

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

Frequently Asked Questions

What are school trust lands?

When Minnesota became a state in 1858, the federal government granted sections 16 and 36 of 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 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 K-12 schools. The sale of school trust lands to the U.S. Forest Service at fair market value will generate revenue for the Permanent School Fund. The fund supports 850,000 students by distributing revenue to public and charter schools in the state. The DNR is pleased to work with the U.S. Forest Service to remove the school trust designation from lands from within the BWCAW.

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

The DNR understands that the U.S. Forest Service received input opposing a land exchange and calling for the state to sell school trust lands within the BWCAW to the United States. The current approach, despite being underway for many years, has yet to yield an outcome. The DNR recently withdrew its land exchange proposal, originally submitted to the U.S. Forest Service on August 22, 2012, involving school trust lands within the BWCAW.

Under the new proposal, the DNR would initiate the process by removing the school trust land designation from approximately 80,000 acres of state lands within the BWCAW. Then, the federal government will purchase those lands from the DNR using a federal Land and Water Conservation Fund appropriation. 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 and outside of the BWCAW through the purchase of TCF-owned lands.
- Maximize long-term economic return of state school trust.
- Prevent the fragmentation of former private forestlands by ensuring their long-term conservation.
- Respect Tribal government requests to refrain from divestiture of any federal property via land exchange.

What will happen to the remaining lands that The Conservation Fund purchased as part of the original exchange proposal?

Minnesota has a long-standing partnership with TCF to protect the state's natural resources. This partnership aims to increase access to nature, preserve wildlife habitat, and improve climate resilience. The DNR and the OSTL appreciate TCF's commitment to protecting and preserving the BWCAW through the acquisition of

lands for the original exchange proposal. The state will evaluate the remaining TCF lands in consultation with counties, Tribes, TCF, and the U.S. Forest Service to determine which parcels would benefit each agency's public land portfolio through acquisition.

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

The U.S. Forest Service is proposing to purchase 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 land transfer between the state and the U.S. Forest Service is anticipated to be completed by the end of 2026. 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 Burntside, Insula Lake, and Lake Isabella, and Little Sag Forests within the BWCAW boundary 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) 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.

The U.S. Forest Service is currently consulting with Tribes in northern Minnesota. During a February consultation, the U.S. Forest Service informed the Bands that they would not proceed with the land exchange with the state but would move forward with purchases of state land and certain TCF lands inside the forest boundary. The Tribes requested continued engagement with the school trust land project.