

Subject Permanent School Fund Aid; Tribal Contract Schools

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Date April 24, 2020

Overview

The Bureau of Indian Education (BIE) oversees Minnesota's four tribal contract K-12 schools: Bug-O-Nay-Ge-Shig School in Bena (Leech Lake Tribe); Circle of Life School in White Earth (White Earth Tribe); Fond du Lac Ojibwe School in Cloquet (Fond du Lac Tribe); and Nay-Ah-Shing School in Onamia (Mille Lacs Tribe). These schools are located on reservations, operated by the tribes, and are designed to provide Indian students with educational services that are responsive to the needs and desires of the Indian communities. Minnesota pays a supplementary state school aid, called Tribal Contract School Aid, to the four tribal contract schools.

The Permanent School Fund (PSF) of Minnesota consists of 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 DNR is responsible for managing about 2.5 million acres of school trust land. The net proceeds from the land management activities (timber sales, minerals activities, lease revenue, etc.) annually are added to the principal of the fund. Each year, the interest and dividends arising from the investments of the fund are required by the Constitution to be distributed to the state's school districts according to the formula set in statute which currently require a uniform per student payment to each school district and charter school (this amount is \$45.04 for fiscal year 2020).

Because the Minnesota Constitution requires the annual PSF distribution to go only to school districts, H.F. 3642 creates a replacement aid appropriated from the state general fund. There are approximately 725 students attending Minnesota's tribal contract school leading to an annual general fund cost to this provision of about \$33,000.

Summary

Section	Description
1	<p>Permanent school fund replacement aid.</p> <p>Creates a per pupil aid for the state’s four tribal contract schools called the Permanent School Fund (PSF) replacement aid program. Sets the state general fund aid equal to the per pupil amount of aid provided to school districts and charter schools for the program (\$45.04 for fiscal year 2020).</p>
2	<p>Tribal contract school aid.</p> <p>Adds permanent school fund replacement aid to the ongoing appropriation for tribal contract school aid beginning in fiscal year 2021 (this aid is estimated at about \$33,000 for fiscal year 2020).</p>



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