



## **Laws 2026, Chapter 114 – Permanent School Fund Constitutional Amendment (H.F. No. 3900)**

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**Section 1. Constitutional amendment proposed.** Proposes an amendment to article XI, section 8, of the Minnesota Constitution, governing the permanent school fund.

Strikes constitutional language requiring that the principal of the fund be perpetual and inviolate forever. Strikes language providing that the amount available for distribution to school districts consists only of the net interest and dividends of the fund. Strikes language requiring that fund losses not offset by gains must be repaid to the fund from later interest and dividends.

Adds constitutional language laying out principles for the fund's perpetual purpose, management, annual distribution policy, and requirements to preserve purchasing power over time and to balance the needs of current and future fund beneficiaries. Requires that the administrative spending, distribution policy, and apportionment method be prescribed by law.

**Sec. 2. Submission to voters.** Provides the question that would be submitted to voters at the 2026 state general election: "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?"

**Sec. 3. Calculation of distributable amount.** Provides that the amount annually available for distribution to school districts equals 4.5 percent of the average net asset value of the permanent school fund as of the end of the preceding three fiscal years.

Requires that the executive director of the state board of investment annually report the distributable amount to the Legislative Permanent School Fund Commission and the commissioner of education.

**Sec. 4. Disposition of distributable amount.** Strikes language made obsolete by the changes proposed to the constitution under section 1. Clarifies the transfer of money from the permanent school fund to the school endowment fund.

**Sec. 5. School endowment fund; designation.** Updates terms to conform with the changes proposed to the constitution under section 1.

**Sec. 6. Effective date.** Makes sections 3 to 5 effective July 1, 2027, for aid payable in fiscal year 2028, if the constitutional amendment is adopted by the voters.



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