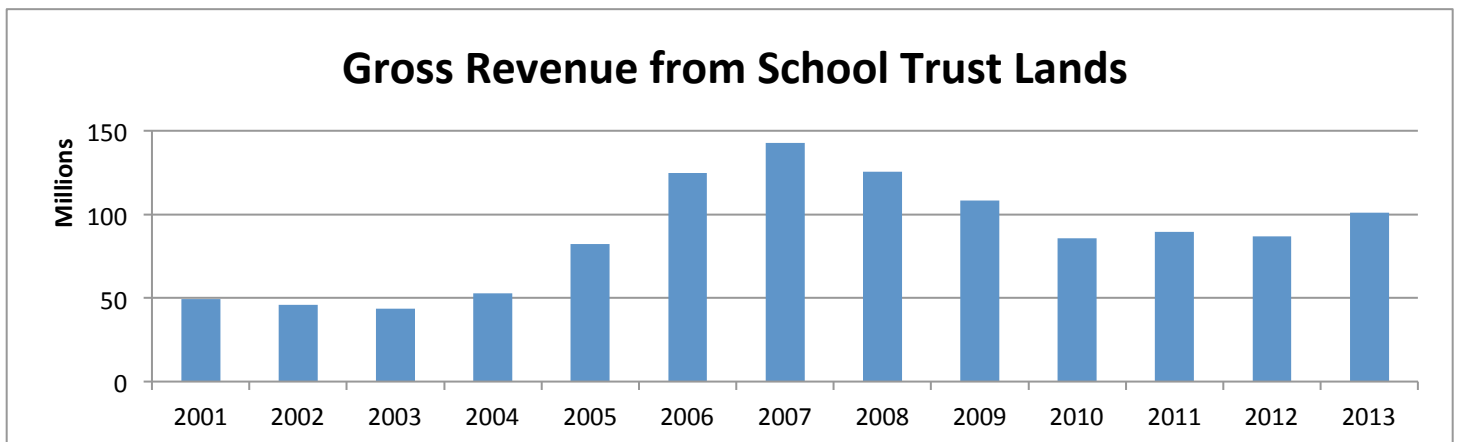
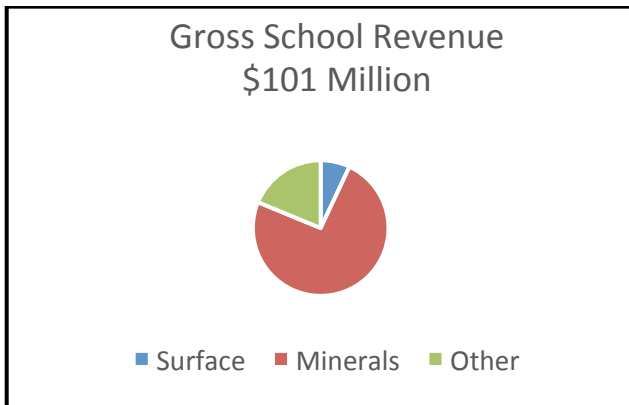


UTAH SCHOOL TRUST LANDS

FY 2013

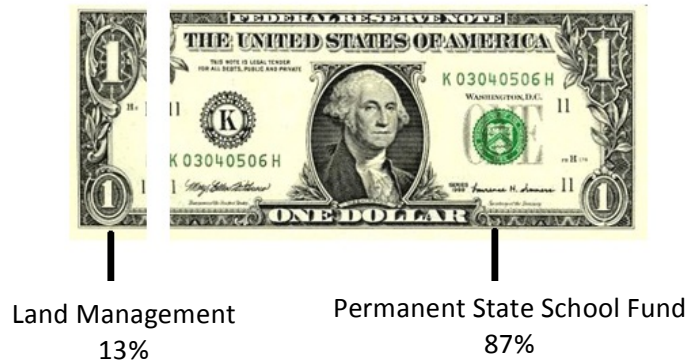
In 1896 at statehood, six million acres of school lands were granted by Congress to Utah to support our public schools. The school trust lands are part of a “sacred compact” or enabling act between the state and the United States. The enabling act requires the state to act with undivided loyalty as it manages the school lands in trust to support public schools. Scattered all over the state, Utah has nearly 3.3 million surface acres and 4.1 million mineral acres remaining in the School Trust. Here is what was earned for school students last year:



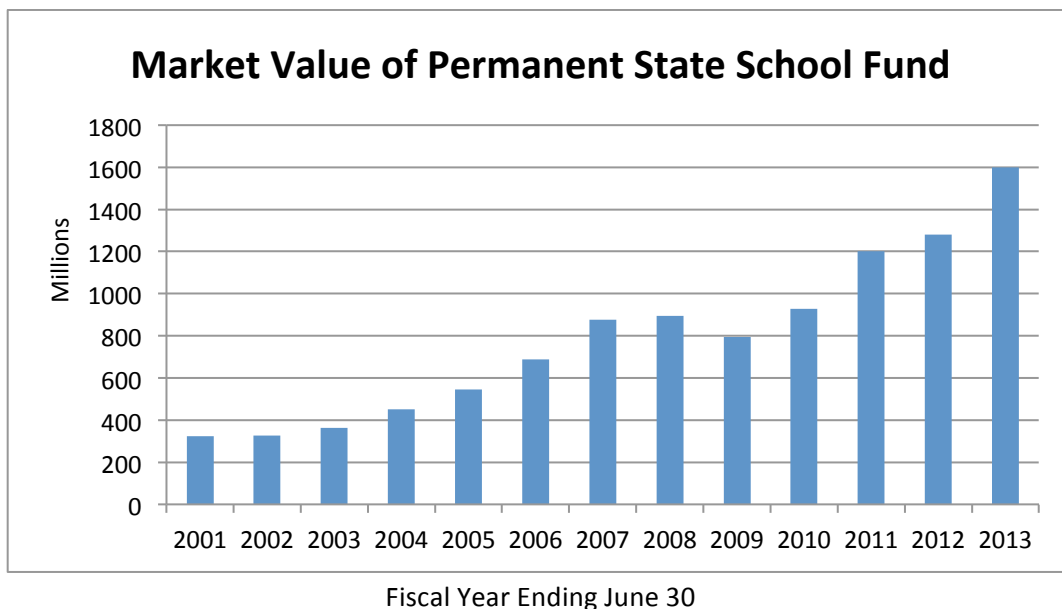
Major accomplishments of the School and Institutional Trust Lands Administration (SITLA) in FY 2013 were an exchange of lands to accommodate the Mountain View Corridor in Salt Lake County that generated almost \$7 million for schools, completion of 20 years of coal bed methane production from Drunkards Wash for \$140 million for all trust funds, and continued work on the 1996 Utah Recreational Land Exchange of 40,000 acres along the Colorado River corridor for gas lands in Uintah County.

After paying expenses, all net revenue from the land is saved in the permanent State School Fund which is invested by the State Treasurer. All capital gains are reinvested to grow the fund. All interest and dividends are distributed annually to each public school based mainly on student population. Each school elects a majority of parents plus teachers and the principal to serve on their school community council. This council then develops an academic plan to use the money to improve student academic performance. Local school boards approve the plans and each school implements their plan. Of the \$101 million generated from the lands last fiscal year, \$13 million was used to manage the lands; and \$88 million was invested in the permanent fund. Interest and dividends of \$38 million from investment of the fund went to each school based on student population primarily.

For every dollar generated from the lands, here is where the dollar went:



States that invest all of their revenue in their permanent school fund have, over time, more money to support schools, just as people who save have more money than those who spend. By reinvesting capital gains, investments generate greater returns for schools when prudently invested. The State School Fund has grown:



In FY 2013 the Utah State School Board convened a task force of investment professionals to develop the optimal structure for the investing of the State School Fund for protection of principle and prudent growth of returns. The final report and action on the recommendations is scheduled for FY 2014. Currently the elected state treasurer invested the \$1.6 billion school fund, returning 11.4% in total investment return in FY 2013.

The revenue from school lands and funds are used differently in various states. Wisconsin funds school libraries, Washington and Colorado build schools, Arizona funds classroom needs, and Utah allows councils in every school to develop academic programs to improve student performance. Many states deposit the children's trust revenue in the overall education pot, usually supplanting some other revenue source.

**FOR A MAP & MORE INFO ON UTAH, PLEASE VISIT CHILDRENSLANDALLIANCE.ORG
GO TO "STATES" AND CLICK ON UTAH**