

Draft Minutes

Land Trusts Protection & Advocacy Committee

Tuesday, July 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
Brad Benz, Advocacy Committee
Kirt Slaugh, Utah State Treasurer Office
Jessie Stuart, Advocacy Office Assistant Director
Liz Mumford, Advocacy Office Program Manager
Laura Smith, School Children's Trust
Stephanie Barber-Renteria, Trust Lands
Administration (TLA)
David Pendergast, Trust Lands Advisory Committee
(TLAC)

Zoom Participants:

Paul Tonks, Attorney General's Office
Ryan Kulig, SITFO Operations Manager
Brittany Griffen, Utah State Treasurer Office
Cindy Lowe, JJYS
Jenn Kramer, Miners Hospital
Sheri Mattle, PTA Trust Lands Specialist

1. Call meeting to order

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

2. Chair's report

Chair Ellis acknowledged the work of the Advocacy Office Study Group and the correlated work of the legal subcommittee to be discussed in detail further into the meeting.

3. Approval of minutes

Mr. Benz motioned to approve the April 8, 2025, meeting minutes. Mr. Barrus 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.

5. Stakeholder and public input

No public comment was received.

6. Trust System reports

Trust Lands Advisory Committee (TLAC) Report:

Ms. Plant introduced her new full-time employee–Lara Smith and spoke highly of her experience and value she will bring to the School Children's Trust Office (SCT).

Update was provided on outgoing distributions to schools for the 2025-2026 school year. As of July 4th, 91% of schools were eligible to receive funding, \$98 million out of the total \$111 million will be distributed during the later part of the second week of July. The SCT will continue working with the

remaining schools and coordinating distributions as requirements are met.

A challenge has emerged regarding distributions to charter schools that have expanded and created another location in addition to charter schools that have consolidated. While the current distribution formula and administrative rule provide guidance for “new schools,” these scenarios fall into a gray area, as expanded schools are technically not considered a new school. The SCT will continue to examine how distributions should be addressed going forward.

Ms. Plant provided an update on the interest that has accumulated in the Trust Distribution Account at USBE. Each quarter, SITFO sends distributions from the Public School Trust to this account, where the funds remain until they are distributed to individual schools the following year. In the meantime, the account earns interest. While the interest is intended to fund the School Children’s Trust (SCT) Office, the office only uses what the Legislature specifically appropriates. As a result, interest earnings have accumulated over the past decade, totaling around \$43 million without oversight or direction for use.

Currently, there is no statute that allows for excess interest in this account to be returned to the permanent fund. However, proposed statutory changes from the Advocacy Office’s Study Group would allow for a reduction in the annual distribution to a trust beneficiary if excess funds are already being retained. This could provide a solution by reducing an upcoming year’s distribution by the amount of excess interest held in the account, effectively balancing it out. This solution will be dependent on if the proposed statutory changes pass during the 2026 legislative session.

Mr. Slauch inquired about the possibility of distributing the funds to schools as opposed to moving it to the permanent fund, which would also require some sort of legislative change.

Additionally, Ms. Plant informed the Advocacy Committee that during the last legislative session, it was decided that the Utah Schools for the Deaf and the Blind (USDB) would be placed under the State Board of Education rather than operating as a separate entity, effective July 1. As part of this transition, two audits were authorized: one to help the State Board prepare to assume financial responsibilities, and a legislative audit. There have been several questions about USDB’s trust revenue sources. Legal questions are being addressed with assistance from Paul Tonks. Ms. Plant expressed thanks to those in the Trust System that have been helpful in providing information to address the questions that have come up. The transition became effective July 1.

SITFO Report:

Mr. Kulig provided an update on the SITFO organization chart noting that Angelique Pappas joined in May as the Deputy Chief Investment Officer. SITFO is currently seeking to fill an investment analyst position.

Board member Mr. David Nixon’s term ended in June 2025; Rakhi Patel has recently been appointed and will serve a term from July 2025-June 2031.

Mr. Kulig provided a budget update; the agency operated under budget for the fiscal year by about \$1.5 million, largely driven by staff vacancies.

SITFO recently implemented a new performance and risk management tool, FOS, which has slightly changed the way portfolio summaries are presented. As of April 2025, the combined permanent funds total \$3.8 billion.

Trust Lands Administration (TLA) Report:

Ms. Barber-Renteria, managing director over Energy & Minerals, presented TLA's report to the Advocacy Committee.

The Spring and Summer auction was a major success. Eight properties were auctioned (1,985 acres), generating \$2 million in revenue.

The regular June mineral auction was also a success, which included 34 auction parcels of oil and gas leases as well as a few metalliferous leases. Mostly parcels are located in the Uintah Basin. The auction generated a total of \$1.1 million.

Ms. Barber-Renteria reported year-to-date revenue totals of \$129.9 million as of May 2024, noting that final year-end figures are still pending. Revenue contributions include \$59 million from the Development Group, \$54 million from Energy and Minerals, and \$17 million from the Surface Group.

Chair Ellis inquired about the projects contributing to the Development revenue. Ms. Barber-Renteria confirmed several projects in Washington County were key contributors, including Deseret Color, Green Springs, Coral Canyon, and Sienna Hills. The Northwest Quadrant Sale also contributed significantly, generating approximately \$10 million.

Ms. Plant inquired about the Wildcat Loadout Facility that has been in the news as well as the proposed railroad in the Uintah Basin to improve transportation of oil, gas and other natural resources from the region and if those things will help improve revenue generation for TLA. Ms. Barber-Renteria confirmed that more infrastructure will only help the current interest already in the Basin. Mr. Cononelos inquired about the status of the Uinta Basin Railroad proposal. Ms. Barber-Renteria noted the recent Supreme Court decision and its return to the permitting phase, acknowledging additional challenges are likely. She also indicated that she would get back to Mr. Cononelos regarding another question he had on whether all rights-of-way have been secured.

Brian Tarbet has recently been appointed to the TLA Board of Trustees and will be completing orientation on July 14th. Staffing updates were also provided including the hiring of a new executive assistant, an IT employee who will help with the business system, and an employee to fill the vacancy on the Energy and Minerals team in the Vernal office.

Protection & Advocacy Office (Advocacy Office) Report:

Adoption of Proposed Advocacy Policies:

Ms. Stuart reminded the Advocacy Committee that as part of the April 8, 2025 Advocacy Committee meeting, the office has actively begun the process of developing internal policies to establish clear, consistent guidance in fulfilling office duties.

Included in the July 8, 2025 meeting packet were five proposed policies that have been reviewed and vetted by Chair Ellis, Vice-Chair Plant, and Assistant Attorney General Paul Tonks.

Ms. Stuart provided a general summary of each of the five policies including: The Preface to the Handbook, Remote Work, GRAMA Requests, Electronic Meetings, and Beneficiary Communications, all of which are outlined in the memo included in the July 8th Advocacy Committee packet.

Ms. Stuart noted that in reference to the GRAMA Policy, a new fee schedule will not need to be adopted for the Advocacy Office due to the Office of the State Treasurer having an adopted fee

schedule that would also apply to the Advocacy Office.

Mr. Cononelos inquired about when the Advocacy Committee goes into a closed executive session how protected that discussion is. Mr. Tonks confirmed that it is very protected except through a court order, or some government sharing provisions. Legislative auditors also have broadened access as experienced in the last completed legislative audit of the office. Ms. Mumford noted that as we continue to work through developing applicable policies, there will be a policy specific to the Advocacy Committee that includes guidelines about open and closed meetings. Ms. Stuart further commented that the Advocacy Office cannot disclose information that is 'restricted by GRAMA or other applicable statute' as noted in the GRAMA Requests and Beneficiary Communications Policies.

FY 25 Expenditure Review and FY 26 Budget Review:

Ms. Stuart provided an overview of FY 25 expenses and an overview of the allocated FY 26 budget. Ms. Stuart noted personnel costs were higher-than-anticipated in FY 25 due to various dynamics including multiple transitions in personnel and hiring more experience than initially budgeted for due to the demands that took place with Amendment B and Study Group but anticipate remaining under the overall budget for FY 25.

The FY 26 budget accurately reflects current salaries and team experience. Anticipated reductions in travel, reduced need for legal (AG) costs and communications/media expenses will help ensure all office expenses are met within the allocated FY 26 budget.

Beneficiary Influence and Input to Trustee Rule and Policy

During the 2024 Legislative Session, HB 262 was passed allowing TLA to sell or lease large land blocks (over 5,000 acres) with significant public and recreational value to the DNR at market value. TLA was tasked to create rules to guide this process.

TLA closely involved the Advocacy Office throughout the drafting process. The Advocacy Office engaged with beneficiary institutions for feedback. The Office appreciates TLA's responsiveness to the input from the Advocacy Office and on behalf of beneficiaries. With the incorporated feedback, the office was supportive of the sale and lease rule amendments that guide the sale of large land blocks to DNR moving forward.

Mr. Cononelos inquired of Ms. Barber-Renteria with TLA if they have been receiving push-back on this process to sell to DNR as opposed to a more competitive process. Ms. Barber-Renteria confirmed there had been some and was happy to follow up with Mr. Cononelos after.

Communications & Outreach

Ms. Stuart informed the Advocacy Committee of the multiple communications and outreach events the office has participated in or will be attending, including the May PTA Leadership Convention where the office hosted a booth and conducted a workshop on the Trust System and LAND Trust Funds, the Show Up for Teachers event on July 10th, and the Canyons School District New Teacher Event on August 4th. Each has been a valuable opportunity to share information about the Trust Lands System and how the funds benefit schools.

The Trust System Overview Video has been completed which explains the Trust System and beneficiaries in under 3 minutes. The video will be available in multiple settings including: the website,

SCC and Charter Trust Land Council Training, Utah PTA Newsletter, and the Advocacy Office quarterly newsletter. Ms. Plant noted that this video is the first piece on LAND Trust funds used in principal trainings.

Study Group Updates

Ms. Mumford gave a thorough overview of the progress made by the Trust System Beneficiary Advocacy Study Group since the last Advocacy Committee meeting in April.

She shared that the outcomes of the May Study Group meeting clearly signaled support for preserving an independent Land Trust Protection & Advocacy Office through a redline of the existing statute.

A Legal Subcommittee has developed initial statutory recommendations, presented in the form of a redlined draft of the current code, which was shared with the full Study Group. Work continues on several key statutory concepts in preparation for the next Study Group meeting in August.

Through the process, the key elements guiding the work is of 'What is in the best interest of the beneficiaries, direction from the Study Group and recommendations from the audit. While many audit recommendations rely on legislative action, the Study Group process is developing a strong solution that provides the Legislature with the tools and feedback needed to address the audit findings effectively.

Ms. Mumford highlighted key focus areas of the redlined statute, including:

- Structural changes
- Clarified purpose and role of the Advocacy Office
- Clarifications related to OPMA and GRAMA
- Rulemaking and communication between governing bodies
- Distribution and accountability for institutional beneficiaries
- Clarified director responsibilities
- Impact on other statutes, including those governing TLA and SITFO

In August, the Study Group will review the draft and consider endorsing a final version. A tentative meeting may be held in September to address any additional revisions and to consider sponsorship for formalizing a bill file, if a formal bill request isn't filed beforehand. Although no meeting is planned for October, the group will report to the Transportation & Infrastructure Appropriations Subcommittee and may pursue an interim committee endorsement.

Beneficiary Updates

Ms. Mumford informed the Advocacy Committee of several updates pertaining to the trust beneficiaries:

- Colleges of Education: The College of Education Trust distributions, which are based on graduation rates and distributed annually each summer, have recently been released to each college.
- Utah State University (USU): Joseph Jenkins now serves on the Study Group as the institutional beneficiary representative. In addition, USU continues to express a strong interest in resolving quantity grants that have been outstanding since statehood.
- College of Mines and Earth Sciences (CMES): Due to budget cuts in higher education, the CMES is at risk of being impacted. While the University of Utah has not issued a final recommendation, the college has been identified as an area under consideration for cuts. After a meeting between the Advocacy Office, Mr. Cononelos, and Dean Sandick, the Advocacy Office feels cautiously optimistic that CMES will remain secure.

Mr. Cononelos commended the Advocacy Office for its work in engaging with beneficiaries and raising awareness of the Trust and each institution's connection to it.

He noted historical relationships between the Trust Lands Administration and the University of Utah have been strained, with past university presidents believing funds from the College of Mines Trust should support the university as a whole. There has been growing understanding that trust funds designated for specific beneficiaries must remain with those beneficiaries. Mr. Cononelos expressed confidence that Dean Sandick understands the trust funds belong specifically to CMES and its mining-related studies—not to broader university initiatives—and is comfortable that she will advocate for both the College and the integrity of the Trust.

- **Miners Hospital:** Miners Hospital was required to report to the Legislature in May and delivered an excellent report outlining progress in services and outreach to miners.
- **Public Schools:** The Advocacy Office has engaged with the State Board of Education to help build understanding and relationships. While not immediately relevant, Ms. Mumford noted that during discussions surrounding Senator Lee's portion of the "Big Beautiful Bill," which involved federal land sales, the Advocacy Office communicated clearly with the Senator's office that Article X of the Utah Constitution requires that 5% of net proceeds from the sale of United States public lands within the state be deposited into the Permanent State School Fund. This provision remains an important point to keep in mind should future land sales be proposed.
- **Utah Schools for the Deaf and Blind:** Utah Schools for the Deaf and Blind is undergoing a significant audit, as referenced earlier in Vice-Chair Plant's report, and the Advocacy Office will continue to monitor its progress.

Unclaimed Property Utah Code 75-1-105

In cases where individuals with mineral interests pass away without any heirs, Utah law provides that public schools may become the beneficiaries of those financial assets. In such instances, any associated assets transfer to the Trust Lands Administration (TLA) for management. A copy of the statute was included in the Advocacy Committee packet for reference. Some stakeholders have suggested that this provision could result in significant revenue for public schools.

Conversations have taken place between the Office of the State Treasurer's Unclaimed Property Division, TLA the Advocacy Office, and several industry and legal experts involved in drafting the statute. There is interest in exploring a pilot program to assess the economic viability of pursuing these unclaimed properties. However, a better understanding of the potential scale and impact is needed before moving forward.

Strategic Planning

In addition to the Study Group processes and ancillary projects of the office, the Advocacy Office remains committed to staying in alignment with the adopted strategic plan and office's mission to advance the rights and interests of the trust beneficiaries through accountability, relationship building, information sharing and advocacy. The office is implementing FY26 performance measurers, operating within budget with no planned requests, instituting robust new policies and procedures and applying audit recommendations and study group feedback.

Adjourn

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