of school trust lands;

1.13 (4) advise and provide recommendations to the governor on school trust land management

1.14 policies and other policies that may affect the goal of the permanent school fund under

1.15 section 127A.31;

1.16 (5) advise and provide recommendations to the Executive Council and Land Exchange

1.17 Board on all matters regarding school trust lands presented to either body;

1.18 (6) advise and provide recommendations to the commissioner of natural resources on

1.19 managing school trust lands, including but not limited to advice and recommendations on:

1.20 (i) Department of Natural Resources school trust land management plans;

1.21 (ii) leases of school trust lands;

- 2.1 (iii) royalty agreements on school trust lands;
- 2.2 (iv) land sales and exchanges;
- 2.3 (v) cost certification; and
- 2.4 (vi) ~~revenue-generating~~ revenue-generating options;
- 2.5 (7) serve as temporary trustee of school trust lands for school trust lands subject to
- 2.6 proposed or active eminent domain proceedings;
- 2.7 (8) serve as temporary trustee of school trust lands pursuant to section 94.342, subdivision
- 2.8 5;
- 2.9 ~~(9) submit to the Legislative Permanent School Fund Commission for review an annual~~
- 2.10 ~~budget and management plan for the director that includes proposed legislative changes~~
- 2.11 ~~that will improve the asset allocation of the school trust lands;~~
- 2.12 ~~(10)~~ (9) develop and implement a ten-year strategic plan and a 25-year framework for
- 2.13 management of school trust lands, in conjunction with the commissioner of natural resources,
- 2.14 that is updated every five years, with goals to:
- 2.15 (i) retain core real estate assets;
- 2.16 (ii) increase the value of the real estate assets and the cash flow from those assets;
- 2.17 (iii) rebalance the portfolio in assets with high performance potential and the strategic
- 2.18 disposal of selected assets;
- 2.19 (iv) establish priorities for management actions;
- 2.20 (v) balance revenue enhancement and resource stewardship; and
- 2.21 (vi) advance strategies on school trust lands to capitalize on ecosystem services markets;
- 2.22 and
- 2.23 ~~(11) keep the beneficiaries, governor, legislature, and the public informed about the~~
- 2.24 ~~work of the director by reporting~~ (10) report to the Legislative Permanent School Fund
- 2.25 Commission ~~in a public meeting at least once during each calendar quarter~~ as required under
- 2.26 subdivision 5.
- 2.27 (b) In carrying out the duties under paragraph (a), the school trust lands director may:
- 2.28 (1) direct and control money appropriated to the director;
- 2.29 (2) establish job descriptions and employ staff within the limitations of money
- 2.30 appropriated to the director;

3.1 (3) enter into interdepartmental agreements with any other state agency;

3.2 (4) enter into joint powers agreements under chapter 471;

3.3 (5) evaluate and initiate real estate development projects on school trust lands in  
3.4 conjunction with the commissioner of natural resources and with the advice of the Legislative  
3.5 Permanent School Fund Commission to generate long-term economic return to the permanent  
3.6 school fund; and

3.7 (6) submit recommendations on strategies for school trust land leases, sales, or exchanges  
3.8 to the commissioner of natural resources and the Legislative Permanent School Fund  
3.9 Commission.

3.10 **EFFECTIVE DATE.** This section is effective July 1, 2026.

3.11 Sec. 2. Minnesota Statutes 2024, section 127A.353, is amended by adding a subdivision  
3.12 to read:

3.13 Subd. 5. **Report.** (a) By January 15 each year, the school trust lands director must submit  
3.14 a written report to the Legislative Permanent School Fund Commission. The report must  
3.15 inform trust beneficiaries, the governor, the legislature, and the public about school trust  
3.16 land management activities, and must include information on:

3.17 (1) the director's efforts to develop and advocate for sustainable asset management  
3.18 strategies that reflect undivided loyalty to the trust beneficiaries;

3.19 (2) school trust land management policies and activities, including new or emerging  
3.20 revenue-generating opportunities;

3.21 (3) the financial position of school trust land assets, including management costs for the  
3.22 preceding fiscal year and the revenues deposited in the permanent school fund;

3.23 (4) recommended statutory changes that would improve asset allocation, enhance financial  
3.24 outcomes, or otherwise strengthen the long-term performance of school trust lands; and

3.25 (5) amounts distributed from the permanent school fund to Minnesota's public school  
3.26 districts and charter schools in the preceding fiscal year.

3.27 (b) The commissioner of natural resources and the commissioner of education must  
3.28 provide the director with the data necessary to complete the report.

3.29 (c) The report must be submitted in accordance with section 3.195.

3.30 **EFFECTIVE DATE.** This section is effective July 1, 2026.