

## **The Utah PTA Trust Lands Commission**

### **Information on School Trust Lands**

#### **How we got the lands**

In 1894, Congress granted one - ninth of all the land in Utah to a trust to support public schools. This grant was not a gift; it was granted in exchange for Utah not taxing the federal lands. The state of Utah accepted the grant along with the obligation to be the trustee. This responsibility imposed fiduciary duties upon the state including undivided loyalties to the beneficiaries, including public schools.

#### **Who manages the land?**

The School and Institutional Trust Lands Administration manages the school trust lands in the most prudent and profitable manner for the schools. The Trust Lands Administration was created in 1994, patterned after a corporate business structure. At that time, the agency was separated from other government agencies to eliminate potential conflicts of interest. This past year, the Trust Lands Administration deposited \$63 million into the permanent school fund.

#### **How does the Trust generate money?**

Revenues are generated through leases, sales, minerals and real estate development. Revenues from the land is placed in a permanent savings account known as the permanent State School Fund, which is not spent. The State Treasurer invests the money. The investments are balanced to both grow the size of the fund and generate interest and dividends to be distributed to our schools. The principal balance is not used, but is instead allowed to continue to grow – only the interest and dividends are distributed each year to support our schools.

In 1983, there was just \$18 million in the fund that had accumulated in the 79 years since statehood.

As of June 30, 2005, the balance of the fund totals over half - a - billion dollars, with plans to distribute \$13 million in interest and dividends to our Utah schools in the 2005 - 2006 school year.

#### **How does the money improve public education?**

Since September of 2000, the money distributed from the School LAND Trust program goes directly to each public school in Utah on a percentage and then per pupil basis. The school community council determines each school's greatest academic need and prepares a plan to address that need with the school's portion of the money. Local school boards approve the plans and have responsibility to oversee the program.