




**Date:** November 18, 2009

**To:** Senator Larry Pogemiller  
Senator David Senjem  
Senator LeRoy Stumpf  
Senator Gen Olson  
Senator Charles Wiger

Speaker Margaret Anderson Kelliher  
Representative Kurt Zellers  
Representative Mindy Greiling  
Representative Pat Garofalo  
Representative Carlos Mariani

**From:** Tom J. Hanson, Commissioner 

**Subject:** Permanent School Fund Annual Report

During the 2008 Session, language was adopted requiring Minnesota Management & Budget (MMB) to “biannually report to the Permanent School Fund Advisory Committee and the legislature on the management of the permanent school trust fund that shows how the commissioner maximized the long-term economic return of the permanent school trust fund.”

The statute was modified in the 2009 Session to clarify the reporting timeline and align reporting responsibilities with management activities. “The commissioner shall annually report to the Permanent School Fund Advisory Committee and the legislature the amount of the permanent school fund transfer and information about the investment of the permanent school fund provided by the State Board of Investment. The State Board of Investment shall provide information about how they maximized the long-term economic return of the permanent school fund.”

Attached is the first report under the new statute. The report provides an overview of the Permanent School Fund, reviews recent legislative changes, and provides recent transfer totals from the fund to the Minnesota Department of Education. Additionally, this first report highlights procedural changes implemented to ensure efficient and effective management of the permanent school trust fund.

cc: Commissioner Mark Holsten, Dept. of Natural Resources  
Commissioner Alice Seagren, Dept. of Education  
Executive Director Howard Bicker, State Board of Investment  
Assistant Commissioner Lori Mo, Minnesota Management & Budget  
Jess Hopeman, Legislative Reference Library  
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