



Review of *Forest Management Cost Certification Report for Trust Fund Lands for Fiscal Year 2025*

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Guiding Statutes

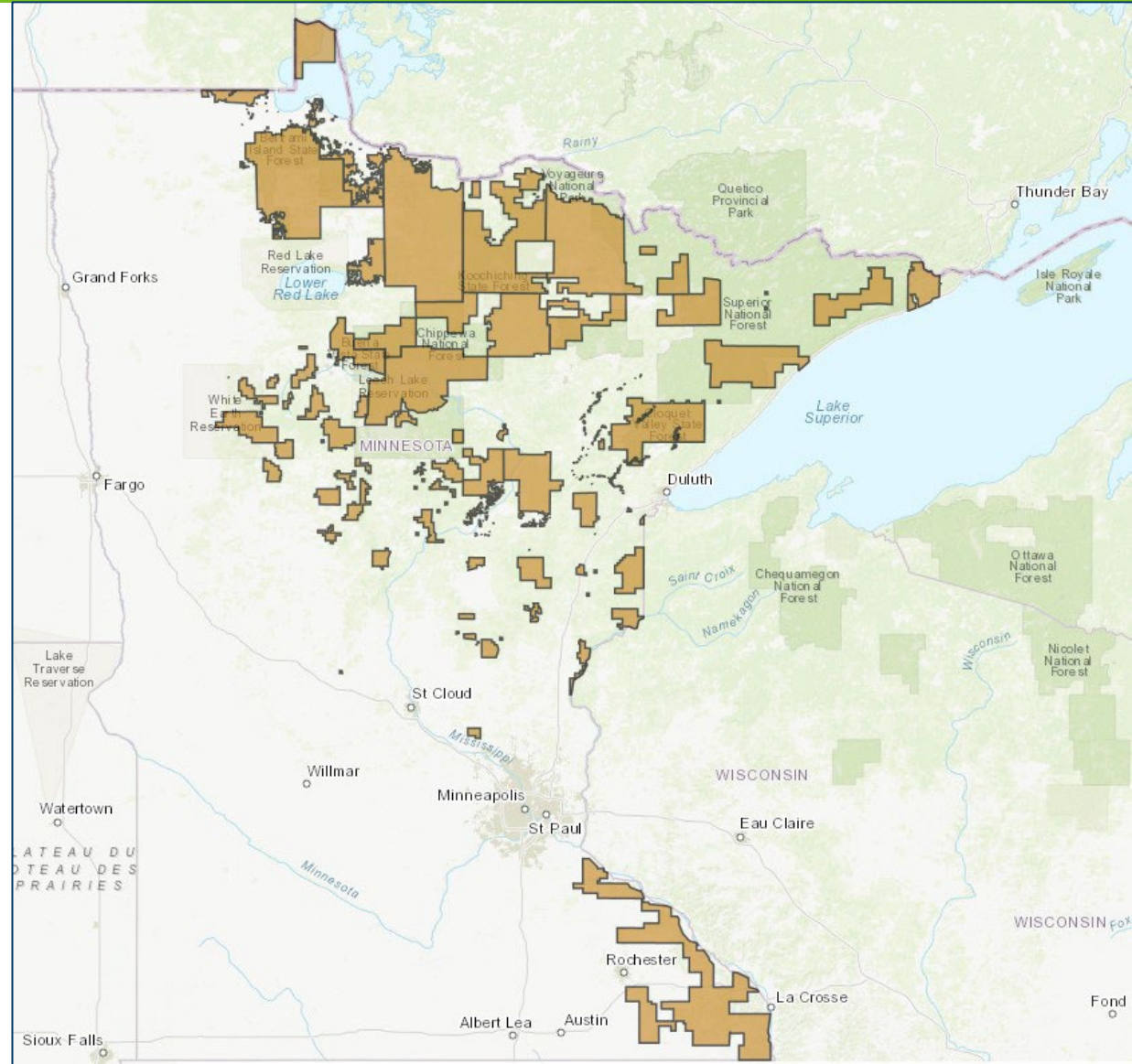
- MS 16A.125
 - Provides direction on process of certifying costs and transferring funds
- MS 127A.31 *“The legislature intends that it is the goal of the permanent school fund to secure the maximum long-term economic return from the school trust lands consistent with the fiduciary responsibilities imposed 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.”*

State Forest Lands

60 state forests – many containing trust lands

4.3 million total acres administered by Division of Forestry

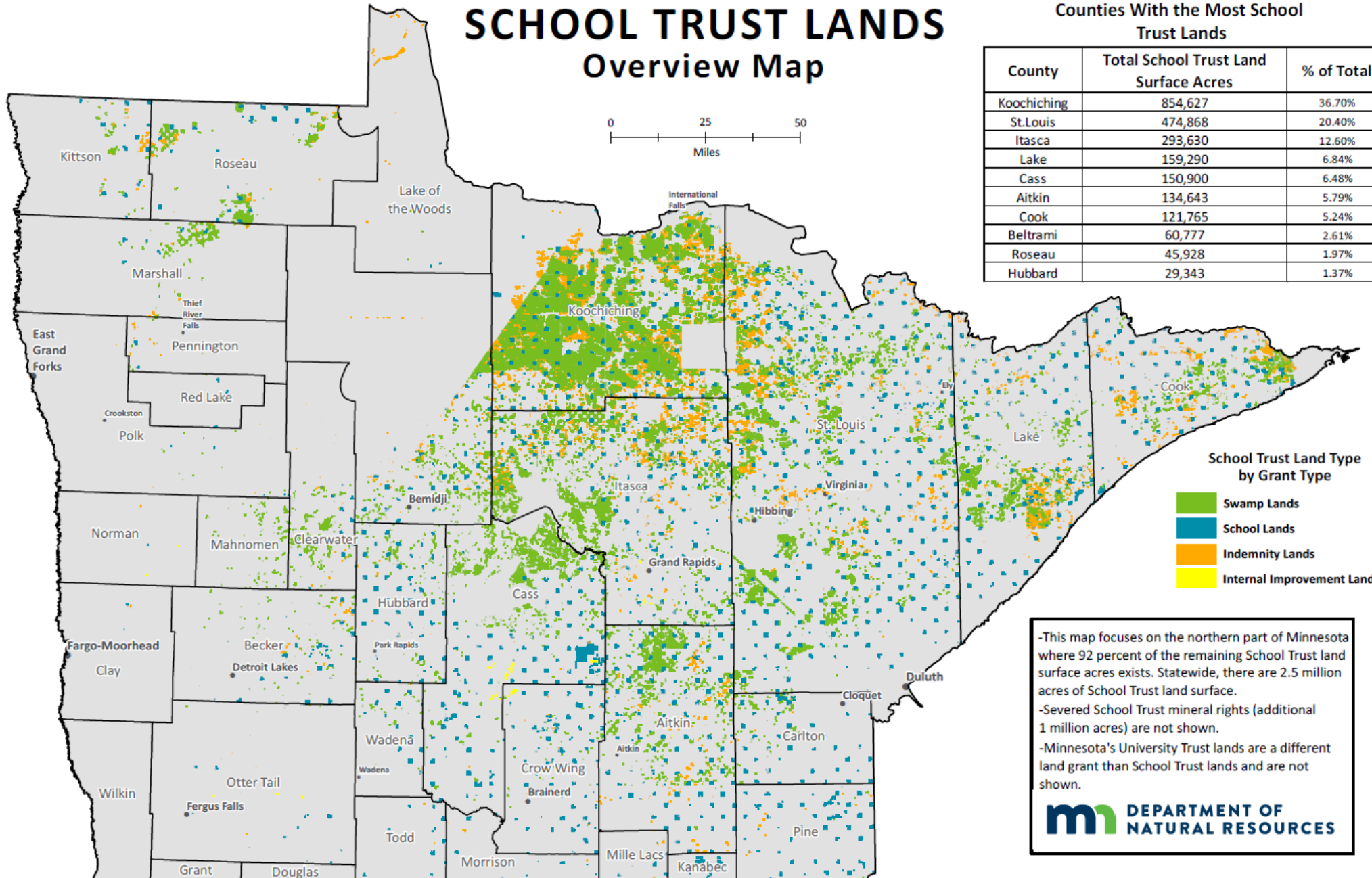
2.8 million acres of timberlands



SCHOOL TRUST LANDS Overview Map

Counties With the Most School Trust Lands

County	Total School Trust Land Surface Acres	% of Total
Koochiching	854,627	36.70%
St. Louis	474,868	20.40%
Itasca	293,630	12.60%
Lake	159,290	6.84%
Cass	150,900	6.48%
Aitkin	134,643	5.79%
Cook	121,765	5.24%
Beltrami	60,777	2.61%
Roseau	45,928	1.97%
Hubbard	29,343	1.37%



-This map focuses on the northern part of Minnesota where 92 percent of the remaining School Trust land surface acres exists. Statewide, there are 2.5 million acres of School Trust land surface.

-Severed School Trust mineral rights (additional 1 million acres) are not shown.

-Minnesota's University Trust lands are a different land grant than School Trust lands and are not shown.

mn DEPARTMENT OF
NATURAL RESOURCES

Trust Lands

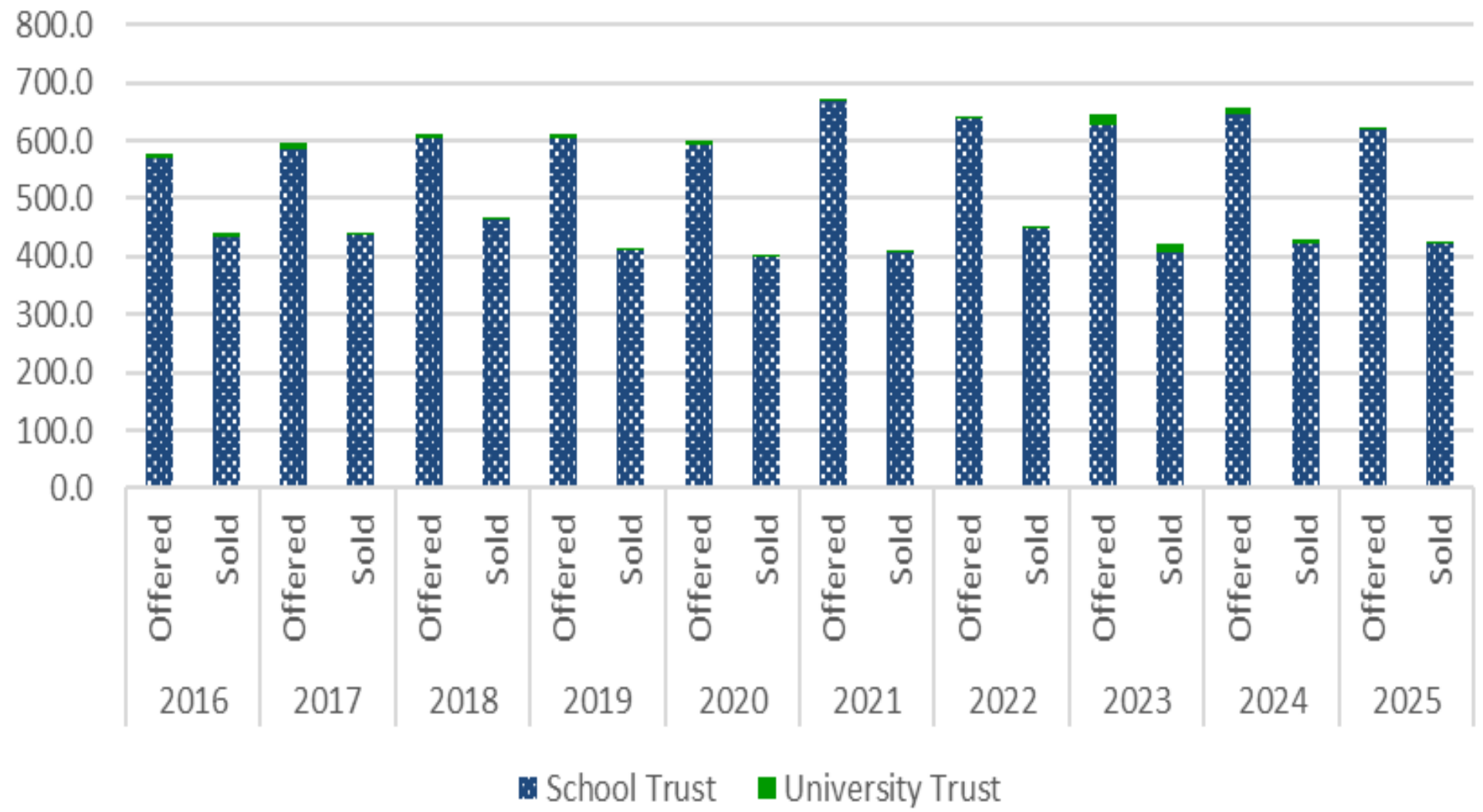
2.5 million
acres total

1.5 million
acres of
timberlands

Aspen,
hardwoods,
pine, spruce,
tamarack,
wetlands,
and lakes

Trust Land Timber Sales

Total Volume Offered and Sold (Thousand Cords)



Trust Lands

Offered 624,000 cords (all products, all species)

Sold 425,300 cords

Sell rate of 87%

Qualifying Revenues

Qualifying revenues are dollars generated by forest management activities

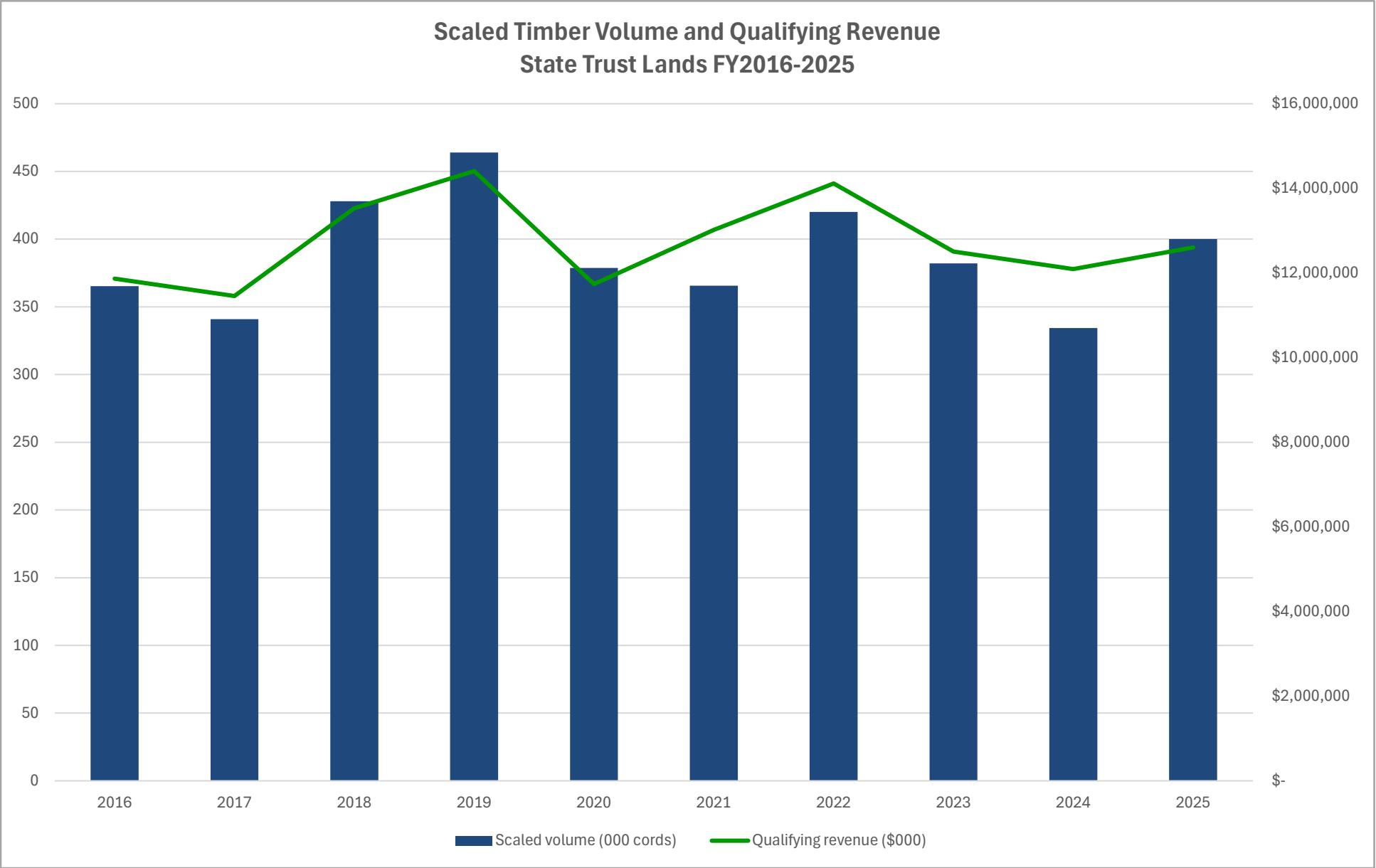
Activities include timber permit sales, timber harvest permit interest and penalties, and revenue from resource access permits, surface leases, and easements

FY2025 qualifying revenue from state trust lands: \$12.7 million



Trust Lands

Harvested
400,100 cords
with a value of
\$11.2 million



Certified Expenditures

Certified expenditures come from

1. Planning, implementing, and monitoring DNR forest management activities on trust lands, including timber permit preparation and sale, harvest supervision, forest management planning, forest inventory, and state forest road maintenance
2. Administrative services provided by DNR include human resources, procurement, accounting, leadership, facilities, information technology, and other staff-support costs

Total certified expenditures: \$19.9 million



Revenue vs Expenditures

Timber Markets

- Demand for wood products has declined, with stagnating markets
- Mill closures and reduced construction demand lowered sales and prices
- Market recovery depends on stronger consumer demand

Costs & Inflation

- Requirements for sustainable forest management continue to grow
- Rising labor, fleet, and contracting costs
- Inflation is reducing timber sale returns

DNR Cost Accounting

- DNR certifies all costs required by statute
- New method improves consistency, transparency, and accountability



Why Is Trust Land Forest Management Important?

Long-term perspective –

- Forest management operates on 50 to 100+ year timelines
- Aspen rotations are about 50 years; black spruce exceeds 100 years

Forest Health – active management addresses current and emerging forest health threats

Timber Harvesting – key tool to create forest disturbance and maintain a healthy age-class mix

Fuels Reduction – diverse, actively managed forests help reduce wildland fire risk and intensity

Support Local Economies – management of trust lands supplies wood that supports loggers and mills in communities like Solway, Bemidji, Grand Rapids, International Falls, Two Harbors, and Grand Marais and all points in between

**DNR Forest Health Specialist Rachael Dube,
Training Event on Emerald Ash Borer Site
South of Remer, Minnesota**



What is K-12 Education Getting from Trust Land Forest Management?

Minnesota's K-12 system funded from many sources, including interest from the corpus of the trust and forest-industry economic activity

Trust lands supply about 15 percent of the fiber used mills in our state - this activity supports roughly 10,000 jobs and generates about \$44 million in state tax revenue

Forest products businesses are cornerstone employers in communities that rely on a stable supply of wood-fiber



Thank You – Questions?