

**Subject** School Trust Lands Director

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## Overview

This bill modifies the duties and powers of the Office of School Trust Lands (OSTL) Director.

The Permanent School Fund (PSF) was established by the Minnesota Constitution; the PSF consists of the remaining lands and the proceeds of the lands granted to the state by the federal government for the use of schools, proceeds from swamplands granted to the state, and cash and investments credited to the fund. The state Department of Natural Resources (DNR) manages about 2.5 million acres of school trust land. The state holds the land and accumulated revenues from the land in trust for the benefit of public schools in Minnesota. The income and dividends from the endowment fund are annually distributed to the state's school districts and charter schools based on pupils served.

In 2012, the legislature created the Legislative Permanent School Fund Commission (LPSFC), and the OSTL. The DNR provides administrative services to the OSTL. The OSTL director is appointed by the governor with advice and consent of the Senate. The director's current duties include advising the Governor, Executive Council, commissioner of DNR, and LPSFC on the management of school trust lands. In 2020, the Office of the Legislative Auditor reviewed the effects of the 2012 changes and issued the report "School Trust Land Management and Oversight."

## Summary

Section	Description
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| 1 | <b>Qualifications. [School trust lands director]</b><br>Strikes language stating that director's first term ended on December 31, 2020. |
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Section	Description
2	<p><b>Duties; powers. [School trust lands director]</b></p> <p>Modifies duties of the school trust lands director including requiring the director to act in a fiduciary capacity for trust beneficiaries, and eliminating duty to submit annual budget and management plan to the Legislative Permanent School Fund Commission. Modifies powers of the director, including allowing the director to employ an unlimited number of staff within the limitations of money appropriated to the director, and striking the requirement that employees be in the unclassified service.</p>



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