

# Boundary Waters Canoe Area Wilderness School Trust Land Condemnation Transaction with the U.S. Forest Service

## Frequently Asked Questions

### **What are school trust lands?**

The public land survey system divided each township into 36 sections, each covering 1 square mile (approximately 640 acres). When Minnesota became a state in 1858, the federal government granted sections 16 and 36, or five percent of the land in every township, for the use of schools. Today, the DNR manages 2.5 million acres of school trust lands and one million acres of mineral rights on behalf of Minnesota's public schools. The DNR oversees revenue-generating activities such as mining, mineral exploration leasing, land sales, utility licenses, and timber harvesting while prioritizing economic return, environmental stewardship, and sustainability.

### **Who benefits from school trust lands?**

The Minnesota constitution is clear: beneficiaries of school trust lands are Minnesota's 329 public school districts and 181 charter schools, currently educating nearly 850,000 K-12 students.

### **What is the Permanent School Fund?**

The Permanent School Fund was established by the Minnesota Constitution to guarantee a long-term source of funds for public education. It is made up of the revenues generated from school trust lands, as well as the interest and dividends. These funds support K-12 public education and are distributed to every public school district within the state.

### **Why are state school trust lands within the BWCAW being transferred to federal ownership?**

The transfer of school trust lands within the Boundary Waters Canoe Area Wilderness (BWCAW) to federal ownership will benefit Minnesota's public education system. The 1964 Wilderness Act and the 1978 BWCAW Act confined approximately 80,000 acres of school trust lands within the wilderness area, limiting the state's ability to generate revenue from the lands for the Permanent School Fund.

The transaction aims to uphold Minnesota's fiduciary responsibility to generate income for the Permanent School Fund and will help to provide a continual source of funding for Minnesota's 850,000 K-12 students by distributing revenue to every public school district within the state.

### **Why is the project a land purchase rather than a land exchange?**

Under the purchase-only proposal, the DNR initiated the process of removing the school trust land designation from approximately 80,000 acres of state lands within the BWCAW. Then the federal government will purchase the surface rights to most of those lands from the DNR using

an appropriation from the federal Land and Water Conservation Fund. Following the federal acquisition, the DNR will deposit the sale proceeds in the Permanent School Fund for management by the State Board of Investment.

The purchase-only proposal will:

- Consolidate federal ownership of lands within the BWCAW through the acquisition of state-owned school trust parcels
- Maximize long-term economic return of state school trust.
- Respect Tribal government requests to refrain from divestiture of any federal property via land exchange.

### **How many acres of school trust lands would be transferred from state to federal ownership?**

The state is partnering with the U.S. Forest Service to transfer ownership of approximately 80,000 acres of school trust lands within the BWCAW, which are located in parts of Minnesota's Cook, Lake, and St. Louis counties.

The school trust lands proposed for purchase include approximately 24,000 acres in Cook County, 25,000 acres in Lake County, and 33,000 acres in St. Louis County.

### **What would be the direct implications of this land ownership transfer on our local governments?**

We anticipate that an increase in federally owned acres would lead to an increase in various federal payments to counties, such as Secure Rural Schools (SRS), Payment in Lieu of Taxes (PILT), and Thye-Blatnik.

Detailed information on future SRS/PILT payments can only be provided after the purchases are finalized and final acreages are determined. School Trust lands acquired by the federal government will be considered in the next Thye-Blatnik appraisal beginning in 2028.

### **When would the land transfer be complete?**

The DNR has completed a land appraisal to determine the market value of approximately 80,000 acres of state school trust lands within the BWCAW, as well as the land's overall valuation, which considers the location, size, and environment. Now that the appraisal and valuation are finished, the DNR is working with OSTL and Minnesota's Attorney General's Office to remove the school trust land designation from state lands within the BWCAW. To comply with Minnesota law, the DNR will convert approximately 80,000 acres of school trust land into acquired lands through a legal process called condemnation. Once the condemnation is complete, the DNR then has the legal authority to sell the condemned acres to the U.S. Forest Service. The land transaction between the state and the U.S. Forest Service is anticipated to be completed in 2027. This website will be regularly updated with new information about the project timeline.

### **Would the lands transferred to the Forest Service be available for public use and recreation?**

The U.S. Forest Service will manage the lands it acquires in accordance with the BWCAW Act and the Forest Plan. The lands will remain open to the public for recreational activities. The public should not expect any change in their access to recreation in the BWCAW after the federal acquisition.

### **How can the public learn more about the project?**

[The DNR's website](https://www.dnr.state.mn.us/aboutdnr/school_lands/school-trust-lands-projects.html) ([https://www.dnr.state.mn.us/aboutdnr/school\\_lands/school-trust-lands-projects.html](https://www.dnr.state.mn.us/aboutdnr/school_lands/school-trust-lands-projects.html)) will be continually updated with more information on the progress of the land transactions between state and federal partners.

### **How has the state and the federal government engaged with Tribal Nations in northern Minnesota?**

The DNR has mutually respectful and beneficial relationships with federally recognized Indian Tribes, as established by the Constitution of the United States, treaties, statutes, case law, and agreements. DNR leaders have partnered with the U.S. Forest Service throughout this process to consult and collaborate with Fond du Lac, Grand Portage, and Bois Forte Tribal Nations.