



CLASS Notes

Summer 2016

Helping states honor their historic commitment to optimize revenues from school trust lands and manage their permanent funds as an ever-growing, sustainable source of education funding

A r i z o n a P r o p 1 2 3

by Toni Day

A proposal, known as prop 123, was made by the governor of Arizona to raid the school trust fund to settle a lawsuit brought by education against the State of Arizona for years of underfunding.

Desperate school leaders including The Arizona Education Association (“AEA”), the Arizona School Boards Association (“ASBA”), the Arizona Association of School Business Officials (“AASBO”), several districts and the Arizona Charter Schools Association accepted a bad deal that will, in the long run, make matters worse.

The No Prop 123 coalition did an admirable job with little resources and almost succeeded in defeating the measure. Prop 123 passed by the narrowest of margins funded by a massive marketing campaign from “dark money.” The election fraught with voter issues was certified on May 26, 2016.

Arizona State Treasurer Jeff Dewit brought to light several legal questions, and more are sure to come. Treasurer Dewit, who has made a stand on the issue at the

cost of his career, was forced to begin payouts by the end of June 2016.

The whole matter reeks of politics that uses the school children’s trust to pay back money to schools owed to them from the state’s general fund.

Several former State Treasurers, the Arizona Federation of Teachers, The Arizona League of Women’s Voters and former Arizona Chief Justice Stanley Feldman, among many others, have publicly decried the proposition and carefully explained why raiding the trust

fund is such bad policy and the long-term implications. Many educators in Arizona agree that Prop 123 is bad policy but decided to vote in the affirmative as they felt it was the only option, as schools were so desperate for revenue.

We urge school leaders to seek the facts regarding school trust lands, permanent school funds, and the laws governing them. Arizona sets a dangerous precedence of raiding the school trust funds and diminishing the revenue for future school children. Lawsuits on this issue may impact future laws everywhere regarding school trust lands and funds.

School trusts are a sacred compact and should be regarded as such. There is always a better option and CLASS is here to empower educational leaders to protect school trusts. Many legal questions regarding Prop 123 remain to be settled, and only one thing is certain, this will not be the last assault on school trust lands and public education.

We must be united. We must be vigilant.

“They’re going to take a big chunk of money out of something that was intended to be forever. I think that’s wrong.”

*Clark Dierks
Arizona State Treasurer
1979-1983*

“I think they’ll damage (the trust). That was sacrosanct when I was there and I still consider it that way.”

*Ernest Garfield
Arizona State Treasurer
1971-1973*



O r e g o n E l l i o t t F o r e s t

by Margaret Bird

Oregon is the first state in the 231 years since school trust lands were granted that has managed to lose more revenue than the lands generated—this occurring for not one year but several. To compound the losses, the Oregon Land Board (Governor, Treasurer, and Secretary of State) will be selling the 93,000 acre Elliott Forest, owned by the schools.

The forest lies in the southwest corner of the state near and on the coast in one of the world's most productive zones for timber production. It is also the home to threatened species like the

Marbled Murrelet, the Spotted Owl, and the Coho Salmon. If the timber were harvested on a hundred-year rotation, the revenue would generate \$40 to \$50 million annually. Each year the forest grows another 100 million board feet. If trees are not harvested, it is a powder keg waiting for a catastrophic forest fire.

<http://www.statesmanjournal.com/story/opinion/readers/2016/04/30/state-selling-forest-without-competitive-bids/83759424/>

The Land Board is selling the lands at auction with restrictive covenants that benefit the public, but not the schools. There are five requirements that must be met and evaluated before a bid will qualify. Most inexplicable of all is that the Land Board will disqualify any bidder who bids over the appraised value.

David Gould, as a one-man gladiator, is trying to educate everyone who will listen on behalf of the children. He has expressed his discontent, referring to the move by the Land Board to sell the forest without competitive bids, "It's not about getting the most money for the Children's Trust."

I n c o m i n g P r e s i d e n t s M e s s a g e

It is exciting to be stepping in as President of CLASS. As a local school board member from Davis County Utah, I have represented the Utah School Board's Association on CLASS's Board of Directors.

I have been involved with CLASS since its inception at that first conference in Bryce Canyon. I have been involved with trust lands in Utah since we changed the management of the lands and was involved in getting



Barbara Smith
CLASS Board President
July 2016-July 2018

the legislation passed that sent Utah's earnings out to every school.

CLASS is a very unique organization that fills a critical need for the beneficiaries of trust lands. We are facing challenges in several states. CLASS provides educational leaders with data and resources to move forward. I look forward to working with great people trying to accomplish change that will impact generations to come.

T h e B e a d l e C l u b

CLASS has reached out to the Beadle Club in South Dakota. The Beadle Club was established in 1933 in honor of General William Henry Harrison Beadle, who labored diligently for a solid system of public education and the establishment of the South Dakota permanent school trust fund. Beadle drafted the school lands provision at the South Dakota constitutional convention of 1885. When Congress accepted the state constitution in 1889, it was so impressed that similar provisions were required for North Dakota, Montana, Washington, Idaho, and Wyoming.



The purpose of the Beadle Club is, "to foster and encourage individuals to emulate the life of General Beadle. The members of the Beadle Club are to dedicate their individual and cooperative efforts to help preserve the permanent school funds of the state."

Beadle Club members are distinguished educators in South Dakota. As an organization, we hope to maintain correspondence and support each other in the work of public education and the watchdogs of school trustlands and funds.

<http://www.sasd.org/beadle/index.htm>

C L A S S C o n f e r e n c e

The CLASS conference 2016 has been canceled due to a lack of accommodations in Sandpoint Idaho and overall high costs. Anyone interested in attending the WSLCA conference please refer to their site at <http://www.glo.texas.gov/wslca/> and contact Russ-Pfeiffer-Hoyt at saxoncreek@msn.com



We will be hosting a full conference Summer 2017

In the meantime, look for more information to come about opportunities for CLASS connections online.

R e b r a n d i n g

You have probably noticed changes on the website starting with updated icons and wording. Look for more to come as CLASS changes its name and look. Many thanks go out to our strategic committee for their hard work in this process.



<http://www.childrenslandalliance.com>

S a v e t h e D a t e

We will be presenting a completed branding design August 7 at 7:00 PM. Look for information to connect live via our facebook page.

Afterwards members will receive an email to be able to vote to approve or disapprove the changes to the bylaws. We welcome your feedback. Contact CLASS any time.

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T h a n k Y o u

CLASS would like to extend a thank you to our outgoing President Russ Pfeiffer-Hoyt for his term of service as CLASS Board President

S o c i a l M e d i a

Join us on social media for weekly news articles, calls to action, and announcements



<https://twitter.com/schooltrusts>

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