SCHOOL AND INSTITUTIONAL TRUST LAND ADMINISTRATION
BOARD OF TRUSTEES
RESOLUTION NO. 2015-01

A RESOLUTION ESTABLISHING THE OFFICIAL POSITION OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION BOARD OF TRUSTEES REGARDING AN AMENDMENT TO THE UTAH ENABLING ACT ALLOWING UTAH TO SET THE DISTRIBUTION POLICY FOR ITS PERMANENT STATE SCHOOL FUND

WHEREAS, the School and Institutional Trust Lands Administration Board of Trustees ("SITLA Board") is the trustee for school trust lands in Utah and is responsible for managing trust lands in the best financial interest of the public school beneficiaries; and

WHEREAS, the Utah Enabling Act (the "Enabling Act") required Utah to establish a permanent fund into which revenues from school trust lands could be deposited and invested; and

WHEREAS, Utah created the permanent State School Fund pursuant to Article X, Section 5 of the Utah Constitution; and

WHEREAS, the Enabling Act states that only the interest may be distributed from the permanent State School Fund. This is a historical relic from the 19th Century and no longer fits with the best practices for endowment fund management or the needs of Utah’s schoolchildren, current and future; and

WHEREAS, the SITLA Board has a vested interest in seeing that the funds it generates from school trust lands are profitably and prudently managed, which includes how money is distributed out of the permanent State School Fund; and

WHEREAS, the enabling legislation for other states, including New Mexico, North Dakota, and Arizona, has been amended to modernize how money is distributed from their permanent school funds and to give control to the individual state to determine the distribution policy that best fits its education system;

NOW, THEREFORE, BE IT RESOLVED, that the SITLA Board supports enacting legislation at the state and federal level to modernize the distribution formula for the permanent State School Fund; and

BE IT FURTHER RESOLVED that the SITLA Board supports legislation to amend the Enabling Act to devolve to the state the authority to make future distribution formula changes in the Utah Constitution without needing to seek federal approval.

PASSED AND APPROVED THIS 18th DAY OF June, 2015.

Louis Cononelos, Chair