

Approved Minutes

Land Trusts Protection & Advocacy Committee

Tuesday, April 8, 2025, 10 a.m.–12 p.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
Marlo Oaks, Utah State Treasurer
Kim Christy, Advocacy Office Director
Jessie Stuart, Advocacy Office Assistant Director
Liz Mumford, Advocacy Office Program Manager
Paul Tonks, Assistant Attorney General
Margaret Bird, member of the public

Zoom Participants:

Brad Benz, Advocacy Committee
Peter Madsen, SITFO Director
Michelle McConkie, TLA Director
Marla Kennedy, TLA Director of Communications
Cindy Lowe, JJYS

1. Call meeting to order

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

2. Chairman's report

Chairman Ellis commended the Advocacy Office efforts during the legislative session, noted the successful annual report, and ongoing work of the Advocacy Office Study Group. Tom Bachtell will be replacing Chris Pieper on the study group as the trust legal expert. Paul Tonks was introduced as the office's new AG replacing Justin Anderson.

3. Approval of minutes

Mr. Cononelos motioned to approve the January 14, 2024, meeting minutes. Ms. Plant 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 public packet. Study group dates are also included in the exhibit.

5. Stakeholder and public input

Margaret Bird expressed appreciation for the work of the office, acknowledging the evolution of the trust and noting that in the early days establishing a clear understanding of fiduciary duty was a considerable challenge. Commented that the work of the Advocacy Office is pioneering the protection and interests of the beneficiaries.

6. Annual GRAMA/OPMA training

Paul Tonks, Assistant AG provided GRAMA and OPMA training for the Advocacy Committee.

7. Trust System reports

Trust Lands Advisory Committee (TLAC) Report:

Ms. Plant reported on the significant growth in School LAND Trust distributions from \$7.4 million in 2003 to \$101.8 million in 2023. Less than a quarter of those funds were spent on school personnel in 2003, 75% of distributions in 2023 supported school personnel. English Language Arts remains the top academic focus, with funding now following students across K–12, particularly to support English Language Learners (ELL).

Mr. Benz inquired if it should be 75% of School Trust distributions that go towards paying for staff or if schools would get a better return on utilizing it on technology. Ms. Plant noted that technology is the second largest expense, and spending is determined per individual school in order to implement the goals they have set.

Mr. Barrus commented that it is the unique and extracurricular and enrichment opportunities at schools that make the biggest impact and believes that school trust funding should not be expected to fill the gaps (i.e. staffing needs) that should be covered through traditional education funding. Ms. Plant noted that it is up to the School Councils on how funds are utilized.

Mr. Cononelos inquired about the portion of public education funding that comes from the school trust funds. It was noted that less than 3% of public education funding is derived from the Trust.

Ms. Plant outlined new procedures to limit carry-over and ensure compliance and that funds are being used on today's students. She also provided updates on the appointment of new TLAC members and shared the committee's priorities for the 2025–2026 year, which include reviewing the code and rules governing the School LAND Trust Program and making recommendations to the Utah State Board of Education (USBE).

The legislature approved funding for the website and one additional staff position for the School Children's Trust (SCT) Office. Ms. Plant also noted that SCT funding is generated from interest accrued in a 'Trust Distribution Account' held by the Utah State Board of Education (USBE) while funds await disbursement to schools. It has recently come to the attention of SCT that the accumulating interest in this account is not being monitored. SCT will be assessing the situation and report back once more information is available. It may require a code change in the event more interests accumulates than is needed to operate the office.

Additionally, Ms. Plant noted that during the legislative review process for HB 483 she provided a fiscal note indicating when the Advocacy Office was created two employees were taken from SCT to fulfill advocacy responsibilities. The funding for two employees was not put into the fiscal note for HB 483 which proposed to repeal the Advocacy Office. Ms Plant noted that it is important to recognize that advocacy for the Trust takes time and people.

SITFO Report:

Mr. Kulig provided an update on the SITFO organizational chart, noting that an offer has been extended to a candidate expected to begin within the next month, along with an offer to fill an intern position. He expressed satisfaction with the quality of talent being attracted to the team.

He also reported that SITFO has remained under budget for the current fiscal year and informed the Advocacy Committee that the office's budget appropriation was approved during the recent legislative session. The SITFO Board voted to retain consultant services from both Albourne and RVK. A performance update on the permanent funds as of February 28, 2025, was presented. The total fund value stands at \$3.8 billion, reflecting a decrease of 0.21 basis points since the last update.

Trust Lands Administration (TLA) Report:

Ms. McConkie reported on the completion of the federal Dingell Act land exchange. TLA traded lands out of sensitive areas while being able to acquire lands that have much better revenue-producing potential exclusively for the benefit of the public schools trust. Ms. McConkie noted a recent visit to Washington, D.C., where a ceremonial signing took place with Secretary Doug Burgum, Governor Cox, and Senator Curtis.

TLA wrote a recent press release regarding an investigation conducted by SITLA law enforcement of an incident of illegal dumping of toxic wastewater near trust lands in Rich County. Ms. McConkie emphasized TLA's commitment to protecting trust resources and how this experience serves as a clear example that such actions do not go without repercussions.

TLA will hold surface land sale auctions in April and June. The agency's revenue for the year is similar to last year at this time with \$95,000 million (\$46 million real estate revenue, \$27 million oil and gas revenue).

Protection & Advocacy Office (Advocacy Office) Report:

180-Day Audit Response:

As part of the audit follow-up process, agencies are required to submit a 180-day audit response. The Advocacy Office submitted a response memo that focused on distribution accountability by beneficiaries, office governance and administration, and study group efforts to generate statutory change.

The audit response requires a status report of implementation of audit recommendations. Most of the audit recommendations for the Advocacy Office are partially implemented, or in progress with many dependent on the outcome and process of the study group. The office anticipates a second follow-up (365-day review) in August from (for?) the auditor's office.

The office has put together a strategic plan utilizing elements that the Advocacy Committee and office have historically put together in other settings. The strategic plan focuses on vision, mission and core values and performance measures of the office.

Chair Ellis commented that the proposed strategic plan would provide a nice framework pending statutory changes in the 2026 legislative session. Mr. Ellis entertained a motion to endorse the strategic plan as the guiding framework for our activities and initiatives pending statutory changes in the 2026 legislative session. Ms. Plant motioned to approve, and Mr. Barrus seconded. The vote was unanimous in the affirmative.

Study Group Updates:

Ms. Mumford provided an update on the Advocacy Study Group, reminding the Advocacy Committee of the study group composition, meeting framework with the anticipated topics to cover and expected deliverables concluding the work of the study group for October. Liz, noted the next meeting is April, 14th, and explained the tentative agenda items.

Beneficiary Subcommittee:

A beneficiary subcommittee was formed to discuss needs as addressed in the audit. The group met three times during the legislative session with engagement from all beneficiary stakeholder groups. The subcommittee interests will be represented by Carl Empey who serves on the study group as the non-public education beneficiary representative.

Beneficiary recommendations for statutory changes as well as proposed distribution accountability requirements were shared with the committee (reference slides 23-24 of the 'Combined Slides' deck found on the Public Notice Website). In addition, a beneficiary survey was conducted which revealed the top 5 most valued services from the Advocacy Office, providing insights on what the office is doing well

and what it can improve upon.

Gap Analysis

A gap analysis was completed by AG Justin Anderson and will be presented at the April 14th study group meeting.

Legal Subcommittee

A legal subcommittee has also be formed to focus on legal dimensions of the Advocacy Office within the Trust System statute and has met three times since January.

Stakeholder Meetings

The office has been engaging with several stakeholder groups (see slide 28 of the 'Combined Slides' deck on the Public Notice Website). Each meeting has provided unique perspectives and valuable feedback on potential adjustments and improvements as we move forward.

SITLA/SITFO Nominating Committee Update:

Ms. Stuart updated the Advocacy Committee that the interviews for SITLA and SITFO Board members have been completed. Two SITFO board nominees have been submitted to Treasurer Oaks for final interviews and selection. Two SITLA Board nominees have been submitted to the Utah Governor's Office for selection and finally senate confirmation.

Policy Handbook:

The office is currently developing a framework for a comprehensive Policy Handbook. While the outcome of the study group and the 2026 Legislative Session remains uncertain, creating a functional framework and relevant policies now will strengthen governance and support consistency in operations. Chair Ellis asked about the need to establish rules for the office. Establishing rules for the office is not necessary with the office's current responsibilities, but could change in the future if the responsibilities to monitor beneficiary distribution spending be added.

Stakeholder Engagement and Communications Update:

Ms. Stuart highlighted the office's opportunity to meet with PTA leadership. PTA is engaged and enthusiastic about continuing to build a strong partnerships as we advocate for the success of the trust together and enhance advocacy efforts. Additional communication projects include an updated Trust System video to be used by SCC's, and added FAQs page to the website.

2025 Legislative Session Debrief

Mr. Christy provided a summary of legislative bills and action relevant to the Trust including HB 483, thanking the Committee and stakeholders for running defense on the portions of the bill that proposed to repeal the Advocacy Office.

The legislature appropriated \$50 M from the Public Education Economic Stabilization Account for the purchase of large land blocks along with ongoing funding from the Wildlife Land and Water Acquisition Account, also to be used for land block acquisitions (related to HB 262 from 2024 session).

HB 51 eliminates the need for Miners Hospital to provide an annual report to the legislature regarding the administration and operation of the Miners' Hospital.

Miners Hospital Beneficiary Update

In the November Natural Resources, Agriculture & Environment Interim Committee the Miners Hospital was tasked to coordinate with the Utah Mining Association to enhance how they can best use distributions and asked to provide recommendations to the interim committee in the May 2025 meeting. The Advocacy Office has been in close contact with Miners Hospital in preparation for the May presentation as well as helped connect Miners Hospital with Rep. Watkins, Senator Hinkins, and Rep. Brooks for preliminary conversations on the matter.

Ms. Bird expressed concern that HB 262 could represent a breach of fiduciary trust. In response, Mr. Christy explained that the bill had undergone thorough review by the Advocacy Office, the TLA, and legal counsel, and had been endorsed by beneficiaries. He clarified that HB 262 does not apply to all large land blocks and that the TLA Board of Trustees is required to review and approve of such sales. He emphasized that the reason the bill had the office's and beneficiaries' support was because it ultimately provides a pathway for monetizing underperforming land assets allowing the proceeds to be invested and yield stronger revenues for beneficiaries.

Adjourn

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