

Draft Minutes
Land Trusts Protection & Advocacy Committee
Tuesday, April 11, 2023 | 10 a.m. - 12 p.m.

Electronic Meeting with Anchor Location
310 S Main St., Ste. 1275, Salt Lake City, UT 84101

In-Person Participants:

Steven Ostler, Advocacy Committee Chair
Paula Plant, Advocacy Committee Vice Chair
Richard Ellis, Advocacy Committee
Louie Cononelos, Advocacy Committee
Kim Christy, Advocacy Office Director
Jessie Stuart, Advocacy Office Specialist
Michelle McConkie, SITLA Director
Mike Johnson, SITLA Chief Legal Counsel
Rick Woodbury, SITLA Board Chair
Chris Pieper, Assistant Attorney General
Scott Day, SITFO
Kirt Slaugh, Office of State Treasurer
Ania McGrath, Office of State Treasurer

Zoom Participants:

Scott Ruppe, SITLA Deputy Director
Marla Kennedy, Director of Communications
& Legislative Affairs
Marlo Oaks, Utah State Treasurer
Nancy Kennedy, TLAC Chair
Symone Caldwell-Ferris, SITFO
Heather Van Leeuwen, PTA Trust Lands
Specialist
Cindy Lowe, Juvenile Justice & Youth Services
Margaret Bird, Community Member

Absent:

Brigham Tomco, Advocacy Committee

1. Call meeting to order
Meeting called to order by Chair Ostler at approximately 10 a.m.
2. Chairman's Report
Chairman Ostler welcomed meeting participants.
3. Approval of Minutes
Mr. Cononelos motioned to approve the January 10, 2023 meeting minutes. Ms. Plant seconded. The vote was unanimous in the affirmative.
4. Calendar and confirmation of meeting dates
The Committee reviewed the calendar dates included in the meeting packet. Director Christy noted Committee members are invited to attend the National Association of State Trust Lands Conference in July.
5. Stakeholder and Public Input
No public input was provided.
6. Trust Lands System Reports
TLAC Report:

TLAC's role in supporting charter schools has expanded, with 140 charter schools now being supported

as their own 'districts' with each having its own board overseeing school functions. Various stipulations and arrangements exist for charter school boards. The addition of a new TLAC member with charter school leadership experience was noted as a valuable asset for the School LAND Trust Program.

Additionally, Mr. Kim Christy and Ms. Jessie Stuart were identified as having the responsibility to report annually to the Utah State Board of Education. This year's report would be comprehensive, featuring a strong presentation on the Trust System and would be accompanied by the Directors of SITLA and SITFO. Furthermore, the Advocacy Office will be meeting with the USBE Financial Committee in June to ensure effective communication.

During the meeting, there was a question regarding the distribution of funds. It was explained that there is a specific calculation method for distributions in place to ensure effective distributions of funds.

Ms. Plant also informed the committee that her office has implemented a three-year plan to address any issues of large carryover amounts. The plan includes corrective actions for schools that do not utilize their funds as intended, incorporating compliance reviews and other measures. The three-year plan is being implemented incrementally, starting this year.

SITLA Report:

Ms. Michelle McConkie provided SITLA's report to the committee. She provided an update on the agency's rebranding efforts emphasizing the need for curated brand guidelines that effectively capture the Trust Lands Administration mission, values, and agency work. Branding will reflect the agency as the Trust Lands Administration as opposed to the acronym SITLA. The use of 'Trust Lands Administration' helps provide a better understanding of the agency's role. Consistent messaging tailored for the public was highlighted as a priority. Ms. McConkie emphasized the importance of the five pillars of the TRUST—Transformation, Responsibility, Utility, Stewardship, and Transparency—in the brand guidelines.

It was mentioned that the Trust Lands Administration (TLA) is preparing to launch their new website in May. The website aims to provide a platform for effective communication of the agency's work and enhance public engagement.

The committee engaged in a discussion regarding the potential benefits and drawbacks of reducing the name 'Schools' in the agency name: Trust Lands Administration as opposed to the School and Institutional Trust Lands Administration (SITLA). It was noted that there is a prevalent misconception where the 's' in the current branding is misinterpreted as representing 'state' rather than 'schools'. Ms. McConkie noted that keeping the 's' has not been very effective in emphasizing schools.

Ms. McConkie also addressed the pending land exchange within the Bears Ears National Monument. The necessary approvals from the Utah legislative management committee were obtained in May 2022 with a sunset date of May 2023. Approvals to move forward are also needed from the secretary of the interior, the governor, both houses of congress, and the president of the United States. Approvals from the governor and secretary of the interior have been obtained. Ms. McConkie updated the Committee that TLA will be meeting with the Utah legislative management committee again in a couple of weeks. She expects that they will approve TLA to continue to move forward with the progress that has been made. TLA is looking to Senator Lee and Representative Curtis to move this along on the federal level and hoping to get legislation introduced in a few months.

Ms. McConkie updated the committee that the TLA Office is scheduled to move into their new space the first part of June. Some temporary work-from-home arrangements are expected during the transition period.

SITFO Report:

Mr. Scott Day led the SITFO report, providing the following updates on legislation, budget, and finances.

Mr. Day reported that the legislation supporting intergenerational equity was successful. Discussion centered around the next steps following the successful passage of the intergenerational equity legislation and constitutional amendment.

Ethics and conflict of interest policy has been around almost since inception and is under review to have an updated policy in that area.

It was mentioned that SITFO's budget for FY23 is expected to be under budget. Approval of the FY25 budget is scheduled to take place at the August board meeting.

Contracts with RVK and Albourne were recently renewed. RVK provides general consulting for SITFO with emphasis on governance, asset allocation, and performance attribution. Albourne which provides diligence and manager review on private markets.

A thorough review of SITFO's asset allocation was conducted and no revisions are required at this time. SITFO had a loss in FY 22 but performed relatively strong in comparison to industry wide average. SITFO performance is expected to meet long-term investment objectives and the portfolio is in compliance with all policy measures.

Protection & Advocacy Committee Report:

Mr. Christy reported on the success of one-on-one meetings with 60 out of the 104 legislators. The campaign to create awareness and education on the Trust System has helped build contacts, momentum, and positive communication channels with representatives and senators. Mr. Christy praised the entire Trust System team for their work.

Mr. Christy reported that HJR 18 and HB 421 dealing with the intergenerational equity to raise the distribution cap from 4% to 5% passed unanimously. HJR 18 will go before the voters in fall of 2024.

Two bills during the 2023 session were introduced and passed addressing the recodification of the Wildlife Code. Mr. Christy pointed out that current language in the Wildlife Code gives rise to conflicting interpretations of other parts of the Code and Constitution regarding hunter access. Rather than addressing a recommendation from the Trust to run a conforming amendment this year, the sponsor, Rep. Snider, agreed to address it next Session.

Mr. Christy also reported that \$161 million was unexpectedly appropriated by the legislature to the Permanent School Fund. This allocation was made because the cap on the Public Education Economic Stabilization Account had been exceeded and the overflow amount was therefore directed to the Permanent School Fund. It's assumed that the outreach efforts with legislators played a part in initiating this action, highlighting the significance of the behind-the-scenes work of the entire team.

Additionally, the proposed structural changes to the Advocacy Office as brought forward by Margaret

Bird and Mel Brown and discussed in the January committee meeting, were put on hold until the session's conclusion. Following the session, a meeting with Ms. Bird, Mr. Brown, Mr. Ostler, Mr. Ellis, Mr. Christy, and Ms. Stuart took place to evaluate the merits of the proposed changes. Mr. Ellis provided a synopsis of the meeting.

It was emphasized by Mr. Ostler that any changes to the structure of the Advocacy Committee would need to remain an entirely separate matter from any proposals from Ms. Bird and Mr. Brown pertaining to moving the School LAND Trust Program under the Advocacy Office. Mr. Ostler further expressed the importance of transparency in the discussion. By the next meeting, an outline of the direction and a plan for presenting and receiving feedback from committee members should be prepared.

Relating to proposed structural changes to the Advocacy Committee, Mr. Slauch raised a question regarding the possibility of including other individuals on the Committee. Mr. Ostler emphasized that the process must be transparent and suggested changing the "committee" to a "board" and mentioned the consideration of adding two more people to represent beneficiaries to make it a total of seven members. Mr. Slauch expressed concern regarding the potential conflict of interest and emphasized the importance of ensuring fiduciary responsibility. Mr. Ostler also emphasized that it is crucial to have knowledgeable and connected individuals who can act when necessary.

7. Beneficiary outreach & advocacy report

Beneficiary Outreach Updates

Ms. Jessie Stuart reported that the second edition of the beneficiary newsletter has been circulated. This newsletter will be supplied as a link in the School Community Councils newsletters that Elisse Newey with the School Children's Trust Section sends out. Additionally, effective communication material has been curated to provide a synopsis on the Trust's beneficiaries and benefits derived from the distributed funds. This communication aims to effectively convey these aspects to the relevant stakeholders. Ms. Plant and Mr. Christy praised Jessie Stuart for her effective efforts in implementing the strategy. Mr. Scott Day also expressed his appreciation, highlighting that it helps in accessing private equity managers and other stakeholders.

Creation of Joint Communications Team

Mr. Kim Christy discussed the creation of a joint "Communications team" to enhance collaboration among SITFO, the Advocacy Office, TLA, the School Children's Trust and the Treasurer's Office. The team's primary objective is to work collaboratively as a system to prepare content using new, relevant, and continuous social media strategies and strategic communication. Additionally, the team would work together to establish a greater presence at conferences and conventions. An extensive schedule of events has already been arranged. The meeting attendees expressed support for the creation of the joint communications team and recognized the value of collaborative efforts in strengthening communication and outreach.

8. SITFO Board and SITLA Board Nominating Committee Updates

Mr. Christy informed the attendees that candidate interviews for the SITLA Nominating Committee took place in the first week of April. The purpose of these interviews was to identify outstanding candidates for the SITLA Board. It was noted that three recommended names have been provided to the governor's office for consideration.

The SITFO Nominating Committee is set to conduct interviews on April 14th. Following the interviews, four individuals would be submitted to the Treasurer's Office, with the intention of appointing two people to the SITFO Board.

Mr. Christy discussed the need to hire a new member for the Advocacy Office. Mr. Christy suggested pursuing a one-time appropriation to facilitate this hiring process.

9. Action Item: Advocacy Office Staffing Considerations

Ms. Plant moved to approve the office to pursue hiring a third full-time employee to assist the Advocacy Office as outlined in the memo. Mr. Ellis seconded. The vote was unanimous in the affirmative.

10. Closed Meeting:

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

11. Adjourn

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