

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

S.F. No. 3472

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DATE	D-PG	OFFICIAL STATUS
02/12/2024	11543	Introduction and first reading Referred to Education Finance
02/26/2024	11824	Author added Mohamed
04/02/2024	13277a	Comm report: To pass as amended and re-refer to Environment, Climate, and Legacy Joint rule 2.03, referred to Rules and Administration See HF5237

1.1 A bill for an act

1.2 relating to education finance; creating a task force examining the returns from the

1.3 permanent school fund endowment; requiring a report; appropriating money.

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

1.5 Section 1. **PERMANENT SCHOOL FUND; DISTRIBUTION OF ENDOWMENT**

1.6 **FUND EARNINGS TASK FORCE.**

1.7 Subdivision 1. Task force established. A task force of nine members is established to

1.8 examine the distribution of earnings from the permanent school fund endowment.

1.9 Subd. 2. Membership qualifications and appointments. (a) Appointed members of

1.10 the task force must have outstanding professional experience in at least one of the following

1.11 areas:

1.12 (1) institutional asset management;

1.13 (2) investment finance;

1.14 (3) trust administration;

1.15 (4) investment fund accounting;

1.16 (5) investment banking; or

1.17 (6) the practice of law in the areas of capital markets, securities funds, trusts, foundations,

1.18 or endowments.

1.19 (b) The task force consists of the following nine members, each of whom must be

1.20 appointed by September 1, 2024:

- 2.1 (1) the commissioner of education or the commissioner's designee;
- 2.2 (2) an employee or other member appointed by the State Board of Investment;
- 2.3 (3) two members appointed by the governor;
- 2.4 (4) two members appointed by the house of representatives, one appointed by the speaker
 2.5 of the house and one appointed by the minority leader;
- 2.6 (5) two members appointed by the senate, one appointed by the majority leader and one
 2.7 appointed by the minority leader; and
- 2.8 (6) one member appointed by vote of the Legislative Permanent School Fund
 2.9 Commission.

2.10 (c) The first meeting of the task force must be called by the commissioner of education
 2.11 no later than October 1, 2024. The Department of Education must provide staff, technical
 2.12 assistance, and organizational support for the task force.

2.13 Subd. 3. **Duties.** The task force must examine the historical returns on the permanent
 2.14 school fund endowment and evaluate and recommend potential changes in the investment
 2.15 mix to maximize the long-term returns from the fund. The task force must also evaluate the
 2.16 distribution of earnings and capital growth in the fund. The task force may examine school
 2.17 trust endowment policies in other states. The task force recommendations may include
 2.18 proposed changes to state statutes and Minnesota's constitutional provisions governing the
 2.19 school trust fund endowment.

2.20 Subd. 4. **Report.** The task force must report its recommendations to the chairs and
 2.21 ranking minority members of the legislative committees with jurisdiction over the permanent
 2.22 school fund by January 15, 2026. The task force report must be submitted consistent with
 2.23 Minnesota Statutes, section 3.195.

2.24 **Sec. 2. TRUST FUND ENDOWMENT TASK FORCE; APPROPRIATION.**

2.25 \$..... in fiscal year 2025 is appropriated from the general fund to the commissioner of
 2.26 education for the trust fund endowment task force. This is a onetime appropriation and is
 2.27 available until June 30, 2026.