

## BRIEF HISTORY OF SCHOOL TRUST LANDS IN UTAH

Prior to the time Utah became a state Congress passed an Enabling Act setting the conditions under which Utah could be admitted to statehood. Utah accepted those conditions establishing a contract between Utah and Congress that included several agreements. One important thing to the United States at that time was to ensure that Utah's citizens would be educated. The primary source of funding for schools was property tax and well over 80% of the land in the new state belonged to the federal government. Congress therefore granted land to the state in a trust for the support of public schools, in exchange the state agreed not to tax or lay claim to the federal land in the state. One-ninth of the land in the state was granted to Utah in the trust. Four one-mile square sections in each township became school trust land.

The state of Utah became the trustee for the school trust lands, and the schools of Utah the beneficiaries. The state became fiduciary, obligated by principles of trust law to administer the trust for the exclusive benefit of the trust beneficiaries, including a duty of undivided loyalty to the trust. In years to come, case law would support the fiduciary responsibility of the state as trustee.

In 1983 the Division of State Land and Forestry within the Department of Natural Resources were managing the school trust lands. At that time there was \$18 million in the permanent State School Fund, where revenues from sales or land uses are deposited before the annual interest is distributed to the schools. Margaret Bird, a graduate student at the University of Utah, studied the Utah Enabling Act and the trust lands. She noted that millions of dollars had been lost through mismanagement of the trust and became convinced there was a better way for the state to manage and administer the lands than was currently occurring. She had a vision that these lands could generate a great deal more than they were and began educating those most closely involved in the administration of the land and the trust.

In 1989 Sandra Skousen, a member of the Utah PTA Board of Directors from San Juan County saw a problem and took steps towards a solution. As a board member she was keenly aware of the funding difficulties of the state especially in public education. As a young child she was taught about school trust lands and understood their purpose. In San Juan County she covered county commission meetings for the local newspaper and learned about the difficulties the State Land Board faced in trying to produce revenues from school trust lands. At that time there was \$36.8 million in the permanent State School Fund. She sponsored a resolution that went to the 1990 annual Utah PTA Convention directing the organization to educate policy makers in the state about their fiduciary responsibility to the trust and encourage them to take the necessary steps to ensure the lands were managed in accordance with trust principles. The resolution passed and the work of the PTA began. Margaret and the Utah PTA found they had the same vision and began working together.

State Superintendent of Public Instruction, Scott Bean, understood the difficulties facing the trust at the time. He worked with Margaret and the Utah PTA to bring consensus on the issue with the education groups in Utah. When the Utah Public Education Coalition members understood the financial potential of School Trust Lands for education, their united voice became an effective and influential tool in educating policy makers and promoting changes in the management of the trust.

The Utah State Legislature authorized the Public School Trust Lands Task Force in 1991 and 1992 where the legislature studied the issues surrounding school trust lands. In 1993 Governor Leavitt authorized a citizen advisory committee to continue the study. The membership included

Daryl Barrett, a representative of the State School Board. Both groups proposed similar changes, the most significant of which was the creation of a new, independent agency that would administer and manage the land. The new agency would be set up like a corporation and be directed by a Board of Trustees appointed by the governor from nominations provided by a nominating committee.

The School and Institutional Trust Lands Administration opened its doors on July 1, 1994 charged with the responsibility of administering 3.4 million acres of surface land and 4.3 million acres of mineral rights as the trustee for the schools. They were also responsible for administering eleven other small land trusts for the state. At the end of the first fiscal year there was \$94.5 million in the permanent State School Fund.

In January of 1999 the Utah Schools and Federal Land Exchange resolved the issue of school trust lands in held inside National Parks, Monuments, Forests, Recreation Areas and Native American Indian Reservations. For decades these lands had been held without any opportunity to produce revenue. A long and expensive valuation process had begun in 1993 to value the in held lands and then compensate the trust once value could be established. The land exchange was prompted by promises made to the schoolchildren of Utah by the President of the United States at the creation of the Grand Staircase Escalante National Monument created in the 1997 and subsequent pressure by Governor Leavitt for those promises to be kept. Secretary of the Interior Bruce Babbitt and Governor Leavitt entered into an agreement that required approval of Congress. The entire Utah Public Education Coalition lobbied Congress under the direction of the Utah Congressional Delegation. Superintendent Scott Bean, John L. Watson, State School Board President and Paula Plant of Utah PTA testified at the congressional hearings. Representative Hansen would later state it was the only bill that ever went through the Subcommittee on National Parks and Public Lands, which he chaired, and passed Congress without an amendment. The state trusts received \$65 million dollars and 139,000 acres of land and minerals in exchange for 376,739 acres in held land and minerals and an additional 65,852 acres of in held mineral rights.

Another important landmark in 1999 was the success of HB 350 sponsored by Representative Mel Brown and Senator Dave Steele. The bill created the School LAND Trust Program. It directed the interest from the permanent State School Fund, which had grown to \$333 million by the end of fiscal year 1999, to be distributed directly to each school in the state through a per pupil formula. With local school board approval, school committees would determine how to best address the academic needs of their students and prepare plans to improve student academic performance with their portion of the annual trust land dividend. For most schools it became their only source of discretionary funds and placed use and accountability at the local level. For the first time since statehood the revenues from school trust lands would be used to supplement regular school funds and make schools better instead of simply supplanting other tax revenues for schools.

The website where Utah schools submit School LAND Trust plans and local boards approve them is [www.schoollandtrust.org](http://www.schoollandtrust.org) .