

Protection and Advocacy Committee Meeting Packet

Tuesday, October 8, 2024; 10 a.m. – 12 p.m.

Anchor Location: 310 S Main St., Suite 1275, Salt Lake City, Utah, 84101

Zoom access:

<https://us02web.zoom.us/j/5893447457?pwd=QTRWN3VLUloxaXNpTjNnWGVoZXNtdz09>

The agenda will be as follows:

- 1) Welcome and call meeting to order
- 2) Chairman's report
- 3) Approval of minutes: July 9, 2024
attached, exhibit (A) pages 2-6
- 4) Calendar and confirmation of meeting dates
attached, exhibit (B) page 7
- 5) Stakeholder and public input
The committee will set aside 15 minutes at the committee meeting to hear from anyone wishing to speak. Each presenter is allowed one opportunity and has up to three (3) minutes for remarks. If joining by Zoom, please use the "raise hand" feature at the bottom of the screen, in order to be called upon to provide comment.
- 6) Trust System reports
 - a) TLAC, Paula Plant
 - b) SITFO, Peter Madsen
 - c) Trust Lands Administration, Michelle McConkie
 - d) Protection & Advocacy Office
 - i) Deena Loyola-Merrill
 - (1) Constitutional amendment campaign update
 - ii) Jessie Stuart
 - (1) FY 2025/26 distribution update and discussion
 - (2) FY 2026 Protection & Advocacy Office budget review
 - (3) Action Item: DHRM Rule R477-8-3; Exercise Release Time Policy
 - iii) Kim Christy
 - (1) Audit response update
 - (2) Miners Hospital update
- 7) Closed Meeting – Annual Review of Protection & Advocacy Office Director
The Committee may enter a closed session pursuant to Utah Code §53D-2-202.1(c) for the Annual Review of the Protection & Advocacy Office Director
- 8) Adjourn

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations during the meeting may notify the Protection & Advocacy Office at (385) 315-1892 or Jpstuart@utah.gov

Draft Minutes

Land Trusts Protection & Advocacy Committee

Tuesday, July 9, 2024 | 10 a.m

Anchor Location: 310 S Main St., Ste. 1275, Salt Lake City, UT 84101

In-Person Participants:

Richard Ellis, Advocacy Committee Chair
Paula Plant, Advocacy Committee Vice Chair
Louie Cononelos, Advocacy Committee
Roger Barrus, Advocacy Committee
Brad Benz, Advocacy Committee
Kim Christy, Advocacy Office Director
Deena Loyola-Merrill, Advocacy Office
Communications Specialist
Chris Pieper, Assistant Attorney General

Ania McGrath, Communications and
Outreach Programs Manager, OST
Kirt Slaugh, Deputy State Treasurer, OST

Zoom Participants:

Peter Madsen, SITFO Director
Jessie Stuart, Advocacy Office Assistant
Director
Michelle McConkie, TLA Director
Mike Johnson, TLA Chief Legal Counsel

1. Call meeting to order

Meeting called to order by Chair Ellis at approximately 10:00 a.m.

2. Chairman's report

Chairman Ellis reported on his and Mr. Cononelos' reappointment to serve on the Advocacy Committee for a second term. Chairman Ellis was reappointed by the Treasurer Oaks and Mr. Cononelos was reappointed by the Trust Lands Administration (TLA) Board of Trustees.

3. Approval of minutes

Ms. Plant requested the clarification be made to the April 9th, 2024, minutes: The School Children's Trust noticed 1/3 of "charter" schools were not receiving LAND Trust Funds in a timely manner due to program requirements not being met. With the correction made, Ms. Plant motioned to approve the April 9, 2024, meeting minutes. Mr. Benz seconded. The vote was unanimous in the affirmative.

4. Calendar and confirmation of meeting dates

Upcoming meeting dates for Trust System entities were provided in the packet. The next Advocacy Committee meeting will be October 8th, 2024 at 10:00 a.m.

5. Stakeholder and public input

No public input was provided.

6. Trust System reports

a) Trust Lands Advisory Committee (TLAC) Report

Ms. Plant noted the new hire of Marcus Chen to fill the training specialist position at the School Children's Trust (SCT). Ms. Plant reported that Ms. Bennett, Compliance Specialist at SCT will send distributions to schools later this week for the 2024-2025 school year. Ms. Plant commended her team and was pleased to report that nearly all schools will be receiving their funds except for only 4 charter schools (2 new) and 8 district schools (1 new). This has been the best outcome SCT has had at this stage in the process. These schools still have an opportunity to receive funding in August if they are able to meet the program requirements. SCT will continue to work with these schools to get their distributions sent out.

Mr. Christy commended the efforts of Ms. Plant and her team to streamline processes and communication flow with schools.

Ms. Plant reported that TLAC identifies an area of improvement each year. Based on compliance reviews and risk analysis, it was determined that this year's focus will be to provide support and training to schools to ensure charter and school community councils are properly seated.

Lastly, Ms. Plant noted that Carolyn White, who previously served as a Beaver School Board Member for 16 years and serves on TLAC was able to attend the TLA board tour. She had a very positive and informative experience and looks forward to reporting to TLAC at their next meeting.

b) SITFO Report

Mr. Madsen noted personnel changes, including the task to fill the deputy CIO position. Mr. Madsen spoke highly of SITFO internship program.

Plans for the SITFO summit, scheduled for December 2-3 were outlined.

Mr. Madsen provided a budget and performance update. SITFO was significantly under budget for the FY 24 year. Director Madsen noted the SITFO team still does not have a full team based on their projections made in 2020. The SITFO Board of Trustees approved the requested budget for FY 26 which had no changes from FY 25.

Mr. Madsen outlined the performance of the fund, indicating that the fund is at \$3.6 billion. The biggest challenge is making sure SITFO has the bandwidth to review as many good opportunities as possible that are presently available.

Mr. Benz inquired about the distribution amount that will be going out, which is \$117 million. Mr. Christy noted that with the passage of the constitutional amendment, distribution will increase. Mr. Slaugh inquired if enough will be distributed even with the passage of the amendment. Mr. Madsen referred to the modeling and analysis that was done as part of the inter-generational equity study.

c) Trust Lands Administration (TLA) Report

Ms. McConkie informed the Advocacy Committee that John Baza was appointed to serve on the TLA Board of Trustees, replacing Dave Donegan. His term will officially begin in August. The TLA Board of Trustees will also select a new board chair and vice chair during their August meeting.

Ms. McConkie noted personnel changes, including the hire of a second law enforcement officer and an environmental manager. The environmental manager will be a liaison with DEQ, work on site inspections and make sure the lessees are compliant, as well as provide training to staff that may not have regulatory or scientific qualifications.

Ms. McConkie provided a summary update on the June Board Tour in Beaver County. An overview of the tour parcels was outlined, including Eagle Point Resort, a former Boy Scout of America shooting range that has recently been remediated, and a few forest health projects led by Adam Robison to showcase TLA stewardship in the area. The biggest comment/feedback from the tour was to expand the opportunity for others to join TLA tours. The board will be touring Washington County in October, with a focus on real estate development. Those invited to attend will be expanded to include legislators in the area, TLAC members and other stakeholders.

Ms. McConkie reported that social media efforts are ramping up the number of stories on how schools are utilizing money, and how money is generated on the land which has resulted in an increase of social media followers. Ms. McConkie mentioned Castle Solar in Huntington, Utah is having a ribbon cutting on July 17th. TLA will have an opportunity to make some remarks along with county representatives and will also be highlighted on social media.

Ms. McConkie reported that as of May 2024 revenue for TLA was near \$122 million. It is anticipated that FY 24 revenue will be near a total of \$130 – 135 million as end of year transactions get recorded. The real estate portion of that is near 53.6 million, with oil and gas portion being near \$40 million.

Mr. Benz asked what the recurring revenue is vs. one-time sales. Ms. McConkie explained that a little more than half of incoming revenue would be recurring, and real estate development is mostly one-time sales. Mr. Barrus asked what revenue group solar is classified under. Ms. McConkie reminded the group that the Minerals, and the Oil and Gas groups were combined to make one group called: Energy and Minerals. This is where solar revenue is recorded. Solar and geothermal are a small percentage of the overall revenue but are both growing and anticipate bringing in more revenue in the near future.

Ms. Plant inquired if there are fires near TLA property in Beaver. Ms. McConkie stated that there are currently no major fires on trust land in the area. Mr. Christy noted that TLA is recognized as one of the leading entities in the state in terms of their skills and resources in approaching forest health. Mr. Christy informed the group that he was invited to join Adam Robinson to view the success of the aspen regeneration program on Tabby Mountain. Ms. McConkie also noted the success of the program to aid in forest health and fire suppression. Sale of timber from the area has also brought in some revenue.

d) Protection & Advocacy Office (Advocacy Office) Report

Constitutional amendment campaign update:

Ms. Loyola-Merrill provided an update on the constitutional amendment campaign. The Protection & Advocacy Office is sharing campaign messaging at the Show Up for Teachers Conference, PTA Conference, Rural Schools conferences.

The amendment is anticipated to be lettered in August. The office is currently in the process of identifying stakeholders, securing support, creating speaking points, drafting letters to the editor, designing graphics and tailoring communication assets for various stakeholders. The landing page on the website will also be helpful to spread messaging. Once lettered, communications efforts will be shifted to social media as well.

Ms. Loyola-Merrill commended Kira Bennett with SCT for providing the needed distribution data to generate communication assets specifically tailored for districts, schools and other stakeholder groups.

Mr. Christy and Ms. Loyola-Merrill have been able to meet with PTA president Corey Fairholm. The PTA is engaged and excited to help promote the campaign.

Mr. Christy noted the several stakeholder groups that have offered their formal endorsement of the amendment, including the Utah State Board of Education, Utah Office of State Treasurer, Utah PTA, Utah School Boards Association, Superintendents Association, and Rural Schools Association. Several others are pending.

The Advocacy Committee discussed the challenge of keeping separation of the State School Fund Distribution Cap Increase Amendment from the Constitutional Requirement for Education Funding amendment, which is unrelated to the Trust. Ms. Loyola-Merrill informed the group that the office is working on graphics and additional information that help simplify and distinguish the messaging for stakeholder groups such as the PTA and UEA where they support the amendment on raising the distribution cap but not the other amendment.

The Advocacy Office and Committee also discussed leveraging endorsement from business coalitions. Mr. Cononelos highlighted the importance of either getting endorsement from the Utah Taxpayer Association or at least maintaining a neutral position from the association. Mr. Cononelos also noted the importance of educating the public on the campaign, data indicates that voters are more likely to vote “no” if they don’t know about it.

Mr. Madsen noted the comments from Mr. Slauch and Mr. Cononelos that they feel the cap is too low. Mr. Madsen briefly explained the distribution policy and intergenerational equity analysis and offered to circulate that analysis to the group again.

Utah’s Trust System news digest update:

Ms. Loyola-Merrill updated the Advocacy Committee on the new look and feel of the daily news digest. A similar digest goes out once a week to legislators which includes a summary of the week’s news stories and other highlights happening within the Trust System.

FY 24 expenditures and budget review:

Mr. Christy reminded the Advocacy Committee of the \$165,000 FY 24 supplemental budget request that was granted from the legislature, primarily to accommodate a third full time employee. This request was also accompanied by the ongoing additional \$120,000 for FY 25 to accommodate the additional employee. Primarily due to staff changes, and Ms. Loyola-Merrill coming on part time on a temporary basis to cover the vacant communications specialist position, the office was under budget \$80,000. No further funding requests are anticipated.

Legislative update and interim focus:

Mr. Christy reported that contact with legislators will continue to be part of the overall constitutional amendment campaign effort. The office will also continue to work collaboratively with leadership of the Trust System and education community to provide Trust System overview to legislators as has been done historically.

Creation of subcommittee to explore potential amendments to statute:

Mr. Christy reminded the committee of the possibility of legislation to address committee structure changes as brought forward by Mel Brown and Margaret Bird last year. In addition, the office is currently undergoing a legislative audit and has met with the audit team to verbally review preliminary results. Mr. Christy highlighted the following notes as preliminary recommendations from the meeting: Beneficiaries should have stronger accountability on how distributions are spent, there needs to be clarification on the office’s role to provide Trust System oversight, and a deeper dive needs to take place to identify any necessary changes to statute to clarify the offices’ role along with the creation of administrative rules. The office’s legislative and beneficiary outreach was noted at the preliminary

audit meeting as a strength. It was suggested that a legislator be identified to work with in preparing potential changes in the next session (potentially Scott Sandall). Mr. Christy suggested formulating a subcommittee to address these issues. Mr. Barrus, Ms. Plant and Mr. Cononelos were selected to serve on that committee.

With the exception of public education and Schools for the Deaf and Blind, Mr. Cononelos shared concern over beneficiary transparency and accountability of trust fund distribution use. Mr. Christy noted Miners Hospital has note-worthy transparency regarding their use of distributions.

A written draft of the audit will be provided to the office in the near future.

Litigation update from Legal Counsel

Assistant Attorney General, Chris Pieper, provided a litigation update regarding the lawsuit from Ute Tribe case against SITLA and other parties. Mr. Pieper kept the discussion to the information available in the court order which is a public record. The Advocacy Committee remained in open session. Mr. Peiper reported that the judge dismissed the vast majority of the claims. Mr. Peiper provided a brief summary of each of the claims dismissed. The next steps will be to obtain an amended complaint from the Ute Tribe. The remaining issues will move forward at a district level.

Adjourn

Mr. Cononelos moved to adjourn. Ms. Plant seconded. The vote was unanimous in the affirmative.

Trust System Calendar Dates

This information is provided for the convenience to track key dates and meetings related to the School and Institutional Trust Lands System for the next several months. Dates are subject to change.

Land Trusts Protection and Advocacy Committee

Committee Meetings are typically held the second Tuesday of January, April, July and October at 10am

Tuesday, January 14, 2025	10am-12pm
Tuesday, April 8, 2025	10am-12pm
Tuesday, July 8, 2025	10am-12pm

School and Institutional Trust Lands Administration

Board of Trustee Meetings typically held the third Thursday of every month at 10 am

Wednesday-Thursday, October 23-24, 2024	Board Tour & Meeting	Washington County
Thursday, November 21, 2024	10am-1pm	
Thursday, December 19, 2024	10am-1pm	
Thursday, January 16, 2025	10am-1pm	
Thursday, February 20, 2025	10am-1pm	

School and Institutional Trust Funds Office (SITFO)

Board of Trustee meetings are typically held the ninth Tuesday after quarter-end at 9am

Monday - Tuesday, December 2-3, 2024	SITFO Summit	Midway, The Zermatt
Tuesday, March 4, 2025	9am-4pm	

Trust Lands Advisory Committee (TLAC - Advisory to USBE)

Committee Meetings typically held the third Monday of every month at 12 pm

Monday, October 21, 2024	12pm-2pm
Monday, November 18, 2024	12pm-2pm

Other Significant Dates

Tuesday, October 15, 2024	8:30 am EOCJ Appropriations Subcommittee
Tuesday, November 5, 2024	General Election
Tuesday, January 21, 2025	First Day of Legislative General Session
Friday, March 7, 2025	Last Day of Legislative General Session