

Utah State Board of Education

Trust System Annual Report

September Study Session

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Trust Lands Administration (TLA)*

Peter Madsen

*Director and CIO
Utah School & Institutional Trust
Funds Office (SITFO)*

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School & Institutional Trust
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(Advocacy Office)*

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Utah State Board of Education -
School Children's Trust (SCT)*

TRUST LANDS ADMINISTRATION

USBE

September 4, 2026



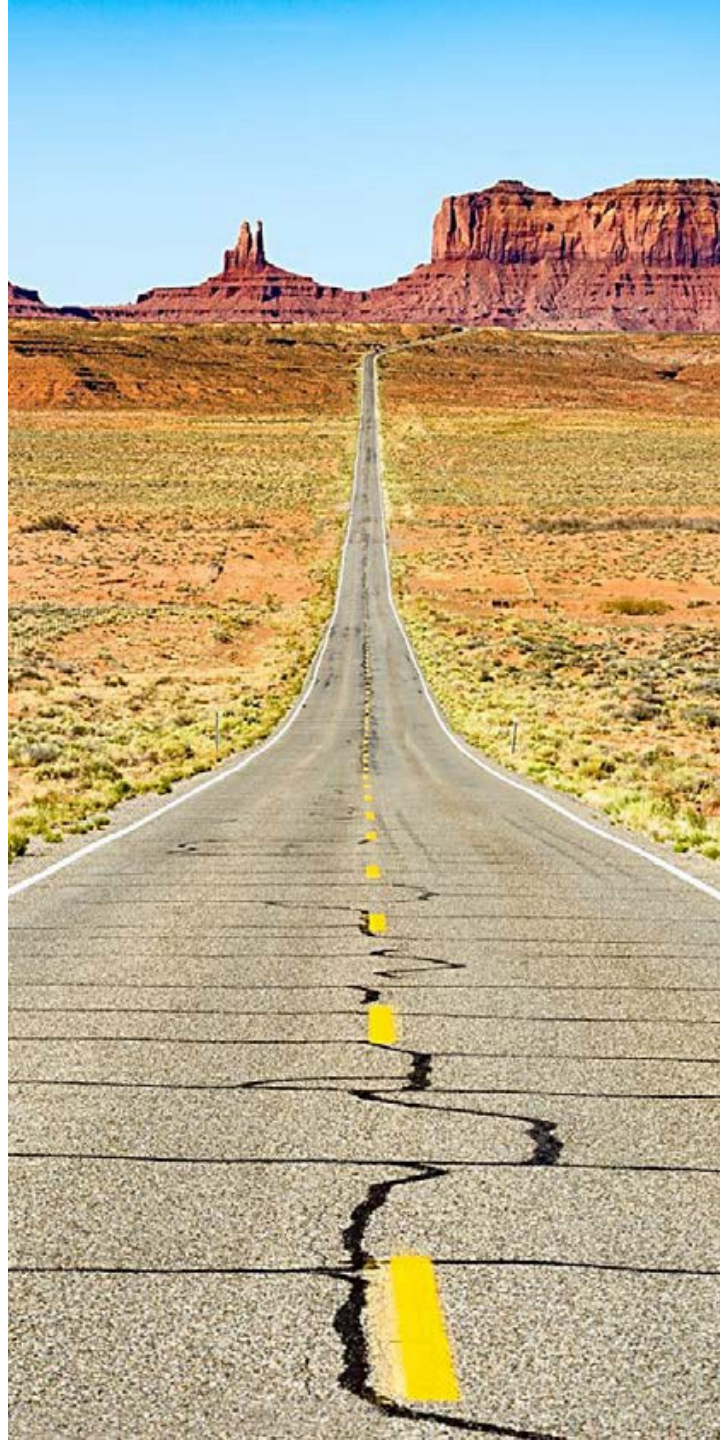
TRUST LANDS
ADMINISTRATION

ABOUT US

At Trust Lands Administration

We see a bright future for Utah with the revenue generated for our beneficiaries through evolving and strategic land management.

Since its inception in 1994, The Trust Lands Administration has generated \$1.96 billion for the Permanent School Fund and other institutional endowments.



- **68 Employees**
Salt Lake City (Main),
Monticello, Price,
Richfield, Vernal, &
Washington
- **Manage Land**
3 Business Groups
8 Operational Groups
- **Self-Funded**
No tax dollars! TLA
operates off a tiny portion
of the revenue we
generate (\$2.15M
/employee in FY 2023)

TLA FY2026 Revenue

\$192 million

- Energy & Minerals - \$78 million
- Residential & Commercial Real Estate - \$58 million
- Surface Resources - \$56 million

August 2026



Annual Update to the Utah State Board Of Education

State of Utah, School & Institutional Trust Funds Office

- SITFO's mission is to responsibly maximize the return on the invested principal of the School and Institutional Trusts for the current and future benefit of Utah's education programs.
- Legislated in 2014 to institutionalize the investment management of earnings generated by TLA
- \$4.8 billion in assets
- 11 trusts, not just the "School Fund"
- Self-funded
 - Operations are funded through the earnings of the trusts' investments, not tax revenues

SITFO has grown to more than \$4.7 billion in assets, supporting record FY26 distributions of \$143 million to 11 beneficiaries.

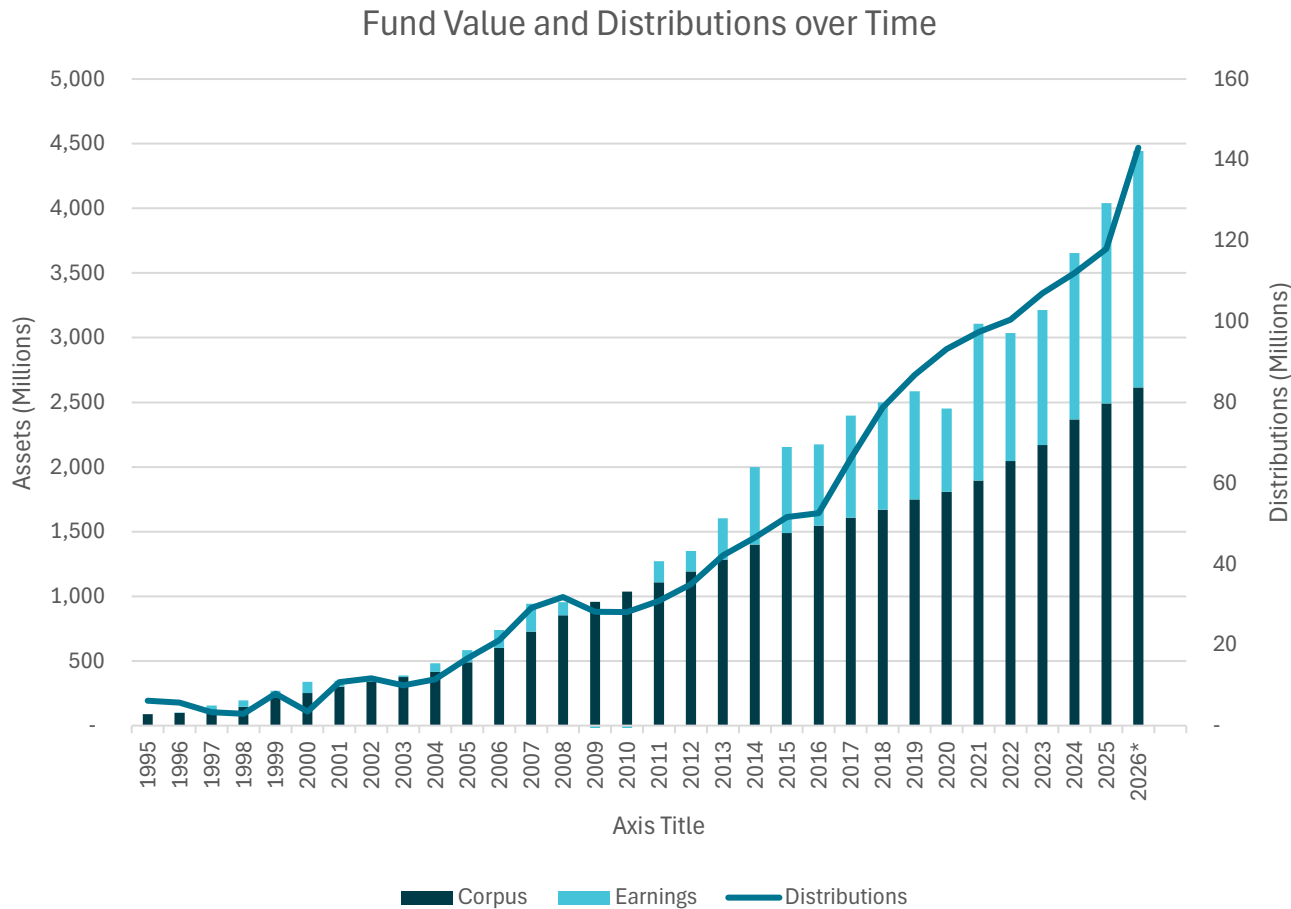


Chart adapted from SITFO FY2025 Audited Financial Statements, with the addition of 3/31/26 market value and FY26 beneficiary distributions.

Key Insights:

- SITFO’s portfolio value has grown to approximately \$4.8 billion through disciplined, long-term investment management.
- In FY 2026, SITFO distributed a record-breaking \$143.5 million to its 11 beneficiaries.
- FY 2026 delivered strong results, returning 16.98% and outperforming CPI+5% objective by 939 bps.
- Since FY 1995, SITFO has distributed nearly \$1.5 billion to beneficiaries while continuing to grow and strengthen the permanent fund portfolio.

Trust Lands Structure



OST (Office of State Treasurer)

The State Treasurer acts as ex officio chairperson of the SITFO board



SCT (School Children's Trust)

A department of the SBO to administer and support the distribution and beneficiaries



Advocacy Office (School & Institutional Trust Beneficiaries Advocacy Office)

Oversight and advocacy with an emphasis on communication and coordination



TLA (Trust Lands Administration)

- TLA manages Utah's 7.8 million acres of trust land generating revenue through oil, gas, and mineral leases, real estate sales, etc.
- All proceeds are deposited into permanent endowments for each beneficiary (the 11 trust funds)



SITFO (School & Institutional Trust Funds Office)

- SITFO invests the endowments from TLA, and earnings are distributed to each beneficiary
- The 11 trusts are managed with similar asset allocations because return and risk objectives are the same



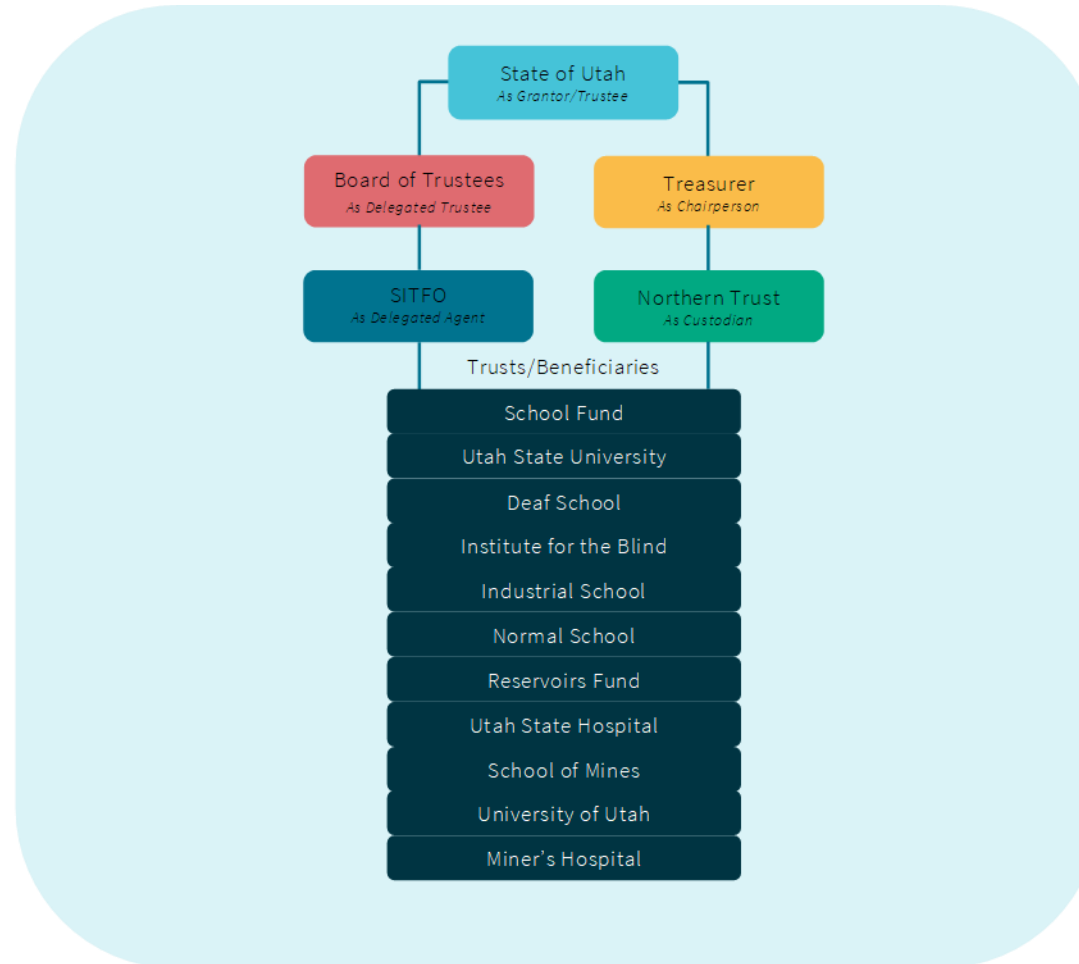
Beneficiaries (11 Trust Funds)

School Trust, Miners Hospital, Institute for the Blind, Reservoirs Fund, Normal School, University of Utah, School of Mines, Utah State University, Utah State Hospital, Deaf School Fund, State Industrial School

Governance

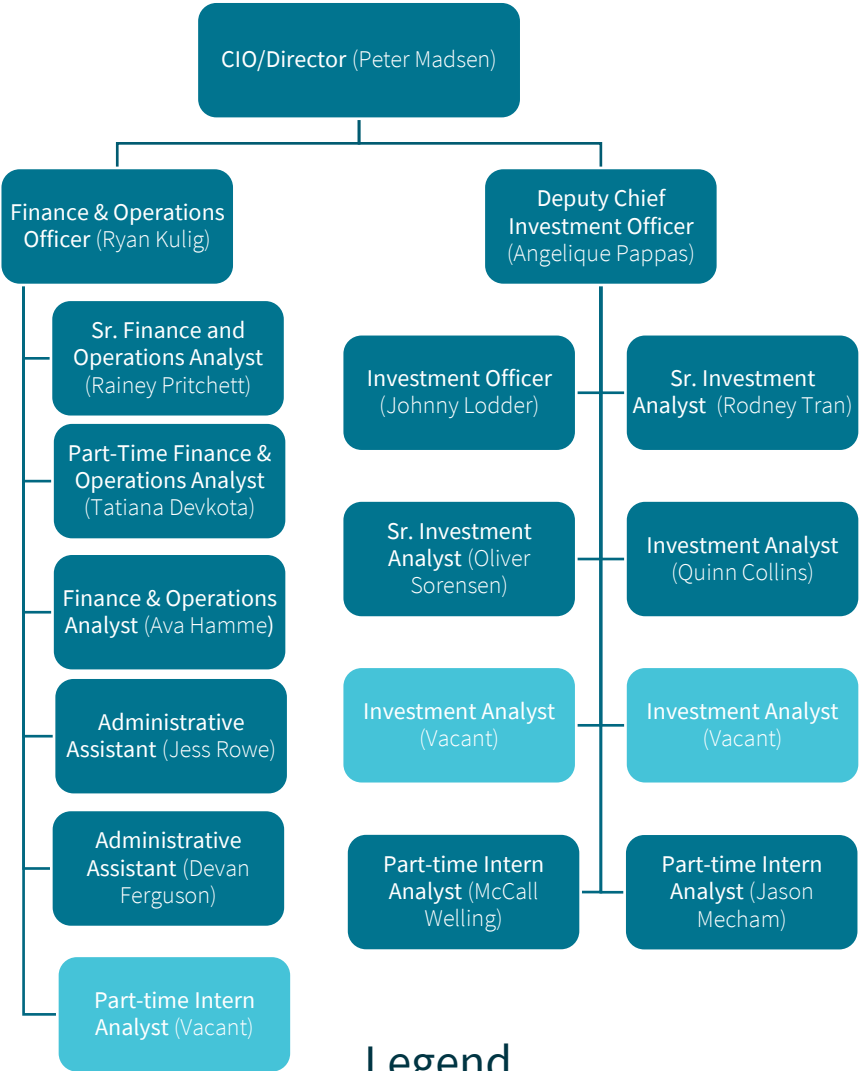


- While the 11 trusts represent different underlying beneficiaries, they are managed with the same asset allocation, as the return and risk objectives are similar. There are significant benefits for the trusts to invest in a uniform manner, such as greater diversification and operational efficiencies from pooling resources.



- SITFO's Board of Trustees consists of the Treasurer of the State of Utah as Chair ex-officio and four additional members. Trustees are selected on a non-partisan basis and must possess substantial expertise in institutional money management. Each trustee serves a six-year term, providing stability and continuity in governance.
 - Marlo Oaks – Chair, Board of Trustees
 - Treasurer Oaks has had a 25-year career in investment banking and investment management. He oversaw institutional portfolios at Farmers Insurance Group (\$24 billion) and Intermountain Healthcare (\$7.5 billion). Treasurer Oaks holds the CFA and CAIA credentials.
 - Bong Choi – Vice Chair, Board of Trustees
 - Trustee Choi previously served as CIO of FJ Management. He has over 25 years of experience in investment management across all asset classes. Earning his MBA from Harvard Business School and his BA from Yale University, he is also a CFA and CAIA charterholder.
 - David F. Zucker – Board of Trustees
 - Trustee Zucker is Managing Partner of Lead Lap Enterprises. He has 30 years of experience as an executive in across multiple sectors and prominent companies such as Disney and ESPN. Trustee Zucker also serves as board chair for a leading healthcare organization with a \$4 billion foundation.
 - Mark Siddoway – Board of Trustees
 - Trustee Siddoway is President of Cynosure Advisors, where he manages advisory team and investment process for \$1.5 billion of client assets. He was previously the Head of Client Relations of Grandeur Peak Global Advisors, a Portfolio Manager and Asset Allocator in the Lehigh University Investment Office, and Deputy Chief Investment Officer at Utah Retirement Systems. He has an MBA from BYU and holds the CFA and CAIA credentials.
 - Rakhi Patel – Board of Trustees
 - Trustee Patel currently serves as Deputy General Counsel, Corporate and M&A, at GoodLeap, a fintech company in the renewable energy sector. She also provides legal counsel to GoodFinch, an affiliated investment firm with over \$1 billion in assets under management, focused on solar energy and sustainable home improvement. Trustee Patel brings extensive experience in mergers and acquisitions, securities and corporate law, and investment fund management, having previously held legal roles at Tesla and Skadden Arps. A graduate of UCLA School of Law, where she served as Editor-in-Chief of the UCLA Law Review, Patel also holds degrees from Stanford University and Grinnell College. She studied international commerce at Seoul National University as a Rotary Ambassadorial Scholar.

- SITFO Staff
 - Currently consists of 14 persons: 11 full-time and 3 part-time professionals:
 - Director, Chief Investment Officer (1)
 - Finance and Operations Officer (1)
 - Deputy Chief Investment Officer (1)
 - Investment Officer (1)
 - Senior Investment Analyst (2)
 - Investment Analyst (2)
 - Investment Analyst – Strategy & Risk (1)
 - Part-time Finance and Operations Analyst (1)
 - Administrative Assistant (1)
 - Part-time/interns (3)
 - Bios available on our website
 - Scheduled changes:
 - Hiring of Finance and Operations Analyst Intern and Investment Analyst(s)



Legend

Current

Future Start Date



INVESTMENT BELIEFS

This document contains our guiding principles, which inform our decision-making and governance. While not a policy or procedural manual, it gives an overview of who we are, what our mission is, and how we aim to achieve it.

[Download PDF](#)

INVESTMENT POLICY

This policy outlines the governing framework within which SITFO operates. It was created in conjunction with the SITFO Board to assist in effectively supervising, monitoring and evaluating the investment of assets.

[Download PDF](#)

FY 2025 ANNUAL REPORT

The annual report is intended to provide a review of the previous fiscal year as well as a look into the ongoing projects and goals of the agency.

[Download PDF](#)

- INVESTMENT AND RISK CONSULTANTS – RVK and Aksia
 - RVK was hired in 2020 as generalist consultant providing support and services in areas ranging from governance, asset allocation, and manager research. Aksia is a specialist consultant providing manager research support in alternative investments. Each firm is a top-rated consultant with global resources and capabilities.
- INDEPENDENT RESEARCH AND DATA – Bloomberg, eVestment, BCA, NDR, Hamilton Lane, TopDown
 - These partners and advisors facilitate the provision of raw data as well as its objective interpretation.
- FUND MANAGERS – Strategy specific investment advisory relationships
 - The buying and selling of individual securities is carried out by best in class, specialized, investment managers. These investment managers are highly scrutinized before and after selection.
- CUSTODIAN BANK – Northern Trust
 - One of the largest global custodian banks was hired in 2016 to institutionalize custody of assets and to provide an independent accounting of the trusts.
- RISK MANAGEMENT – Venn, FOS, Bloomberg, and internal tools
 - SITFO avails itself of software services to provide quantitative risk management analysis. In addition, SITFO utilizes its independent consultants' tools and staff to provide performance analysis and contribute to risk reporting.
- ARTIFICIAL INTELLIGENCE – V7
 - Web-based platform that enables the team to collect, screen and manage data to develop insights and deliverables in support of the decision-making process.

Performance Measures - FY 26



- Achieve annualized volatility below a comparison portfolio of 70% MSCI ACWI (global stocks) and 30% Barclays Aggregate (US bonds) as of June 30 of each year. **Achieved**
 - Target Value: 9%
 - Actual Value: 5.2%
- Percentage of increase in fund distributions annually. **Achieved**
 - Target Value: 3%
 - Actual Value: 19.98%
- Average annual number of hours of staff engagement and development per FTE. **Achieved**
 - Target Value: 6 hours per FTE
 - Actual Value: 10.67 hours per FTE
- Percentage of full-time staff turnover over a three-year period. (Target: 25%) **Not Achieved**
 - Target Value: Less than 25% over a three-year period
 - Actual Value: 50%
- Fund Performance FY 26 **Achieved**
 - Target Value: 7.59%
 - Actual: 16.98%

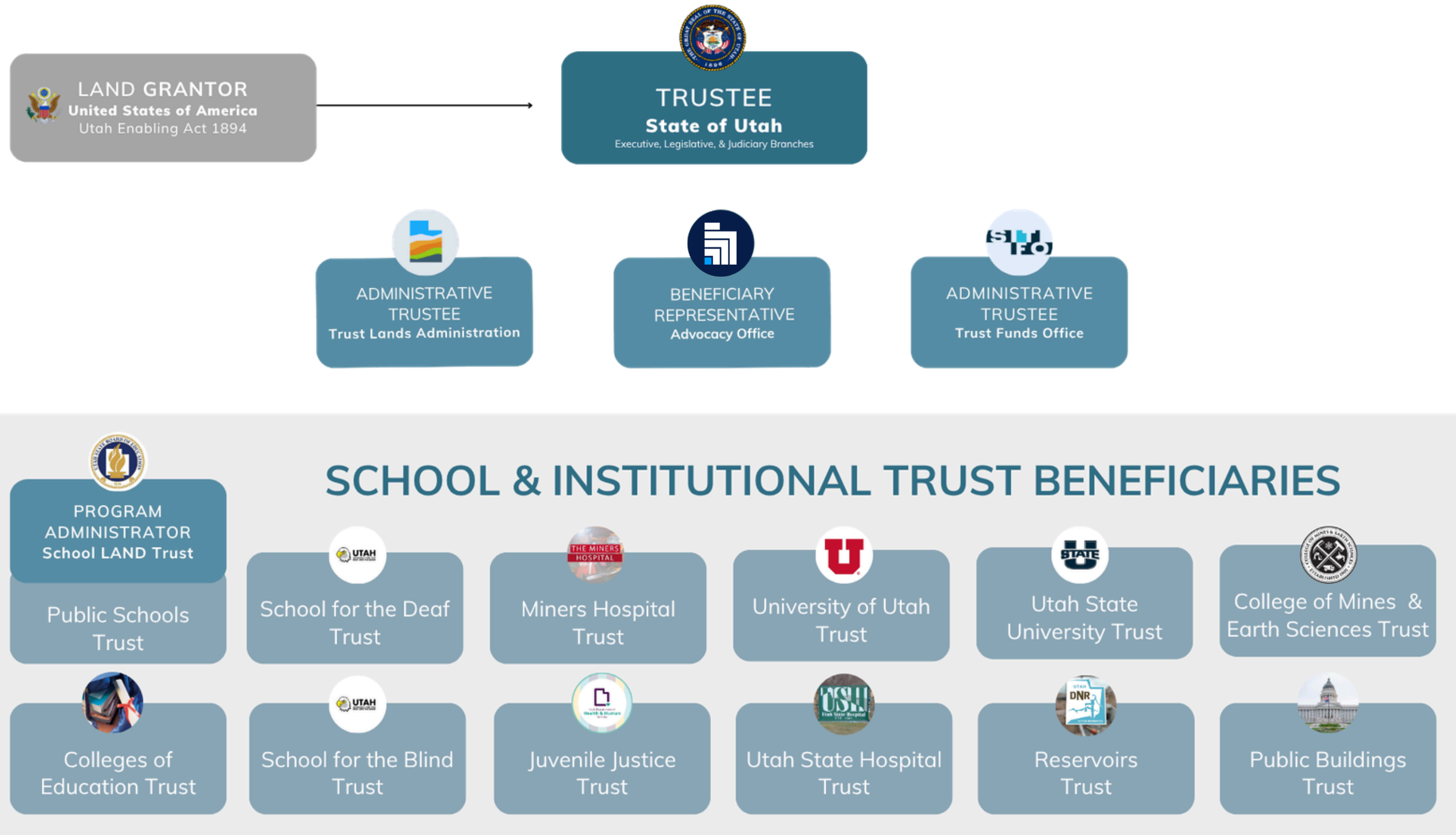
Advocacy Office

2026 Report to USBE



School & Institutional Trust
Beneficiaries' Advocacy Office

THE UTAH TRUST SYSTEM: UNIQUE STRUCTURE & PROVEN PERFORMANCE





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

Perpetuity

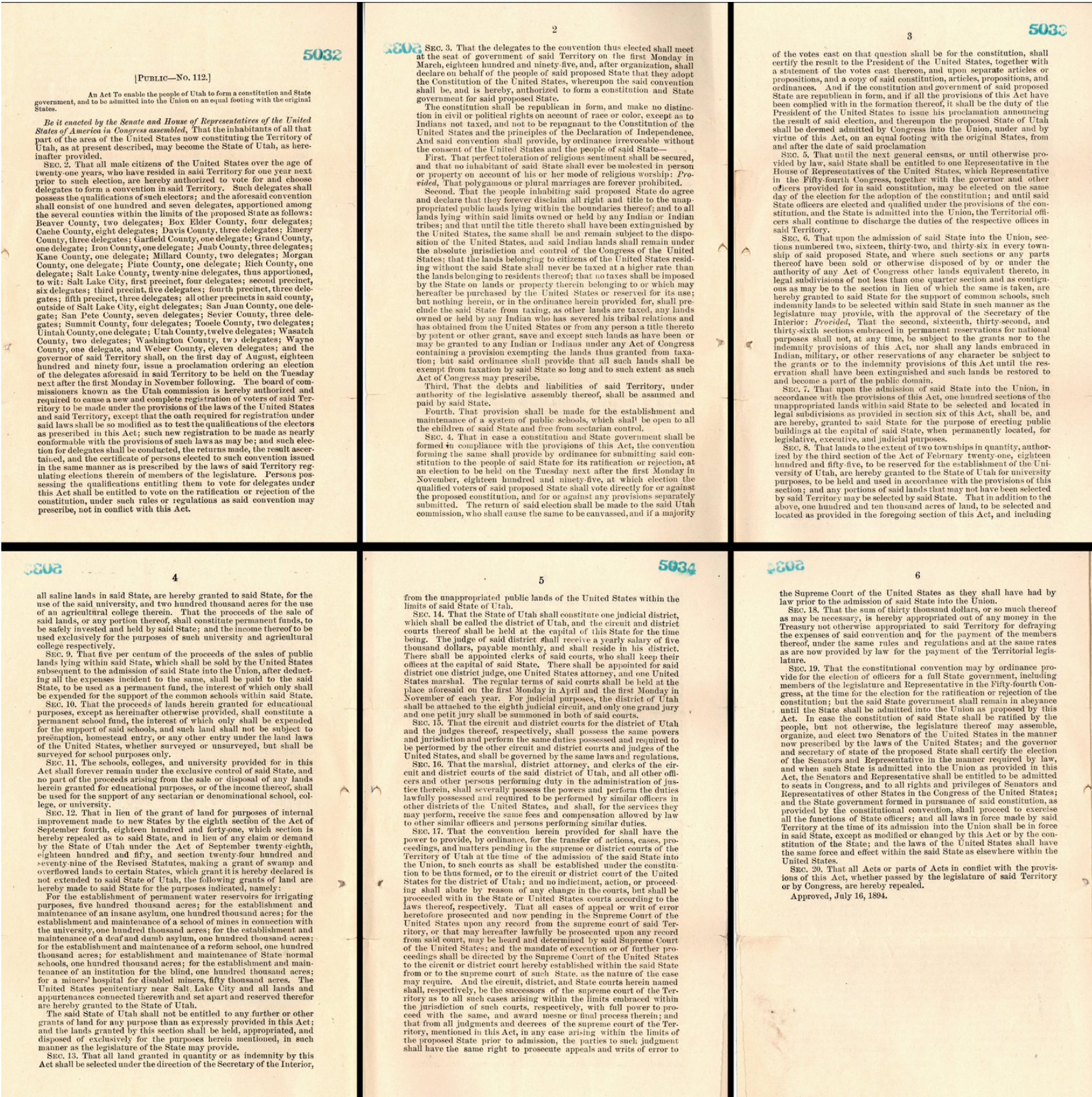
Stewardship

Transparency

Professionalism

Advocacy

ORIGINS OF THE TRUST: FROM ENABLING ACT TO ENDOWMENT



BENEFICIARY OVERVIEW

 PUBLIC SCHOOLS	 UNIVERSITY OF UTAH
 SCHOOL FOR THE BLIND	 COLLEGE OF MINES & EARTH SCIENCES
 SCHOOL FOR THE DEAF	 COLLEGES OF EDUCATION
 UTAH STATE UNIVERSITY	 JUVENILE JUSTICE AND YOUTH SERVICES
 MINERS HOSPITAL	 RESERVOIRS
 UTAH STATE HOSPITAL	 PUBLIC BUILDINGS

EACH TRUST HAS ITS OWN
**UNIQUE ACREAGE
AND A DISTINCT
PERMANENT FUND**

TRUST ASSETS

Beneficiary	Original Grant Acreage	Remaining Surface	Remaining Mineral
Public Schools	6,040,000	3,191,905	4,130,093
Reservoirs	500,000	35,631	96,894
Utah State University	200,000	27,140	53,805
University of Utah	156,080	16,016	38,394
Schools for the Deaf	100,000	4,691	11,793
Utah State Hospital	100,000	7	9,675
Schools for the Blind	100,000	451	12,412
Miners Hospital	100,000	4,810	53,479
Colleges of Education	100,000	4,516	20,792
Juvenile Justice	100,000	14	9,056
College of Mines	100,000	5,860	16,741
Public Buildings	64,000	0	7,100
Total	7,660,080	3,291,041	4,460,234

Permanent Fund Balances

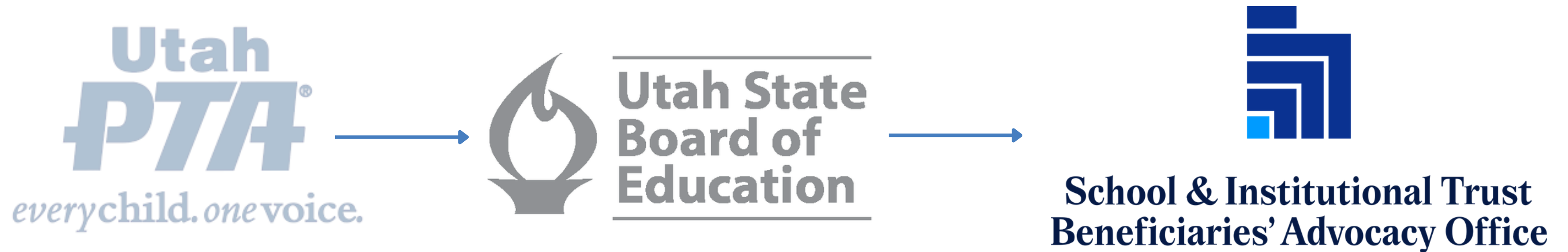
← **\$3.8B**

← **\$5.8M**

← **\$27.7M**

*BASED ON FY2025 DATA

A HISTORY OF ADVOCACY AND REPRESENTATION



Created in 2018 to formalize independent representation for all 12 land trust beneficiaries, the **Advocacy Office** advances their rights and interests through accountability, relationship-building, information sharing, and advocacy.

ADVOCACY OFFICE GOVERNANCE



ADVOCACY COUNCIL



STATE TREASURER



**School & Institutional Trust
Beneficiaries' Advocacy Office**

DIRECTOR

ASST. DIRECTOR

BENEFICIARY SPECIALIST

INTERN



Richard Ellis
Treasurer Appointment
Term: 2024-2028



Kira Bennett
SLT Program Director
Term: ex officio



Louie Cononelos
TLA Appointment
Term: 2024-2028



Mark Waite
SITFO Appointment
Term: 2026-2030



Dave Donegan
TLA Appointment
Term: 2026-2030

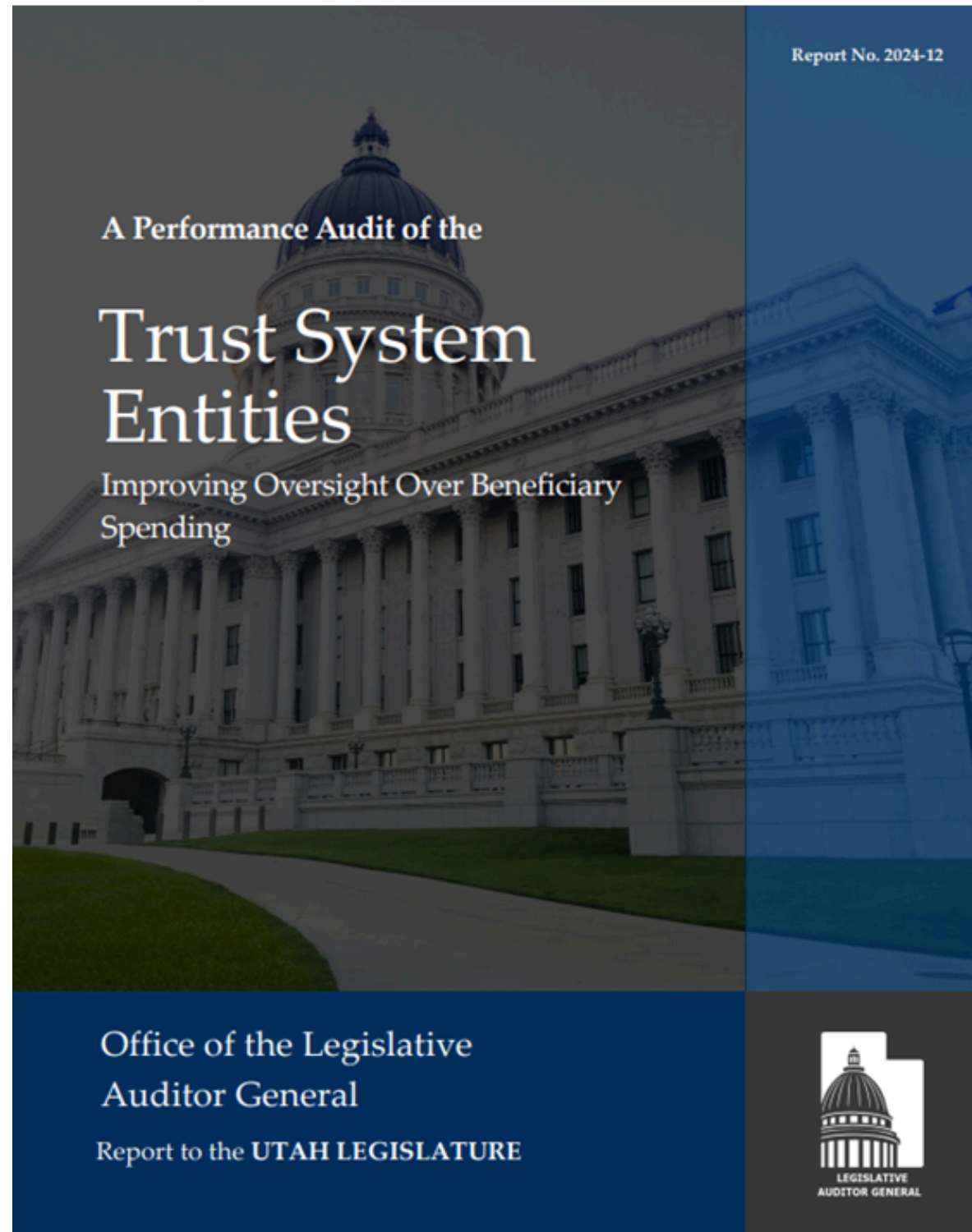


Sylvia Read
Beneficiary Repr.
Term: 2026-2027



John Andrews
Council Appointment
Term: 2026-2029

STATUTORY CHANGES: 2026



Utah Code

Effective 7/1/2026

Chapter 2 School And Institutional Trust Beneficiaries' Advocacy Act

Part 1 General Provisions

53D-2-102 Definitions.

As used in this chapter:

- (1) "Advocacy council" means the School and Institutional Trust Beneficiaries' Advocacy Council, created in Section 53D-2-302.
- (2) "Advocacy director" means the director of the advocacy office, appointed as described in Section 53D-2-302.
- (3) "Advocacy office" means the School and Institutional Trust Beneficiaries' Advocacy Office, created in Section 53D-2-201.
- (4) "Institutional beneficiary" means a trust beneficiary that is not subject to the School LAND Trust Program.
- (5) "Interests" means the trust beneficiaries' interests listed in Subsection 53D-2-201(5).
- (6) "Rights" means the trust beneficiaries' rights listed in Subsection 53D-2-201(4).
- (7) "School and institutional trust" or "trust" means the respective trusts declared in the Utah Constitution, Article XX, Section 2, under which the state is to hold, as school and institutional trust lands, the lands granted under Sections 6, 8, and 12 of the Utah Enabling Act for the respective beneficiaries and purposes stated in the Utah Enabling Act, other lands that may be added to those trusts, and pursuant to which the state holds in trusts the funds and investments described in Title 53D, Chapter 1, School and Institutional Trust Fund Management Act.
- (8) "School LAND Trust Program" means the program at the State Board of Education which administers trust distributions to public schools, described in Sections 53F-2-404 and 53G-7-1206.
- (9)
 - (a) "Trust beneficiaries" means the schools and institutions listed in Subsection 53D-2-201(3).
 - (b) "Trust beneficiaries" does not include:
 - (i) other institutions or agencies;
 - (ii) the public at large; or
 - (iii) the general welfare of the state.
- (10) "Trustee agencies" means:
 - (a) the School and Institutional Trust Lands Administration, described in Title 53C, School and Institutional Trust Lands Management Act; and
 - (b) the School and Institutional Trust Fund Office, described in Title 53D, Chapter 1, School and Institutional Trust Fund Management Act.
- (11) "Trustee boards" means:
 - (a) the School and Institutional Trust Lands Administration Board of Trustees; and
 - (b) the School and Institutional Trust Fund Office Board of Trustees.

Amended by Chapter 214, 2026 General Session

STATUTORY AUTHORITY AND DUTY

53D-2-201. Advocacy office -- Office creation -- Trust beneficiaries and liaisons -- Beneficiary interests and rights.

- (1) There is created the School and Institutional Trust Beneficiaries' Advocacy Office with delegated agent authority to:
- (a) represent the trust beneficiaries by performing the duties set forth in this chapter; and
 - (b) advocate for, monitor, and preserve the trust beneficiaries' rights and interests.

- REPRESENT
- ADVOCATE
- ADVISE

- MONITOR
- REPORT
- PRESERVE



BENEFICIARY RIGHTS AND INTERESTS

RIGHTS

- Right to information
- Right to impartial treatment
- Right to timely notice
- Right to challenge certain actions
- Right to distribution of funds
- Right to regular accountings
- Other rights recognized in 53C-1-102

INTERESTS

- Proper and lawful management of trust lands, funds, and distributions.



Advocacy Office Services

- Transaction Monitoring **Meetings and Documents**
- Required Reporting
- Distribution Accountability
- Beneficiary Notifications **Major Transactions**
- Political Advocacy **Amendment B**
- Legislative Affairs
- Media Relations **Press Releases**
- Dispute Resolution
- Governance Support **Nominating Committees**
- Stakeholder Relations
- Public Awareness



STATUTORY DISTRIBUTION FORMULAS

5% CAP FORMULA FOR PUBLIC SCHOOLS

Factors include 5% of the average market value of the permanent school fund, the prior year distribution, student enrollment, and CPI.



5% FIXED FORMULA FOR INSTITUTIONS

5% of the average market value of each fund over the past 20 consecutive quarters.



Quarterly distribution checks are sent directly to USBE for each beneficiary.



BENEFICIARY: **PUBLIC SCHOOLS**

Distributions are allocated to each public school to support goals determined at the school level by councils.

**2026/27 SCHOOL YEAR
DISTRIBUTION**

\$133.5M





BENEFICIARY: **SCHOOLS FOR THE BLIND**

Funds support enrichment experiences, materials, and services for students who are deafblind, blind, or low vision through USDB.

FY26 DISTRIBUTION
\$1,208,573





BENEFICIARY: **SCHOOLS FOR THE DEAF**

Funds support enrichment experiences, materials, and services for students who are deaf or hard of hearing through USDB.

FY26 DISTRIBUTION
\$200,982



CURRENT ISSUES FOR THE PUBLIC SCHOOLS TRUST

- Resolve in lieu selection balance
- Exchanges: interbeneficiary and federal
- Policies for emerging revenue opportunities
- Large land block sales/leases to DNR
- Unique Beneficiary Challenges

SUPPORTING USBE ON TRUST MATTERS

LEGISLATIVE

COMMUNICATIONS



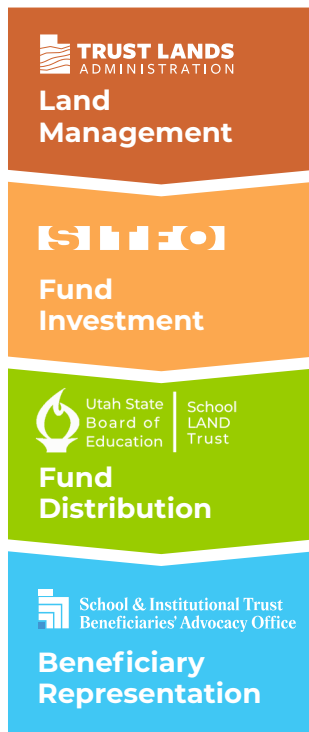
POLICY

OUTREACH



Utah School and Institutional Trust System

How is the School LAND Trust Program funded?



The Trust Lands Administration (TLA) manages trust lands that were granted at statehood. The agency is the steward of the trust lands and generates revenue through energy and mineral leases, real estate development, and surface resource use.

The School & Institutional Trust Funds Office (SITFO) manages and invests the money generated from the Trust Lands Administration. Investment earnings are distributed to beneficiaries each year.

The School LAND Trust Program, administered by the School Children's Trust Section at USBE, manages the distribution of funds to public K-12 schools and provides training and compliance monitoring for program stakeholders, including school councils, to support their participation in local decision-making on the use of funds.

The Advocacy Office represents all land trust beneficiaries, advocating for their rights and interests. The office monitors trust activities, facilitates communication, and provides guidance to protect the trust's integrity and ensure lasting benefits for beneficiaries, including Utah students.

Why does this matter?

School LAND Trust distributions support academic intervention and innovation, reduce class sizes, expand access to technology, and enhance professional development in public schools.

Utah's unique School LAND Trust Program leverages community input by directing funds through local School Community Councils comprised of the principal, teachers, and parents.

Annual distributions help supplement traditional education funding sources and assist schools to address their most pressing academic needs.



\$134M

will be distributed to district and charter schools in the 2026-27 school year

1,000+

schools are eligible to receive funding based on a per-pupil formula

658K+

students will benefit from School LAND Trust funds in the 2026-2027 school year

School LAND Trust Distributions Support Utah Schools

\$134 MILLION

will be distributed to district and charter schools in the 2026-27 school year.

The School LAND Trust Program:



Supports intervention programs: Schools can offer targeted support for struggling students.



Reduces class sizes: Schools can hire additional teachers or aides to lower student-to-teacher ratios, enabling more individualized attention.



Provides professional development: Schools can provide training and workshops to improve educator skills and knowledge.



Expands access to technology: Schools can purchase computers, software, and other technology resources to enhance learning.

Scan to learn how School LAND Trust funds support your school



DISTRICT	DISTRIBUTION
Alpine District	\$15,805,962
Beaver District	\$548,508
Box Elder District	\$2,489,987
Cache District	\$3,883,435
Canyons District	\$6,039,052
Carbon District	\$855,749
Daggett District	\$308,995
Davis District	\$12,599,737
Duchesne District	\$1,185,627
Emery District	\$631,571
Garfield District	\$524,228
Grand District	\$534,634
Granite District	\$10,227,609
Iron District	\$2,730,961
Jordan District	\$10,473,694
Juab District	\$767,940
Kane District	\$536,459
Logan City District	\$1,209,907
Millard District	\$830,556
Morgan District	\$834,938
Murray District	\$1,269,968
Nebo District	\$7,891,444
North Sanpete District	\$737,088
North Summit District	\$470,374
Ogden City District	\$2,072,117
Park City District	\$1,022,605
Piute District	\$357,920
Provo District	\$2,658,486
Rich District	\$371,977
Salt Lake District	\$3,505,362
San Juan District	\$780,901
Sevier District	\$1,063,315
South Sanpete District	\$849,542
South Summit District	\$560,192
Tintic District	\$329,076
Tooele District	\$3,166,721
Uintah District	\$1,442,666
Wasatch District	\$1,782,949
Washington District	\$6,562,621
Wayne District	\$357,555
Weber District	\$5,936,821
CHARTER SCHOOLS	DISTRIBUTION
All Charter Schools	\$17,295,728
TOTAL	\$ 134 Million

School LAND Trust Program

Overview & Updates

Kira Bennett

School Children's Trust Director

September 2026

From Land to Student Achievement



Program Cycle



FY25 - Trust Funds at Work

Top 5 Priority Academic Areas

Percentage of schools that included a goal(s) in each of the five most frequently selected academic areas. *Schools may have multiple goals and address more than one academic area.*

88%	English Language Arts
70%	Mathematics
35%	Science
16%	Graduation Rate Increase
15%	College & Career Readiness

Use of Funds

Percentage of total funds spent statewide across all participating schools, by expenditure category.

82%	Salaries & Benefits
8%	Technology
3%	Supplies
3%	Contracted Services
2%	Curriculum
1%	Professional Development
1%	Student Experiences

Statewide Funding

\$106.22M

Average Per Pupil

\$157.39

FY26 Data available in March 2027

FY27: Highlights & Achievements

FY27 Funding & Participation

\$133.55M

Total Distribution (\$133,551,631.10)

\$202.84

Per-pupil Amount

1,024

Participating Schools

Key Achievements

✓ **100%** of eligible schools
funded before the school year.

Success Drivers

- Increased USBE training and resources informed by risk analysis.
- Additional staff capacity strengthened program administration and compliance.
- LEA efforts improved plan development and submission.
- Stronger, more consistent compliance reviews improved oversight.

Questions?