

Advocacy Council Meeting

Tuesday, August 11, 2026; 10:00 a.m. - 12:00 p.m.

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

Zoom Access: <https://utah-gov.zoom.us/j/5893447457>

AGENDA

- 1) Welcome and Call Meeting to Order **10:00 a.m.**
- 2) Introduction of New Advocacy Council Members
 - a) Oath of Office for Council Members and Director
Administered by Treasurer Marlo Oaks
- 3) **Action Item:** Adoption of Advocacy Council Terms, *page 3*
- 4) **Action Item:** Approval of Minutes
 - a) April 14, 2026, *pages 4-7*
 - b) July 28, 2026, *page 8*
- 5) Advocacy Council Chair's Report
Presenter: Chair Richard Ellis
- 6) Calendar and Confirmation of 2026/27 Meeting Dates, *page 9*
- 7) Stakeholder and Public Input
The council will set aside 15 minutes at the council meeting to hear from the public. Each presenter has up to three minutes for comment. If joining by Zoom, please use the "raise hand" feature at the bottom of the screen, in order to be called upon.
- 8) Annual Training: GRAMA, OPMA, Conflicts of Interest, *pages 10-12* **10:25 a.m.**
Presenter: Paul Tonks, Assistant AG
- 9) Trust System Reports **10:45 a.m.**
 - a) School Children's Trust, USBE
Presenter: Paula Plant, Director, School Children's Trust
 - i) Distribution Update
 - ii) Leadership Transition
 - b) School and Institutional Trust Funds Office **10:50 a.m.**
Presenter: Ryan Kulig, Finance and Operations Officer, SITFO
 - i) Quarterly Update
 - ii) AI Strategy
 - c) Trust Lands Administration **11:00 a.m.**

Presenter: Michelle McConkie, Director, TLA

- i) Quarterly Update
- ii) TLA Audit Response

10) Advocacy Office Reports 11:10 a.m.

a) Office Operations

Presenter: Liz Mumford, Director

- i) Quarterly Dashboard, *page 13*
- ii) Performance Measures, *pages 14-15*
- iii) Human Resources
- iv) Budget Review, *pages 16-19*

b) Communications

Presenter: Jessie Stuart

- i) Rebrand and Office Website Update
- ii) Outreach Activity

c) Beneficiary Representation and Advocacy

Presenter: Liz Mumford, Director

- i) Council Duties, *pages 21-23*
- ii) Discussion: Strategic Plan Update, *pages 24-25*
- iii) Future Large Land Block Sales: Advocacy Office Role
- iv) Discussion: Dissolution of the Public Buildings Trust, *pages 26-29*
- v) Discussion: Future Council Topics
- vi) **Action Item:** Proposed Administrative Rule
 - (1) Institutional Beneficiaries Distribution Accountability, *pages 30-34*

11) Adjourn 12:00 pm.

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

AGENDA ITEM 3

Adoption of Advocacy Council Terms

SCHOOL AND INSTITUTIONAL TRUST BENEFICIARIES' Advocacy Council Membership

TERMS AND BACKGROUND



Richard Ellis, Chair

Term: September 1, 2024 - June 30, 2028

Appointed by: Utah State Treasurer

Background: Financial administration, public treasury management, state policy, strategic planning, former Executive Director of my529.



Louie Cononelos

Term: September 1, 2024 - June 30, 2028

Appointed by: Trust Lands Administration

Background: Mining industry management, government and corporate relations, academic instruction, strategic consulting, former Trust Lands Administration Trustee.



Sylvia Read

Term: July 1, 2026 - June 30, 2027

Appointed by: Advocacy Council

Background: Educational leadership, teacher preparation, academic administration, Associate Dean at Utah State University.



John Andrews

Term: July 1, 2026 - June 30, 2029

Appointed by: Advocacy Council

Background: Public land law, natural resources, mineral and energy development, legal governance, former Trust Lands Administration Associate Director and Chief Legal Counsel.



Dave Donegan

Term: July 1, 2026 - June 30, 2030

Appointed by: Trust Lands Administration

Background: Oil & natural gas exploration, production and midstream operations, former Trust Lands Administration Trustee.



Mark Waite

Term: July 1, 2026 - June 30, 2030

Appointed by: School & Institutional Trust Funds Office (SITFO)

Background: Institutional investment management, portfolio strategy, endowment oversight, financial governance, former SITFO Board of Trustees Nominating Committee member.



Paula Plant

Term: Ex Officio Council Member - Director of the School Children's Trust

Background: Director of the School Children's Trust at USBE administering the School LAND Trust program; key contributor in shaping current Trust System policy and governance.

AGENDA ITEM 4

Approval of Minutes

Minutes of April 14, 2026
School and Institutional Trust Beneficiaries' Advocacy Council
Anchor Location: 310 S Main Street, Ste 1275, Salt Lake City, UT 84101; Zoom

Attendees:

Committee Members Attending: Richard Ellis, Paula Plant, Louie Cononelos, Brad Benz, Roger Barrus,
Advocacy Office: Liz Mumford, Program Manager; Jessie Stuart, Assistant Director, Todd Jensen, AG's' Office
Office of State Treasurer: Kirt Slauch, Chief Deputy State Treasurer
Trust Lands Administration Staff: Michelle McConkie, Director; Stephanie Barber-Renteria, Deputy Director; Mike Johnson, Chief Legal Counsel; Chris Fausett, Deputy Director
SITFO: Ryan Kulig, Finance and Operations Officer
School Children's Trust Staff: Kira Bennett, Compliance Specialist
Members of the Public: Sheri Mattle, PTA Trust Specialist; Margaret Bird, Advocates for School Trust Lands

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

2. Chair's report & Recognition of Kim Chrity and Roger Barrus: Chair Ellis highlighted the successful legislative session and the passage of SB 43, then noted the progress being made on the SITLA Board nominating process and the ongoing search for a new director to succeed the Kim Christy who has retired.

The committee took time to honor former director Kim Christy, and Roger Barrus for his service on the Advocacy Committee. Mr. Christy and Mr. Barrus were presented with commemorative gifts in recognition of their service to the Advocacy Office and beneficiaries of the trust. In their parting remarks, both emphasized that the success of the office was a team effort and noted was the strength of the current governance structure of the Trust System and expressed confidence in the trajectory forward.

3. Approval of minutes & Calendar: Mr. Cononelos motioned to approve minutes from January 13, 2025. Mr. Barrus seconded. The vote was unanimous in the affirmative. Upcoming meeting dates for Trust System entities were provided in the packet. The Advocacy Office meetings will be held in the months February, May, August and November moving forward.

4. Trust System reports:

Trust Lands Advisory Committee (TLAC) Report

Ms. Plant provided an update on the status of annual school reports and compliance initiatives. Nearly all schools (over 1,000 total) have submitted their final reports for the prior year. Only two schools remain outstanding. The office has successfully reduced the number of schools with excessive funding carryover. Previously, 160 schools carried over more than 10% of their budgets. By implementing a new policy where non-compliant schools must reallocate excess funds to other compliant schools within their district, the number of non-compliant schools has been significantly reduced to just 33.

To further support compliance, the office is putting more emphasis on digital training. Marcus Chen is developing Canvas courses tailored to school administrators that will be available this summer. This digital

approach aims to provide proactive training before the school year begins, supplementing ongoing on-site outreach at events like the PTA conference.

Trust Lands Administration (TLA) Report

Director McConkie provided a financial update and a briefing on key legislative bills from the session. Fiscal year-to-date revenue has reached over \$118 million. Oil and gas royalties saw a significant increase of the past month from \$3.5 million in February to \$9 million in March (largely due to world events). SITLA is on track to meet or exceed the previous year's total revenue of \$142 million.

SB 21 *Geothermal Amendments* addressed the ownership of geothermal resources. While the legislation generally classifies geothermal as part of the surface estate, SITLA successfully secured a clarification that geothermal resources remain part of the mineral estate for trust lands. This provision protects the revenue potential for beneficiaries, particularly in cases of "severed estates" where SITLA owns the mineral rights but not the surface.

HB 64 *School and Institutional Trust Lands Amendments* addressed the preservation of culturally or scientifically significant sites on trust lands. The bill was tabled, and the preservation of Promise Rock will be handled through an administrative process instead. TLA is placing greater emphasis on relationships with countries to find win-win outcomes that allow for collaborative planning while maintaining its fiduciary mandate to the beneficiaries.

SITFO Report

Mr. Kulig updated the committee on staffing, budget, and portfolio performance. He highlighted that SITFO has grown to 17 members (13 full-time and 4 part-time) and summarized recent hires and internal role expansions. Expenses through February remain under the forecasted budget for the fiscal year. This is primarily due to personnel vacancies in the first half of the year.

Investment performance as of Q4 2025:

- Growth: The portfolio is currently valued at approximately \$4.5 billion, representing a growth of roughly \$600 million over the last six months.
- Benchmarks: Five-year performance remains aligned with the policy benchmark of CPI + 5%. The portfolio showed - strength over the one-year period, outperforming the benchmark by 275 basis points.
- Asset Performance: Real assets - outperformed (by over 1,000 basis points), driven by strong commodity prices.
- Risk & Volatility: Portfolio risk remains well below the benchmark. Early estimates for Q1 2026 suggest the portfolio held up well during recent market drawdowns, down only 2–3%, which is consistent with its defensive design.
- Compliance: All asset allocations and liquidity constraints remain within approved compliance ranges.

Protection & Advocacy Office (Advocacy Office) Report:

Operational and Compliance Updates:

Ms. Stuart provided a quarterly operational and compliance update via the office dashboard, highlighting that all office performance measures are currently being met, and the office is forecasted to remain under budget through fiscal year end. She also briefed the Committee on the third 180-day audit follow-up response, noting that the passage of SB 43 successfully implemented several key recommendations.

Office Rebrand:

With the passage of SB 43, the office name will formally transition to the School & Institutional Trust Beneficiaries' Advocacy Office (Advocacy Office). Discussion by those in attendance emphasized that the office name in the logo and other communication assets should include the possessive apostrophe after "Beneficiaries.'" This reinforces the office's identity and mission to represent and advance the rights and

interests on behalf of the beneficiaries and aligns with statute.

The rebranding effort will also align the Advocacy Office with a statewide visual rebrand directed by the Governor's Office. Although the Advocacy Office is a subdivision of the State Treasurer's Office and not legally mandated to follow executive rebranding, adopting the universal Utah logo strengthens the office's credibility and immediate recognition as a state entity.

Furthermore, the office continues to make progress towards ADA Title II standards, ensuring that digital assets, including a new website and digital assets that are accessible to individuals with visual or auditory disabilities.

SITLA and SITFO Nominating Committee Update:

SITFO and TLA nominating committee processes are moving forward on schedule. The SITFO Board Nominating Committee forwarded nominees to the State Treasurer, Marlo Oaks, for final selection. The TLA Board Nominating Committee will complete their process to select nominees in April and forward selected nominees to Governor Spencer Cox for consideration.

General Legislative Session 2026 Outcomes:

Key bills as summarized in the meeting materials were reviewed with the Advocacy Committee. The Committee engaged in a discussion regarding the Public Education Economic Stabilization Restricted Account. While legislation proposed by Representative Neil Walter to establish permanent guardrails and a dedicated education trust did not pass, it will likely be studied during the interim session.

During the report, member of the public, Ms. Bird, raised concerns regarding the constitutionality of utilizing income tax revenue from this account for non-educational purposes, specifically citing the \$50 million transfer to the Department of Natural Resources for trust land acquisitions. She proposed the necessity of seeking an Attorney General opinion on if a such transfer is constitutional. The Advocacy Office will consider consulting with the AG's office on the matter.

Ms. Mumford also noted that the office will monitor potential impact of carbon credits on future trust revenues and will be an item to monitor during the interim.

Roadmap of SB 43 Implementation:

Ms. Mumford provided a detailed briefing on the implementation of SB 43. To support this transition, the office has developed a comprehensive project roadmap in a working document to track statutory, operational, and administrative tasks through March 2027.

SB 43 also formally transitions the current Committee to a seven-member Council, adding two seats appointed by the Council with the State Treasurer's consent: an at-large member and an institutional beneficiary representative. Mr. Slauch requested clarification on what the Treasurer's "consent" function entails. The Advocacy Office will develop a protocol to coordinate these appointments with the Treasurer. To maintain institutional knowledge and avoid significant turnover in a single year, the office proposed a staggering schedule for the initial Council terms.

Public Building Trust Update:

Ms. Mumford provided historical background on the Public Buildings Trust and discussed potential solutions

for its dissolution, given its limited remaining assets. The Public Buildings Trust is not a permanent fund and does not make distributions; it currently holds a balance of approximately \$147,000. The Advocacy Office will continue coordinating with TLA and the Capital Preservation Board to develop a formal request for the Advocacy Council to consider at a future meeting.

5. Closed Session

Following the conclusion of the general reports, Mr. Cononelos moved to enter into closed session pursuant to Utah Code § 52-4-205(1)(e) to discuss the sale of real property in connection with H.B. 262 of the 2024 General Session, and pursuant to Utah Code § 52-4-205(1)(a) to discuss the character and professional competence of individuals being considered for service on the School and Institutional Trust Beneficiaries Advocacy Council and for the Advocacy Director position interviews. Ms. Plant seconded. The vote was unanimous via roll call. The Committee entered closed session at approximately 11:25 am.

6. Action Item on Advocacy Director Nominees

Upon reconvening in open session, Mr. Cononelos moved to submit the names of Liz Mumford and Dillon Hoyt to the State Treasurer for consideration for appointment as the Advocacy Office Director. Mr. Benz seconded the motion, and the vote was unanimous in the affirmative.

7. Adjourn

With no further business to discuss, Mr. Cononelos motioned to adjourn, Mr. Benz seconded, the vote was unanimous in the affirmative. Meeting adjourned at approximately 1:25.

Draft Minutes of July 28, 2026
School and Institutional Trust Beneficiaries' Advocacy Council
Anchor Location: 310 S Main Street, Ste 1275, Salt Lake City, UT 84101; Zoom

Attendees:

Committee Members Attending: Richard Ellis, Paula Plant, Louie Cononelos, Mark Waite, Dave Donegan

Advocacy Office Staff: Liz Mumford, Director; Jessie Stuart, Assistant Director

Members of the Public: Mara Hammer, PTA Trust Specialist; Sherri Mattle

1. Call to Order and Meeting Overview: The Advocacy Council was called to order at 10 a.m.

2. Oath of Office for Newly Appointed Advocacy Council Members: State Treasurer Marlo Oaks administered the Oath of Office for the newly appointed council members Dave Donegan and Mark Waite.

3. Motion to Enter Closed Session: A motion was made to move into closed session to discuss nominees for appointment by the Advocacy Council. Mr. Donegan moved to enter closed session, and Ms. Plant Paula seconded the motion. The vote was unanimous with all members present voting in the affirmative.

4. Action Item to Appoint Two New Members to the Advocacy Council: The Advocacy Council reconvened in open session following the executive closed session.

Mr. Cononelos moved to appoint Sylvia Read to represent the institutional trust beneficiaries; Mr. Waite seconded the motion. The vote was unanimous with all members present voting in the affirmative.

Mr. Donegan moved to appoint John Andrews as the individual with experience relevant to trust beneficiary issues and noted his extensive 30-year professional history with the trust. Mr. Cononelos seconded the motion. The vote was unanimous with all members present voting in the affirmative.

5. Adjournment: The next meeting is scheduled for August 11. Ms. Plant moved to adjourn, Mr. Donegan seconded the motion. The vote was unanimous with all members present voting in the affirmative. The meeting adjourned at approximately 10:35 a.m.

AGENDA ITEM 6

Calendar and Confirmation of 2026/27 Meeting Dates

Trust System Calendar Dates

This information is provided for the convenience to track key dates and meetings related to the School and Institutional Trust 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 February, May, August and November at 10am

Tuesday, August 11, 2026	10am-12pm
Tuesday, November 10, 2026	10am-12pm
Tuesday, February 9, 2027	10am-12pm
Tuesday, May 11, 2027	10am-12pm

School and Institutional Trust Lands Administration

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

Thursday, August 20, 2026	9am-12pm
Thursday, Sept. 17, 2026	9am-12pm
Thursday, October 22, 2026	9am-12pm
Thursday, November 19, 2026	9am-12pm

School and Institutional Trust Funds Office (SITFO)

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

Tuesday, Sept 1, 2026	9:00-1:00 p.m.
Thursday-Friday, Dec. 3-4, 2026	SITFO Summit

Trust Lands Advisory Committee (TLAC - Advisory to USBE)

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

Monday, August 17, 2026	12pm-2pm
Monday, Sept 21, 2026	12pm-2pm
Monday, Oct. 19, 2026	12pm-2pm
Monday, Nov. 23, 2026	12pm-2pm

AGENDA ITEM 8

Conflict of Interest Forms

ADVOCACY COUNCIL
Certification of Completion Form

Name:	Appointment/Hire Date:
Position:	

I, _____ (please print name), hereby certify the following:

1. That I have reviewed the Advocacy Council Conflict of Interest Policy and other laws as required by the Advocacy Council Conflict of Interest Policy.
2. To the best of my knowledge and belief, I am in compliance with the Advocacy Council Conflict of Interest policy and with the laws contained, but not limited to UCA Title 67, Chapter 16, Utah Public Officers' and Employees' Ethics Act and will carry out my duties as a member of the Advocacy Council in full compliance thereof.
3. To the best of my knowledge and belief, I have completed the Conflict of Interest and Disclosure form, listing positions or interests that may engender a conflict of interest in my ability to carry out my duties as a member of Advocacy Council now or in the future.
4. That if at any time I have knowledge or belief that I have a conflict of interest with a particular matter of business, may create the appearance of impropriety by voting on or discussing any particular transaction, or cause to arise any other circumstance that would call into question my ability to comply with the requirements set forth the Advocacy Council Conflict of Interest Policy, that I will inform the Advocacy Council Chair. A determination will then be made as to whether I should recuse myself from a particular matter, whether I should be on the Advocacy Council, or whether another action may be appropriate to assure compliance with the Advocacy Council Conflict of Interest Policy.

Signature:	Date:
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ADVOCACY COUNCIL
Disclosure of Conflict of Interest Form

Name:	Appointment/Hire Date:
Position:	

Please describe any relationship, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a conflict of interest:

_____ I have no conflict of interest to report.

_____ I have the following conflict of interest to report. Please specify any conflict of interest in which you have financial, professional, or other personal considerations or interests which may directly or indirectly affect their judgment in exercising your duties or responsibilities for the Advocacy Council or Office.

1. _____

2. _____

I hereby certify that information set forth above is true and complete to the best of my knowledge.

Signature:	Date:
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AGENDA ITEM 10.a.i

Advocacy Office Reports: Quarterly Dashboard

OFFICE PERFORMANCE MEASURES FY2027

Beneficiary Representation:

90% Annual Visits and Surveys Completed

Annual Report:

Published by Dec. 30, 2026

Legislative Outreach:

95% of Targeted Meetings Completed

Timely Reporting:

90% Reports Distributed On Time

OFFICE BUDGET FY2027

Expenditures to Date vs Total Budget

\$39,107 vs. \$712,400 as of 7/31/2026

BENEFICIARY OVERVIEW

Trust Beneficiary	FY2025 Fund Balance	FY2026 Distribution
Public Schools	\$3,760,557,677	\$133,551,631.10
Miners Hospital	\$116,750,701	\$4,294,587.08
College of Mines	\$31,027,719	\$721,286.71
Utah State University	\$30,988,077	\$862,129.28
Reservoirs	\$29,215,773	\$932,055.14
Schools for the Blind	\$27,709,963	\$1,208,573.47
University of Utah	\$16,313,442	\$592,420.46
Juvenile Justice & Youth Services	\$12,317,544	\$283,373.95
Utah State Hospital	\$11,983,814	\$379,995.41
Colleges of Education	\$10,609,146	\$429,232.72
Schools for the Deaf	\$5,814,929	\$200,981.54
Public Buildings	\$147,337 -managed at OST	0

*based on SITFO FY2025 audited financial report

FY2028 Advocacy Office: Performance Measures

Background: The Utah Legislature enforces annual performance measures for state agencies and institutions by tying operational metrics directly to the state budget and appropriations process under Utah Code § 63J-1-903.

- Line Item Performance Measures: Intent language in annual appropriations bills requires institutions to establish long-term performance metrics for ongoing budget line items. Progress is reported annually to assess overall efficiency and program effectiveness.
- Reporting: Institutions submit their performance data annually to the Legislative Fiscal Analyst (LFA) and the Governor's Office of Planning and Budget (GOPB). These metrics are published publicly in the Compendium of Budget Information (COBI) to inform legislative budget decisions for the upcoming session.

Proposed Line Item Performance Measures

1. Beneficiary Representation

This measure focuses on our engagement with the trust beneficiaries, ensuring that communication assets and office interactions translate into meaningful value for trust beneficiaries.

- Measure Description: The percentage of beneficiary institutional representatives actively engaged through annual site visits and office interactions, alongside their reported satisfaction with the office's customer service.
- Methodology: Internal tracking of annual site visits, calls, meetings, and an annual beneficiary satisfaction survey.
- FY2028 Target: 85% engagement rate (based on an average of 2 factors)
 - Advocacy Office outreach activities to beneficiary institutions, and
 - Satisfaction rate in an annual survey of beneficiary representatives.

2. Accountability and Compliance

This measure captures our oversight responsibilities, including the distribution accountability requirements, the review of policies and transactions at trustee agencies, and adherence to reporting deadlines to stakeholders.

- Measure Description: The percentage of significant trustee transactions and policies reviewed, institutional distribution compliance checks completed, and reports delivered within established timelines to ensure accountability across the system.

- Methodology: Internal tracker of established deadlines vs. actual completion dates for completed by established deadlines.
- FY2028 Target: 90% timeliness rate (based on total of three categories)
 - Transaction and policy reviews
 - Distribution compliance checks
 - Reports and notices delivered

3. Fiduciary Training

This measure tracks our education mandate, ensuring that new legislators, beneficiary liaisons, trustees, Advocacy Council members, and Advocacy Office staff understand their roles for good governance.

- Measure Description: The completion rate of trust principles and fiduciary training for designated system stakeholders and the orientation of newly elected state legislators regarding their trustee role.
- Methodology: Internal training log and legislative meeting records.
- FY2028 Target: 90% completion rate (based on an average of 3 subgroups)
 - 25 legislators annually on a rotational basis with a focus on a newly elected legislators and governing subcommittee members
 - New beneficiary liaisons and new trustees at TLA and SITFO
 - Advocacy Council members and office staff annually

Potential Legislative Intent Language:

The Legislature intends that the School and Institutional Trust Beneficiaries' Advocacy Office report on the following performance measures for its line item: (1) Beneficiary Representation (Target = 85%); (2) Accountability & Compliance (Target = 90%); and (3) Fiduciary Training (Target = 90%)

AGENDA ITEM 10.a.iv

Advocacy Office Reports: Budget Review

Advocacy Office

Annual Budget & Financial Review

FY2026 Completed Review • FY2027 YTD Status • FY2028 Proposal

Financial Summary (FY26 – FY28)

Expense Category	FY26 Budget	FY26 Tentative Final	FY27 Budget	FY27 YTD Actual	FY28 Proposed
AA Personnel Services	\$537,300	\$523,539	\$543,000	\$20,262	\$559,290
BB Travel / In State	\$8,900	\$1,418	\$3,700	\$102	\$3,811
CC Travel / Out of State	\$13,100	\$2,213	\$4,300	\$4,236	\$4,429
DD Operating Expenses	\$129,100	\$70,022	\$140,800	\$14,039	\$145,024
EE Data Processing	\$11,200	\$29,845	\$20,600	\$469	\$21,218
Total	\$699,600	\$627,037	\$712,400	\$39,107	\$733,772

FY2026 Fiscal Year Review: PENDING FINAL REPORT

-  **10.4% Overall Budget Surplus:** Expended \$627,037 against a \$699,600 authorization, generating a **\$72,563 surplus**.
-  **Personnel Vacancy Savings (AA):** Personnel actuals (\$523,539 vs \$537,300 budget) were driven by position vacancies following the Director transition.
-  **Operating Efficiencies (DD):** Operating expenses closed at \$70,022 vs \$129,100 budgeted, while addressing portions of the rebranding and updating office computers and printer.
-  **Direct Beneficiary Value:** Unused budget is returned to SITFO to be invested in the beneficiaries' permanent funds.

FY2027 Year-To-Date

Current Fiscal Year Budget Status

Initial tracking aligns with annual recurring commitments and office staffing.

\$39,107

YTD Spending (Budget: \$712,400)

Out-of-State Travel (CC)

\$4,236 actuals vs \$4,300 budget (98.5%): Front-loaded costs due to Q1 national conference registrations and travel commitments.

Personnel Services (AA)

\$20,262 actuals vs \$543,000 budget: Still partially staffed following the Director transition; payroll spending is on track with standard pay period pacing.

Operating Expenses (DD)

\$14,039 actuals vs \$140,800 budget: Reflects facility rent and expected costs.

Data Processing (EE)

\$469 actuals vs \$20,600 budget: Initial software subscriptions billed; DTS costs are expected to be consistent with prior year..

FY2028 Budget Proposal



Budget Recommendation

- Proposing a minor budget increase for FY28 of 3% pursuant to guidance from GOPB regarding statewide fiscal constraints.
- Maintains current staffing level (3 FTE) and adequate operating funds to deliver mandated services.



Operational Stability

- Adjusts for inflationary increases after three years of a flat budget
- Addresses increases to council and nominating committee costs
- Supports a modest intern program
- Anticipates a rent adjustment at the end of the current lease
- Covers videography services for outreach materials and training.



Beneficiary Focus

Ensures administrative spending remains lean and disciplined, preserving services and maximum value for trust beneficiaries.



Council Consultation on Budget

This presentation is submitted to the Council for **review, advice, and strategic recommendations before submission to the Treasurer.**

In accordance with Utah Code 53D-2, a formal vote/action is not required.

Compensation ranges will be reviewed with the Office of the State Treasurer when the Comp Prep system opens up.

School And Institutional Beneficiaries' Advocacy Office Governance

53D-2-301 Advocacy office governance -- State treasurer role and duties.

- (1) The advocacy council, established in Section 53D-2-302, and the state treasurer govern the advocacy office with separate and distinct responsibilities enumerated in this chapter.
- (2) The state treasurer, acting in a fiduciary capacity to the trust beneficiaries, shall:
 - (a) appoint an advocacy director, as provided in Section 53D-2-401;
 - (b) oversee and provide administrative support to the advocacy office;
 - (c) verify compliance with reporting requirements for the advocacy director;
 - (d) submit an advocacy office budget to the Legislature; and
 - (e) have authority to approve a requested reduction in the annual distribution for an institutional beneficiary under the conditions described in Subsection 53D-2-501(4)(f), after consultation with the trust beneficiary and the advocacy director.
- (3) A cause of action may not be maintained against the state treasurer for an act or omission made in the course of exercising a duty under this chapter if:
 - (a) the act or omission is taken in good faith; and
 - (b) the act or omission is taken in a manner the treasurer reasonably believes to be in the best interests of the trust beneficiaries.

53D-2-302 Advocacy office governance -- Advocacy council creation, role, and duties.

- (1) There is created the School and Institutional Trust Beneficiaries' Advocacy Council.
- (2) The advocacy council shall:
 - (a) oversee the activities of the advocacy office and advise the advocacy director;
 - (b) establish, update, and monitor the implementation of comprehensive strategic planning for the advocacy office;
 - (c) submit advocacy director candidate names to the state treasurer subject to Subsection 53D-2-401(1)(a);
 - (d) determine the advocacy director's compensation and annually review the compensation and performance of the advocacy director as part of the council's budget review process;
 - (e) make rules for the advocacy office in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
 - (f) receive reports, including the annual report described in Subsection 53D-2-402(2)(m), from the advocacy director;
 - (g) participate on the nominating committees of the trustee agencies as described in Subsections 53C-1-203(2)(a) and 53D-1-501(2)(b); and
 - (h) develop policies and directives for the management of the advocacy office.

53D-2-303 Advocacy council -- Membership -- Meetings.

- (1) The advocacy council shall consist of the following seven members:
 - (a) two individuals the School and Institutional Trust Lands Board of Trustees appoints;
 - (b) one individual the School and Institutional Trust Fund Board of Trustees appoints;

- (c) one individual the state treasurer appoints;
 - (d) one State Board of Education staff member who administers the School LAND Trust Program, designated as described in Section 53G-7-1206; and
 - (e) two individuals the advocacy council appoints with consent of the state treasurer, including:
 - (i) one individual with experience relevant to trust beneficiary issues the advocacy council chair nominates in consultation with the chairs of the trustee boards; and
 - (ii) one individual representing the institutional beneficiaries the advocacy council chair nominates in consultation with the institutional beneficiaries.
- (2) A member of the advocacy council:
- (a) may not be:
 - (i) the state treasurer or a current employee of the state treasurer;
 - (ii) a member of the trustee boards;
 - (iii) an employee of the trustee agencies; or
 - (iv) an individual currently serving in a publicly elected office;
 - (b) shall have significant qualifications related to the purposes and activities of the trusts, such as:
 - (i) expertise related to the duties and obligations of the member's respective appointing entities; and
 - (ii) familiarity with lawmaking and legislative procedures; and
 - (c) shall demonstrate a willingness to commit time and loyalty to the purposes of the trust.
- (3)
- (a) Except as provided in Subsections (3)(b) and (c), a member of the advocacy council shall:
 - (i) serve a four-year term;
 - (ii) begin service July 1 with staggered terms to ensure that approximately half of the advocacy council is appointed every two years; and
 - (iii) take an oath of office the state treasurer administers that states:
 - "I solemnly swear to carry out my duties as a member of the School and Institutional Trust Beneficiaries' Advocacy Council with undivided loyalty to the trust beneficiaries, to the best of my abilities and consistent with the law."
 - (b) If a vacancy occurs during the course of an appointed member's term, the appointing entity shall immediately appoint a replacement for the unexpired term.
 - (c) Upon the expiration of a member's term, the individual is eligible for one consecutive reappointment by the respective appointing agency, except for the appointment described in Subsection (1)(d) which is held by virtue of the position.
- (4)
- (a) Annually, the advocacy council shall elect:
 - (i) a chair; and
 - (ii) a vice-chair who shall perform the duties of the chair in the absence of the chair.
 - (b) The chair shall faithfully represent the will of the council to the extent the council's will is consistent with state law.
 - (c) The advocacy council chair may directly contact, or be directly contacted by, the chairs of the trustee boards on trust matters.
- (5) By a majority vote, the advocacy council shall adopt and amend guidelines consistent with this section regarding council business and actions.
- (6)
- (a) The advocacy council shall meet at least quarterly, at a time set by the chair.
 - (b) The chair or any two members of the advocacy council may call an additional meeting.
- (7)

- (a) A quorum for the transaction of business is five members of the advocacy council.
- (b) Action by a majority of the quorum present constitutes an action of the advocacy council, except for the following actions which require a majority vote of the council as a whole:
 - (i) adopting resolutions;
 - (ii) approving administrative rules;
 - (iii) taking action on the request of a trustee agency; or
 - (iv) terminating the advocacy director as provided in Subsection 53D-2-401(5)(b).
- (8) An advocacy council member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
 - (a) Section 63A-3-106;
 - (b) Section 63A-3-107; and
 - (c) rules the Division of Finance makes pursuant to Sections 63A-3-106 and 63A-3-107.
- (9) The advocacy office shall provide staff support to the advocacy council.
- (10) Advocacy council members shall annually complete a conflict-of-interest disclosure statement, in accordance with the requirements of Title 67, Chapter 16, Utah Public Officers' and Employees' Ethics Act.

53D-2-304 Advocacy office -- Application of other law.

- (1) The advocacy office, council, and director shall comply with all applicable law for government records according to Title 63G, Chapter 2, Government Records Access and Management Act.
- (2) The advocacy director:
 - (a) may attend committee meetings and closed sessions of trustee boards relating to activities, policies, or transactions impacting trust beneficiaries unless attendance is refused pursuant to:
 - (i) lawful privilege;
 - (ii) other law;
 - (iii) where the information is made strictly confidential under binding contract; or
 - (iv) discussions regarding personnel, character, or competence of an individual; and
 - (b) shall maintain the confidentiality of any information shared pursuant to Subsection 53C-1-303(1)(j) and Section 53D-1-202.
- (3) Notwithstanding Section 52-4-204, and in addition to the reasons to close a meeting under Section 52-4-205:
 - (a) the advocacy council may hold a closed meeting to discuss matters addressed in a closed session of the trustee boards; and
 - (b) any information the advocacy director shares in the closed meeting from a closed session of the trustee boards, is strictly limited to information that the advocacy director can lawfully share with the advocacy council and may not include any non-public information subject to a confidentiality agreement, or any information shared in a closed session in accordance with Subsection 52-4-205(1)(a).
- (4) The applicable statutes and the policies of the trustee boards govern trust beneficiaries' direct access to meetings and records of the trustee agencies.

Enacted by Chapter 214, 2026 General Session

Vision/Mission/Values: Adopted in Fall 2025

School & Institutional Trust Beneficiaries' Advocacy Office

VISION

To ensure the integrity and impact of Utah's School and Institutional Trust System for current and future beneficiaries.

MISSION

The Advocacy Office advances the rights and interests of the beneficiaries through accountability, relationship-building, information sharing, and advocacy.

VALUES

Fidelity
Transparency

Perpetuity
Professionalism

Stewardship
Advocacy



Background:

Staff is seeking Advocacy Council input at the **goals level** as we update the strategic plan based on the statutory changes effective July 1, 2026. Please reference this chart provided by GOPB about where goals fit into the strategic plan:

GOALS	OBJECTIVES	STRATEGIES	TACTICS
Broad Qualitative Intangible Abstract Long range What You Want	Specific Quantitative Tangible Measurable Short term What You Get	The 'How' The 'Plan' Addresses the problems Focused on a specific area	Short-term Real Actionable tasks Due dates Accountability

Questions to consider for the council discussion:

How are the needs of the trust beneficiaries changing, and what new capabilities must we build to meet them?

What unique value or role does the Advocacy Office provide that no other agency in the trust system or state government delivers?

What external threats (e.g., economic shifts, policy changes, talent shortages) pose the greatest risk to the trust and how do we build resilience against them?

If the Advocacy Office could only accomplish 3 transformative outcomes over the next strategic plan cycle, what would they be?

Strategy Exercise:

Start: What new strategic initiatives must we launch to hit the vision?

Stop: What existing efforts distract from our primary values or vision?

Continue: What core operations are already thriving and need to be scaled?

Memo: Public Buildings Trust
Previously Presented to the Advocacy Council on April 14, 2026

1. Purpose

This memo outlines the rationale for the dissolution of the Public Buildings Trust. We request that the Advocacy Committee review the enclosed findings and, at the August 2026 meeting, consider making a formal request to the Trust Lands Administration (TLA) to initiate the dissolution process.

2. Rationale

After decades of minimal assets remaining in the Public Buildings Trust and limited revenue generated from those assets, it is appropriate to consider a course of action to dissolve the Trust and direct the remaining assets according to the original intent of the Utah Enabling Act. This course of action would reduce ongoing administrative burden and oversight obligations.

3. Background

History:

Under the Enabling Act, the state was allocated 64,000 acres to support the construction of legislative, executive, and judicial buildings in Utah's capital. Historically, these trust assets were managed in alignment with other trust holdings, with a documented series of transactions occurring over several decades.

In 2003, an inter-beneficiary exchange and subsequent sale of land to the Utah Department of Natural Resources generated approximately \$4.5 million. These proceeds were used to fund seismic upgrades and the restoration of the Utah State Capitol between 2004 and 2008. This action appears to have been handled administratively by TLA without specific legislative intervention.

When the School and Institutional Trust Funds Office (SITFO) was established in 2014, the Public Buildings Trust's remaining financial portfolio was considered immaterial, and no permanent fund was created. The trust fund currently remains under the administration of the Office of the State Treasurer but does not generate an annual distribution for the beneficiary.

Public Building Trust Status

Original Grant: 64,000 acres

- **Current Assets** | Managed by TLA
 - Surface Estate: .19 acres (Near Coral Canyon in WA County)
 - Mineral Estate: 7,099.63 scattered acres
- **Fund Balance** | Managed by the Treasurer
 - FY25: \$147,337
 - TLA Revenue Contribution in FY25: \$16,989
- **Annual Distribution:** None

Key Contacts:

Individuals affiliated or impacted by any changes to the Public Buildings Trust should be included in planning and communications about potential dissolution. These include, but are not limited to:

- **Beneficiary:** Capitol Preservation Board which includes key constitutional officers, legislators, and stakeholders; designated as the beneficiary liaison in SB43
- **Beneficiary Representative:** Land Trusts Protection and Advocacy Office which represents the rights and interests of all trust beneficiaries
- **Trustees:** primarily TLA and for situational awareness, SITFO
- **Fund Administrator:** Office of the State Treasurer

4. Legal Basis for Dissolution

Elements of Utah's [Uniform Trust Code](#) (UTC) suggest a framework for terminating or modifying trusts that have become administratively burdensome or have achieved their primary purpose. The TLA Board may exercise its fiduciary authority under [Utah Code § 53C-1](#) and consider the following UTC provisions:

- **Beneficiary Consent** (§ 75B-2-410, 411, 412): Allows for modification or termination upon consent, or if the court finds the trust's purposes have been fulfilled.
- **Uneconomic Termination** (§ 75B-2-414): Provides for the termination of a trust if the value of the trust property is insufficient to justify the cost of administration.
- **Trust Combination and Division** (§ 75B-2-417): Authorizes the trustee to combine two or more trusts into a single trust if the result does not impair the rights of any beneficiary or adversely affect the trust's purposes.

While the negligible surface estate is easily divested, the remaining mineral acres represent a more complex exit. The Advocacy Committee and TLA must evaluate the potential for setting a precedent that could impact the sustainability and management of the larger, active trusts. Any action must be documented as being in the best interest of the beneficiary while maintaining the integrity of TLA's broader fiduciary mandate.

Dissolution Scenarios:

To resolve the remaining assets of the Public Buildings Trust, the following liquidation strategies are proposed for evaluation:

- **Inter-Beneficiary Exchange:** Facilitate an exchange of mineral acres for surface acreage with another beneficiary and proceed with a surface sale.
- **Targeted Donation:** Liquidate the trust by donating the surface and mineral acres to a beneficiary with a mission-aligned purpose (e.g., another state institution with capital expenses).
- **Adjacency Reassignment:** Reassign the scattered mineral interests to adjacent beneficiaries to preserve mineral assets in the trust system while streamlining management.
- **Legislative Remedy:** Seek a specific legislative amendment to formally terminate the Public Buildings Trust and distribute its remaining assets by operation of law.

5. Next Steps

To effectuate the dissolution, a phased approach will ensure fiduciary and statutory requirements are met:

- **Formal Recommendation:** The Advocacy Committee may issue a formal resolution in a future quarterly meeting recommending that the TLA Board of Trustees proceed to dissolve the Public Buildings Trust.

- **Administrative & Legal Review:** Conduct a formal legal review of the original Enabling Act grant, state statute, and administrative records.
- **Approvals:** Obtain formal beneficiary consent or initiate a legislative request for a statutory remedy if necessary.
- **Trust Reconciliation:** Perform a final accounting of all surface and mineral interests. Satisfy any outstanding administrative obligations or liens.
- **Asset Distribution & Notification:** Execute the transfer of remaining property/interests to the designated entities. File final reports and public notice as required.

6. Conclusion

The Utah School and Institutional Trust system remains committed to the management of assets in perpetuity. Within this framework, the Public Buildings Trust occupies a unique position. While the system has evolved to reflect the beneficiaries in their modern state agency structures, the Public Buildings Trust has reached a distinct lifecycle phase. The administrative overhead required to steward its nominal remaining surface holdings, scattered mineral acres, and small fund balance outweighs the potential financial yield for the beneficiary.

Resolving the Public Buildings Trust represents a pragmatic approach to fiduciary efficiency rather than a retreat from the core principles. This action will neither impair the beneficiary's rights nor impede the original purposes of the enabling grant. By liquidating and directing the proceeds toward the State Capitol complex or other authorized improvements, the remaining value can be deployed toward its highest and best use for the State of Utah.

Sources:

1894 Enabling Act: Section 7 “That upon the admission of said State into the Union, in accordance with the provisions of this act, one hundred sections of the unappropriated lands within said State to be selected and located in legal subdivisions, as provided in section six of this act, shall be, and are hereby, granted to said State for the purpose of erecting public buildings at the capital of said State, when permanently located, for legislative, executive, and judicial purposes.”

2003 Agency Action: Exchange #290 between Public Buildings and Public Schools and the related sale to DNR in Washington County (see excerpt below from the 3/12/2003 SITLA Director’s Minutes)

The Public Buildings parcels total 3,556.27 acres in size and have been divided into five different areas for purposes of valuation. These five areas and associated values are as follows:

Area Name	Acres	Value
Bear Lake Block (Rich Co.)	3,118.44	\$ 538,500.00
Tooele County	240.29	\$1,680,000.00
Coral Canyon (Washington Co.)	67.00	\$1,768,000.00
Mile Post 13 (Washington Co.)	24.45	\$ 392,250.00
Section 14 (Washington Co.)	0.62	\$ 6,200.00
Undevelopable (Washington Co.)	105.47	\$ 42,188.00

The total value of Public Building Fund parcels is \$4,427,138.00.

The School Fund Parcels involved in this fund exchange total 729.05 acres in size and have been divided into five separate parcels in preparation for sale. Each of these parcels is located in the Washington County Desert Tortoise H. C. P. and will be sold to the State of Utah, Department of Natural Resources. The five parcels and associated values are as follows:

Certificate No.	Acres	Value
25673	39.67	\$ 738,720.00
25679	193.68	\$2,100,000.00
25680	60.57	\$ 632,000.00
25681	435.13	\$2,160,000.00

The total value of the School Fund parcels is \$5,630,720.00, which exceeds the value of the Public Buildings Fund parcels by \$1,203,582.00. In order to make the exchange value-for-value, each fund will receive a percentage of the value of the parcel listed under Certificate 25681. The Public Buildings Fund’s share of this parcel equals \$956,418.00 or an undivided 44.3%, which equates to 192.76 acres. The School Fund’s share of this parcel equals \$1,203,582.00 or an undivided 55.7%, which equates to 242.37 acres.

Based upon staff analysis, it is concluded that the value of the lands owned by these two beneficiaries, which will have their fund designations exchanged, is equivalent.

2014 Creation of SITFO

Beneficiary Representation and Advocacy: Proposed Administrative Rule

Institutional Beneficiaries' Distribution Accountability

Rxxx. School and Institutional Trust Beneficiaries' Advocacy Office, Administration.

Rxxx-1. Trust Beneficiary Representation and Distribution Accountability.

Rxxx-1-1. Purpose.

(1) This rule establishes the procedures and accountability requirements governing the interaction between the School and Institutional Trust Beneficiaries' Advocacy Office and trust beneficiaries.

(2) This rule defines the requirements for designating institutional liaisons, managing representation, planning acceptable expenditures, financial reporting, conducting compliance oversight, and resolving disputes.

Rxxx-1-2. Authority.

This rule is required under Utah Code §53D-2-302(e) as enacted under the School and Institutional Trust Beneficiaries' Advocacy Act, Title 53D, Chapter 2.

Rxxx-1-3. Definitions.

As used in this rule:

(1) "Advocacy Office" means the School and Institutional Trust Beneficiaries' Advocacy Office.

(2) "Advisory group" means a standing committee or focus group of stakeholders, established by a beneficiary institution, tasked with reviewing trust distribution planning that incorporates feedback from the impacted end users.

(3) "Institutional Beneficiary" means a trust beneficiary that is not subject to the School LAND Trust Program administered by USBE.

(4) "Primary Representative" means the liaison for the trust beneficiary designated in statute or their official designee.

(a) Public Schools, represented by the staff member who administers the School LAND Trust Program at the State Board of Education;

(b) Schools for the Deaf, represented by the superintendent for the State Board of Education, or the superintendent's designee;

(c) Schools for the Blind, represented by the superintendent for the State Board of Education, or the superintendent's designee;

(d) University of Utah, represented by the president of the University of Utah or the president's designee;

(e) College of Mines and Earth Sciences, represented by the Dean of the College of Science at the University of Utah, or the dean's designee;

(f) Colleges of Education, represented by the chair of the Utah Council of Education Deans, or the chair's designee;

(g) Utah State University, represented by the president of Utah State University or the president's designee;

- (h) Miners Hospital, represented by the director of the Craig H. Neilsen Rehabilitation Hospital, or the director's designee;
- (i) Utah State Hospital, represented by the superintendent of the Utah State Hospital, or the superintendent's designee;
- (j) Juvenile Justice and Youth Services, represented by the director of the Division of Juvenile Justice and Youth Services, or the director's designee;
- (k) Reservoirs, represented by the director of the Division of Water Resources, or the director's designee; and
- (l) Public Buildings, represented by the executive director of the Capitol Preservation Board.

(5) "Spend plan" means the annual document outlining the specific goals, planned uses, and projected impacts of trust distributions for an upcoming fiscal year.

(6) "Trust beneficiaries" means the schools and institutions listed in statute.

(7) "Trustee Agencies" means the School and Institutional Trust Lands Administration (TLA) and the School and Institutional Trust Funds Office (SITFO).

Rxxx-1-4. Beneficiary Liaisons.

To facilitate orderly communication, representation, advocacy, and reporting, the Advocacy Office shall maintain a trust system contact database.

(1) Each trust beneficiary shall identify and provide contact information of the primary liaison for trust system matters.

(2) If the individual listed as the liaison for a trust beneficiary in statute chooses to delegate responsibilities to a designee, the individual listed in statute must complete an affidavit to document the assignment.

(3) Trust beneficiaries may also identify secondary contacts with expertise in:

- (a) legal matters;
- (b) finances and accounting;
- (c) public relations;
- (d) real estate management; or
- (e) legislative affairs.

(4) Each trust beneficiary shall confirm contacts annually and inform the Advocacy Office about intermediate personnel transitions and agency changes that are relevant to the trust.

Rxxx-1-5. Beneficiary Representation.

To represent the trust beneficiaries and to advocate for, monitor, and preserve the trust beneficiaries' rights and interests, the Advocacy Office shall:

- (1) maintain direct relationships and open communication with each trust beneficiary liaison;
- (2) facilitate the cooperative formulation of protocols for interactions with trust beneficiaries;
- (3) serve as an official intermediary through which information can be provided to or received from trust beneficiaries and to which the trustee agencies can give notice to a beneficiary;
- (4) report in person to a trust beneficiary upon request; and
- (5) speak on behalf of trust beneficiaries about activities related to the beneficiaries' trusts, unless a trust beneficiary notifies the advocacy office in writing that the trust beneficiary will speak on the trust beneficiary's own behalf involving a specific issue or matter.

Rxxx-1-6. Advocacy Council Appointment.

The Advocacy Council shall appoint, with the consent of the state treasurer, an individual to serve on the Advocacy Council representing the institutional beneficiaries according to Utah Code §53D-2-303(1)(e)(ii).

- (1) Only a primary liaison listed in statute or their official designee is eligible for this position on the Advocacy Council.
- (2) The term of service is four years in length, beginning on July 1, staggered with other terms on the council.
- (3) The Advocacy Office shall provide prompt notice of a vacancy, and at least 90 days of notice for an expiring term, to the institutional beneficiaries and seek eligible nominees.
 - (a) The Advocacy Office shall facilitate a consultation process with the institutional beneficiaries.
 - (b) Applications for interested individuals for the vacancy will be considered during a closed meeting of the Advocacy Council.
 - (c) Final votes appointing an individual to be considered by the state treasurer for final consent will take place during the open portion of an Advocacy Council's public meeting.
- (4) If a vacancy occurs during an appointed member's term, the Advocacy Office will facilitate the process described in Subsection (3) to appoint a replacement for the unexpired term.
- (5) Upon the expiration of an appointed member's term, the individual is eligible for one consecutive reappointment by the Advocacy Council.

Rxxx-1-7. Distributions: Acceptable Uses and Planning.

To support transparent planning of acceptable expenditures and financial accountability for trust distributions, each institutional beneficiary shall:

- (1) annually consult with its advisory group to adopt and maintain a list of acceptable expenditures as formal internal guidance that:
 - (a) demonstrates relevance and impact for the end user;
 - (b) is consistent with enabling grant language, applicable statutes, and relevant case law for the respective trust beneficiary; and
 - (c) may include a contingency reserve for risks associated with providing services to end users;
- (2) consult with its advisory group to develop a spend plan based on the projected distribution for the upcoming year; and
- (3) provide documentation to the Advocacy Office demonstrating official internal approval of the acceptable expenditure document and annual spend plan according to Utah Code §53D-2-501(4)(c).

Rxxx-1-8. Distributions: Accounting and Financial Oversight.

Each institutional beneficiary shall maintain clear, verifiable records of trust distributions and expenditures.

- (1) An institutional beneficiary may not commingle trust distributions with other institutional funds in a manner that compromises historical record keeping or tracking.

(2) An institutional beneficiary shall assign unique tracking codes within its adopted accounting system to facilitate detailed financial reporting upon request for compliance reviews by the Advocacy Office or formal audits.

Rxxx-1-9. Carryover Balance and Fund Reimbursement.

To support the principle of intergenerational equity in the trust, preservation and long-term growth are managed through the permanent fund's investment policy, and distributions to trust beneficiaries are intended for immediate impact.

(1) Institutional beneficiaries shall deploy distributions to support current end users in a timely manner and limit carryover balances between fiscal years.

(2) The allowable carryover balance of trust distributions for an institutional beneficiary shall:

(a) not exceed two times the prior year distribution to the respective trust beneficiary; and

(b) be designated for a purpose consistent with the adopted spend plan, including:

(i) an operational reserve for programs, services, reasonable staffing and administrative costs, equipment, or devices, or

(ii) a capital reserve for maintaining, refurbishing, acquiring, or building infrastructure.

(3) An institutional beneficiary shall retain allowable carryover balances from trust distributions in appropriate reserve accounts invested under Title 51, Chapter 7, State Money Management Act.

(4) An institutional beneficiary which accrues a carryover balance of trust distributions more than the allowable amount under Subsection (2) shall return the excess amount to its respective permanent fund.

(5) An institutional beneficiary may seek and receive a reduced distribution by the School and Institutional Trust Funds Office (SITFO) if significant carryover is anticipated in the upcoming year after consultation with the Advocacy Office and written approval by the State Treasurer.

(6) Distribution reductions or funds returned to a permanent fund become part of the principal formula for future distributions and may not be withdrawn in addition to the annually calculated distribution.

Rxxx-1-10. Reporting Requirements and Public Timeline.

(1) The Advocacy Office shall publish an annual School and Institutional Trust System report by December 31 of each year as a summary of the prior fiscal year.

(a) The annual report shall summarize the income, assets, fund balance, distribution, and uses for each trust beneficiary.

(b) The Advocacy Office shall maintain the annual report and additional information about each trust beneficiary on its website.

(c) The Advocacy Office shall distribute the annual report in accordance with Utah Code §53D-2-402(2)(I).

(2) Each trust beneficiary shall annually contribute necessary information and documentation at the request of the Advocacy Office.

Rxxx-1-11. Compliance Reviews.

The Advocacy Office shall annually review a trust beneficiary's compliance with applicable law, including rules adopted by the Advocacy Office in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(1) The Advocacy Office may:

- (a) consult with the liaison and staff of a trust beneficiary to discuss distribution uses, receive information, offer suggestions, provide training, and answer questions;
- (b) consult with the governing body or advisory group of a trust beneficiary to review policies or compliance requirements; and
- (c) recommend corrective action consistent with this rule if an institutional beneficiary fails to comply with distribution accountability requirements.

(2) The Advocacy Office shall:

- (a) direct an institutional beneficiary to reimburse the respective permanent fund for any distributions found to be spent inconsistently with the institutional beneficiary's approved spend plan or this rule; and
- (b) refer fraud, waste, abuse, or recurring noncompliance directly to the State Auditor.

(3) The Advocacy Office shall periodically provide a report to the Advocacy Council on compliance review findings and other compliance issues.

Rxxx-1-12. Dispute Resolution.

To support productive and effective interactions in the trust system, the Advocacy Office shall facilitate the cooperative formulation of protocols for interactions between the Advocacy Office and the trustee agencies and the trust beneficiaries in accordance with Utah Code §53D-2-402(2)(b).

(1) In the event of a conflict or dispute among trust beneficiaries or with a trustee agency, the Advocacy Office may provide an impartial forum to facilitate informal resolution, upon the affected entities' consent in accordance with Utah Code Section 53D-2-402(3).

(2) The Advocacy Office may utilize any of the following methods most appropriate for the severity of the conflict:

- (a) Initial conversations and informal information-gathering sessions;
- (b) Issuance of a formal letter to the affected entities detailing the specific areas of concern;
- (c) Informal mediation or structured conferencing facilitated by the Advocacy Office between the affected entities;
- (d) Issuance of a formal recommendation of corrective action outlining necessary remediation steps and timelines in consultation with the Advocacy Council;
- (e) Recommendation of obtaining legal counsel to consider action when a dispute cannot be resolved through internal administrative remedies; or
- (f) Other resolution processes mutually agreed upon in writing by the Advocacy Office and the affected entities.

Date of Last Change:

Notice of Continuation:

Authorizing, and Implemented or Interpreted Law: Utah Code 53D-2