

# School Trust Lands in Utah

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Before the first United States Congress ratified the constitution and before the election of George Washington, a process was established by the Continental Congress to ensure children of the new country would be educated. The Land Ordinance of 1785 and the Northwest Ordinance of 1787 set aside lands to support public education as territories and states became part of the Union. The Founding Fathers were concerned about the sporadic establishment of schools and demonstrated their commitment to an educated citizenry and maintaining a democracy as the organized system of land grants was put in place.

Initially, the center one square mile section within a 36 square mile township was set aside to support public schools. As the country expanded to the west and the land became more arid, the grants at statehood increased. Some states received two sections in every township and eventually Utah, Arizona and New Mexico received four.

The grant to Utah in 1894 was one ninth of the land in the new state, or six million acres. Another 1.5 million acres was granted for other public institutions like higher education and a school for the deaf and blind. A permanent fund was also established where proceeds from disposition of assets were deposited so that the fund would continue to generate revenue as lands were sold.

The land board, charged with protecting the land and funds while generating revenue for schools, was established under the Department of Natural Resources where it remained for almost 90 years. There were multiple challenges during the first hundred years including the management by a department with many other responsibilities and conflicting interests as well as loans from the fund that were not repaid.

In the 1970s concerns about the management of the trusts began to be recognized and audits were conducted. Education groups became educated about the trusts and in 1989, the Utah PTA passed a resolution that began a dedicated effort among education groups to address the missteps of the past. The Utah State Board of Education, the Utah Education Association, Utah School Boards Association and the two principal's associations were educated about the trust and came together as a united voice for change. The legislature established a task force followed by a citizen's task force under the governor to study the

issues and make a recommendation to the legislature. Legislative changes resulted in the creation of the School and Institutional Trust Lands Administration (SITLA) in 1994. SITLA was established as an independent agency of state government set up to generate revenue from trust assets. There is a board of trustees with land management expertise who set policy and hire the director.

The agency began to generate revenue and in 1999 engaged in a land exchange with the Federal Government for trust lands captured in the Grand Staircase Escalante National Monument. The exchange included a cash payment to the trusts of \$50 million. The SITLA experiment was working. Representative Mel Brown, chair of the legislative task force and sponsor of the bill creating SITLA, recognized it was time to dedicate the revenue from the trust to a meaningful purpose within education. In 1999 The School LAND Trust Program was created to send the annual distributable revenue to every public school in Utah on a per-pupil basis. A parent-driven council in each school prepared a plan to address the greatest academic need of the school with their share of the distribution. The first year the average distribution was ten dollars per student. In FY 2020 the distribution is \$125 per student. The total FY 2020 distribution is \$82.6 million.

Deposits from SITLA to the permanent State School Fund coupled with investments increased the size of the fund and the distributions to the School LAND Trust Program. In 2013 the State Board of Education created a task force to look at the investment structure, policies and practices of funds exceeding a billion dollars. The task force recommended prudent changes to be enacted for a fund that size. The legislature adopted the recommendations via a bill sponsored by Representative Brown in 2014. The School and Institutional Trust Fund Office was created on a similar framework as SITLA. The permanent fund has grown to \$2.5 billion.

In recognition of the need to have active beneficiary oversight of 3.5 million acres and \$2.5 billion, the Land Trusts Protection and Advocacy Office was established in 2019 to concentrate full time attention to trust management oversight, protection of the trusts, and to educate the public about the importance of Utah trust lands and funds.

Paula Plant  
School Children's Trust  
Utah State Board of Education  
paula.plant@schools.utah.gov