

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 3455

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Introduction and first reading
Referred to E-12 Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to education finance; creating a task force to examine the permanent school
1.3 fund endowment; requiring a report; appropriating money.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **PERMANENT SCHOOL FUND; DISTRIBUTION OF SCHOOL**
1.6 **ENDOWMENT FUND EARNINGS TASK FORCE.**

1.7 Subdivision 1. Task force established. A task force of ten members is established to
1.8 examine the distribution of earnings from the school endowment fund of the permanent
1.9 school fund.

1.10 Subd. 2. Membership qualifications and appointments. (a) Appointed members of
1.11 the task force must have outstanding professional experience in at least one of the following
1.12 areas:

1.13 (1) institutional asset management;

1.14 (2) investment finance;

1.15 (3) trust administration;

1.16 (4) investment fund accounting;

1.17 (5) investment banking; or

1.18 (6) the practice of law in the areas of capital markets, securities funds, trusts, foundations,
1.19 or endowments.

1.20 (b) The task force consists of the following ten members, each of whom must be
1.21 appointed by October 1, 2020:

- 2.1 (1) the commissioner of education or the commissioner's designee;
- 2.2 (2) an employee or other member appointed by the State Board of Investment;
- 2.3 (3) three members appointed by the governor, including at least one attorney whose
 2.4 legal practice area includes significant knowledge of and experience in working with trusts;
- 2.5 (4) two members appointed by the house of representatives, one appointed by the speaker
 2.6 of the house and one appointed by the minority leader;
- 2.7 (5) two members appointed by the senate, one appointed by the majority leader and one
 2.8 appointed by the minority leader; and
- 2.9 (6) one member appointed by vote of the Legislative Permanent School Fund
 2.10 Commission.

- 2.11 (c) The first meeting of the task force must be called by the commissioner of education.
 2.12 The Department of Education must provide staff, technical assistance, and organizational
 2.13 support for the task force.

- 2.14 Subd. 3. **Duties.** The task force must examine the historical returns on the permanent
 2.15 school fund endowment and evaluate and recommend potential changes in the investment
 2.16 mix to maximize the long-term returns from the fund. The task force must also evaluate the
 2.17 distribution of earnings and capital growth in the fund. The task force may examine school
 2.18 trust endowment policies in other states. The task force recommendations may include
 2.19 proposed changes to state statutes and Minnesota's constitutional provisions governing the
 2.20 school endowment fund of the permanent school fund.

- 2.21 Subd. 4. **Report.** The task force must report its recommendations to the chairs and
 2.22 ranking minority members of the legislative committees with jurisdiction over the permanent
 2.23 school fund by January 15, 2022. The task force report must be submitted consistent with
 2.24 Minnesota Statutes, section 3.195.

- 2.25 Sec. 2. **PERMANENT SCHOOL FUND ENDOWMENT TASK FORCE;**
 2.26 **APPROPRIATING MONEY.**

- 2.27 \$..... in fiscal year 2021 is appropriated from the general fund to the commissioner of
 2.28 education for the permanent school fund endowment task force. This appropriation is
 2.29 available until June 30, 2022.