

September XX, 2011

[Exec Council]

[Address]

[City]

Dear [Exec Council],

As a member of the Exec Council, we write to urge your support of the April 28, 2011, non-ferrous metallic mineral lease sale on school trust land.

Many Minnesotans have never heard of School Trust Lands. We know our income taxes pay for the state's education system, and people have a keen sensitivity to property tax statements and local school levies. But few of us know anything about the lands set aside in the state constitution that deliver tens of millions of dollars to our schools every year.

More than 2.5 million acres of land and an additional 1 million acres of mineral rights were set aside when Minnesota became a state. Today, School Trust Lands are managed by the Minnesota Department of Natural Resources. Revenues earned from those lands are invested by the State Board of Investment and are constitutionally dedicated to be used for schools. Tens of millions of dollars earned on those lands are spent in classrooms every year, in every corner of Minnesota.

The interest and dividends from the Permanent School Trust Fund generated \$27 million in 2009. Revenue is generated from many activities, including sale of timber, wild rice leases, mining leases, state forest campground fees, lakeshore leases, easements across state trust land, utility licenses, the sale of a few parcels of land, and several other types of surface use. In addition, revenue is generated from rents and royalties on taconite iron ore removed from the land.

Revenues from Minnesota's School Trust Lands are deposited into the Permanent School Trust Fund. Interest and earnings from the Permanent School Trust Fund are distributed directly to Minnesota school districts. Those funds provide resources for learning supplies, teacher salaries, building maintenance, school curricula, and everything that makes Minnesota's schools among the top-performing, most rigorous schools in the country.

Working together, for the sake of our students, we can and must do more.

*Minnesota Statutes: 127A.31 Goal of the Permanent School Fund*

*"The legislature intends that it is the goal of the permanent school fund to secure the maximum long-term economic return from the school trust lands consistent with the fiduciary responsibilities imposed by the trust relationship established in the Minnesota*

*Constitution, with sound natural resource conservation and management principles, and with other specific policy provided in state law."*

The Permanent School Fund Advisory Committee encourages you approve these leases. Because 42 percent of the land up for lease sale is school trust land, the executive council has a vested interest in ensuring the best interests of the school children are sought. By overseeing the leasing process, the Executive Council takes on the responsibility of trustee over the school trust land.

Pursuant to the Minnesota Constitution, Article XI, Sec. 8: "*Within limitations prescribed by law, the fund shall be invested to secure the maximum return consistent with the maintenance of the perpetuity of the fund... A board of investment consisting of the governor, the state auditor, the secretary of state, and the attorney general is constituted for the purpose of administering and directing the investment of all state funds.*"

The Permanent School Fund Advisory Committee believes it is in the best interests of the fund to approve the leases bid on April 28, 2011. The Committee hereby requests the Executive Council to approve the lease sale of school trust land. These important lands provide tens of millions of dollars for Minnesota students every year. Working together, Minnesotans can ensure the highest possible returns on this valuable school funding asset.

Sincerely,