

m MINNESOTA SCHOOL TRUST LANDS

Asset Management Plan FAQ

What are school trust lands?

School trust lands are an important, little known, and often misunderstood category of land ownership. These lands are set aside in the state constitution to generate revenue for the state's public schools, and deliver millions of dollars annually to all 331 public school districts plus 169 charter schools operating throughout the state.

Why develop an asset management plan now?

Much has changed since school trust lands were granted to the state more than 150 years ago. Shifting demands on natural resources and funding needs for public education are challenges that create a critical need—and real opportunity—to explore additional means of generating trust revenue while enhancing the compatibility of revenue generation with sound natural resource conservation and management principles.

To address these challenges and to meet the legislative directive to develop a 25-year framework for school trust lands management, Minnesota is following the lead of other states with significant school trust land holdings by creating an innovative asset management plan to guide the long-term management of these unique lands.

Who is developing the plan?

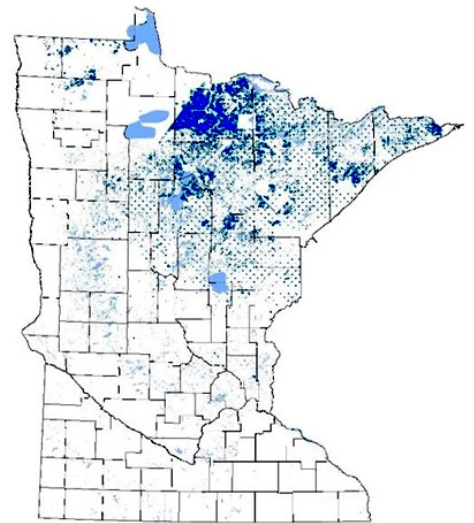
As trustees with identical fiduciary responsibilities to the school trust beneficiaries, the Office of School Trust Lands (OSTL) and Department of Natural

Resources (DNR) are collaborating to create this asset management plan. Both agencies have dedicated staff to serve on an interagency planning team and are working closely with a private contractor, Callan LLC, to develop the plan.

How much land will be managed under the plan?

School trust lands encompass 2.5 million acres of land (surface and mineral rights) plus an additional 1 million acres of severed mineral rights. These lands represent nearly half of the land

managed by DNR and include forests, wetlands, recreational and agricultural lands, and significant mineral deposits. The majority of school trust lands are concentrated in northeastern Minnesota.



What will the plan provide?

Through robust analysis and planning, the plan will identify the best and most efficient mix of revenue-generating opportunities that will increase the value of school trust assets and related cash flows. It will classify the trust assets, provide a framework for individual business plans with performance benchmarks and goals, and recommend strategies to mitigate potential risks such as climate change or market volatility that could influence future revenues.

Will wildlife, conservation and recreational benefits be considered?

DNR must manage school trust lands for the benefit of Minnesota's K-12 public education system using sound natural resource conservation and management principles. Ancillary public benefits such as protecting fish and wildlife habitat, sustaining healthy waterways and providing open public access for outdoor recreation activities will also be factored into the plan.



For further information contact

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