

CLASS 2006 Roll Call of the States

The CLASS Roll Call is a regular conference agenda item adopted from the Western States Land Commissioner's Association (WSLCA) Conferences. The Roll Call of the States is a reporting and sharing opportunity for each participating state to update the others on school trust land activity in their state. The order of the roll call is different each time according to an undisclosed state ranking. Delegates have the opportunity to guess the order of the roll call and a prize is awarded to the person who guesses the order first.

**Conducted by Dee Parsons,
President of Alaska PTA and CLASS Advisory Committee**

**Montana – Roger Bergmeier, President
MonTRUST**

MonTRUST was very disappointed in the recent three to four court ruling on the lawsuit challenging the distribution of funds to the General Fund instead of public schools and on a legislative bill that authorized purchase of trust mineral royalties. They believe they need to appeal the decision of the court.

Discussions have been initiated with a legislator who is willing to support a cap on the annual distribution with the rest becoming a dedicated revenue stream for a public education need. Currently additional funds that are earned by the trust are off set by equalization formulas. Currently revenues from timber sales above a specified level are dedicated to technology in the schools. They would like to engage the education community to work towards a dedication for the rest of the revenue stream.

**New Mexico – Renata Witte
New Mexico PTA and New Mexico State Land Advisory Board**

Renata introduced Angie Carter, President Elect of New Mexico PTA.

New Mexico is seeking new revenue streams including investing in wind energy opportunities. The commissioner feels it is important to diversity from the traditional natural gas revenue, a non-renewable resource.

Commissioner Lyons is up for re-election, running against a former land commissioner. The current land commissioner feels strongly about the land being his responsibility to operate as a trust and the opponent feels the lands should be conserved and preserved.

The land office has initiated the Don't Trash the Trust project. They plan to remove a million pounds of trash from trust lands by educating and empowering citizens to help police the trash. In another "citizen project" near the East Mountain area, citizens get free firewood that they cut themselves and the forest is thinned.

The trust is working with a developer on a trade of school lands known as Moon Mountain. The project has run into some resistance due to water issues and additional taxes that will be required for the development. During public hearings some have testified about the "open space values" giving the land office a great education opportunity to explain that trust lands are not public land and that the trust mandate requires that the land make money for schools. In addition the public has learned that they have been trespassing and that if they want the land to remain open to the public, they should consider supporting a land exchange and be part of the solution to the water issues.

Renata also clarified the "excess revenue stream" goes into the education funding pot and not discretionary as the Sonoran report the prior day indicated. The constitutional change supported

by voters a few years ago to distribute a larger percentage to schools was always touted to be supplemental. Instead the legislature has appropriated it as supplanting revenue.

**Oklahoma - Cathy Post, Past President
Oklahoma PTA**

Cathy explained that she is part of the School LAND Trust Committee for Oklahoma PTA and introduced Kevan Rondot, the Oklahoma PTA President.

The PTA is taking a look at the make-up of the land board due to the apparent difficulty of assembling such high state officials with many other responsibilities. Lack of a quorum has delayed board actions many times over the past couple of years. Clifton Scott is the director. Phyllis Bolt is the Director of Investments within the land office, also a participant at the CLASS Conference. PTA has a good working relationship with the land office and is now invited to the table. Input is often requested after years of regular attendance at meetings.

Oil revenue is up and the Lake Texoma project still holds promise. It is a project where the land office bought state park property to redevelop a resort community.

Under consideration is a proposal to distribute revenue to schools on a rolling average of investment income and adoption of the prudent investor rule as the requirement for investment tool selection

A trust parcel slated to become part of an interstate highway project was offered at \$5400 per acre in a long term lease. The interstate rules require them to own the property before they build. Some problems have ensued including possible appraisal shopping and lack of a quorum at the land board meeting where important decisions needed to be made.

Some difficult bills surfaced on the last day of the legislative session. One would have directed oil and gas revenues to go to teacher retirement. PTA worked hard and was able to stop it from moving forward.

The goals for the year are to educate legislators and communities about the trust, build relationships with the commissioner and look carefully at the membership of the land board.

**Washington – Anita Boyum, Past President
School Director’s Association and Chair of the Trust Lands Committee**

Anita introduced the Washington delegation.

Timber is the largest contributor to the annual trust revenue. They also receive revenue from vineyard operations.

A ten year sustainable forest harvest plan for the land office that the School Director’s Association participated in formulating will finally begin to be implemented. Shortly after it was approved, a lawsuit was filed by an environmental group that has now been resolved. Waiting for the resolution has cost the trust revenue.

The Trust Lands Committee will work towards educating their memberships about the very carefully constructed forest harvest plan and will encourage land exchanges to create blocks that can be more efficiently managed. Educating policy makers and communities about the trust is an ongoing challenge.

Education has joined with land commissioners to support renewed funding for the Rural Communities Act created to assist rural communities that have historically relied on timber revenues. When the federal government decided that forests should be preserved instead of

actively managed, the rural districts were hard hit financially. The Rural Communities Act included a provision that partially subsidized those communities for the loss of timber revenues. The ultimate goal is to make the timber revenue producing again eliminating the subsidy.

Wyoming – Marguerite Herman, Legislative Chair
Wyoming PTA and candidate for the Wyoming House of Representatives
CLASS Advisory Committee

Marguerite explained that she is running for the Wyoming Legislature hopes to attend the CLASS Conference next year in a different capacity. She has participated over the past two years on the Wyoming Legislative Trust Lands Responsibility Task force. Lynn Boomgarden initiated the task force creation. It was a challenge since anything that looks like it might grow government makes the legislature skittish but Lynn worked hard to calm their fears and pointed out that the discussions would include possible efficiencies and potential. The task force was made up of the land board, user groups, legislators and a parent representative. Margaret Bird and Kevin Carter, the Utah Director provided a presentation that helped people understand the nature of the trust and that the managers are the custodians of the land. Forest product industry people clearly never knew and now are talking in terms of the trust. It has provided a great education opportunity. The task force will make recommendations to the 2007 Legislature. A Sonoran Institute study concluded that same thing as the task force, that lack of personnel in the land office is a problem and recommended adding four more people to make the management more productive. The additional people will focus on improved mineral payment compliance, land exchanges and the ability to react more quickly and efficiently.

The 2006 legislative session brought about a penalty if people are violating trust land use and funding for policing. There were discussions about opening trust lands for public use. The lessees are not in favor and the public believes they have the right. The trust would like to regulate, restrict and enforce appropriate use. The land office received increases for capital improvements. Improvements provide infrastructure to help communities with trust land grow and increase the value of the land before it goes to market.

South Dakota – Bobbie Wirth, President
South Dakota PTA

As first time participants at the 2005 CLASS Conference, the South Dakota PTA has spent the year educating people in South Dakota about trust land. The PTA included workshops at the state convention, where they adopted a position on school trust lands. They also provided information in leadership training and newsletters. They have also worked to build a relationship with Commissioner Healy.

Arizona - Mike Smith, Lobbyist
Arizona Administrators Association

Arizona is doing land development in a big way. There continues to be disagreement between development and environmental groups even after a three-year task force where all parties worked to create a reform package. It was an eighty page document that included constitutional, enabling act and statutory changes. A lesson learned was that there should have been legislators on the task force. The package was introduced a year ago at the end of the legislative session without adequate time to convey the issues. Legislators became skittish and it went nowhere. The task force considered options going forward – should legislators be educated and go back with the package in 2006 or go around them and do an initiative. Some groups within the task force designed an initiative that included just the constitutional pieces and have been collecting signatures for voter consideration in Fall 2006. The legislature felt abused so they created a referendum creating dueling trust reforms on the same ballot.

The two reforms will require the people be educated on trust reform through rather detailed and complicated bills that include the following differences.

- The initiative sets aside conservation lands without compensation that included some 700,000 acres, some of which is to be compensated. In the referendum version any set aside will go to the legislature for consideration
- In the initiative, a new land board will be created with education representation in the majority. Under the referendum the land commissioners remain the same.
- Funding of the land office will come out of revenues from the land, increasing the ability of the land office to be more productive. In the referendum, the office continues to be funded by legislative appropriation from the general fund.

Both could pass – and then what? It is expected that both will fail because when the public doesn't know how to vote, they vote no. The big question is where to go from here? Is it possible to get everyone back at the table with legislators who can do heavy lifting? Does it make more sense to break the package into small pieces that are introduced strategically and systematically?

Idaho – Cindy Schiller, Legislative Committee Idaho PTA

The executive director of the Idaho Department of State Lands has recently resigned. The governor has gone to the Department of Interior so the new governor will appoint a new director. In addition to the change of the Governor on the Land Board, there will be a new Superintendent of Public Instruction, a new State Auditor and possibly a new State Treasurer. It is possible that the only member remaining will be the Secretary of State. The changes create uncertainty until new elections and appointments are in place.

A recent newspaper story pointed out that the grazing land is actually losing revenue begging the question, should the trust retain grazing land if more can be made in the long term for the trust through a sale.

Idaho PTA is part of a trust land coalition that includes the Idaho Education Association and the land office. The School Boards are also beginning to participate.

The coalition is working towards getting more people and education groups involved and to grow the coalition to include all stakeholders. They are also planning to have consistent representation at land board and investment meetings. The effort is ongoing to get the word out about trust lands and funds and encourage increased participation at the annual CLASS Conference.

Utah – Carmen Snow, President Utah PTA

Carmen pointed to the new Vision and Mission Statements provided by the CLASS Advisory Committee and suggested that CLASS members use them as an information piece in providing trust education to parents, teachers and the public. Utah has created a trust lands leadership handbook for all PTAs in the state under the direction of Natalie Gordon, in her newly created board responsibilities as the Trust Lands Commissioner for Utah PTA. JoAnn Nielson, the immediate Past President of Utah PTA has participated in training of school community councils in ten percent of the schools in the state this past spring. In Utah school community councils decide how to spend the annual trust revenues.

The land board meetings are regularly attended by members of the Trust Advisory Committee, made up of representation of the education groups of Utah.

In the recent legislative session a bill was introduced to eliminate the incentive bonuses that go to trust land managers. Natalie Gordon spoke in the bill's first committee hearing about how the incentive bonus has created a "business-like incentive" and has increased the annual revenues from the land. The bill was pulled by the sponsor. The priority bill for the session passed that untied the hands of the State Treasurer and gave him greater flexibility in investment options.

Schools have property at interstate mile marker thirteen in St. George, Utah. The trust has been planning its' development with the department of transportation and the city for several years. The project has begun and will provide an ongoing and increasing revenue stream for the school trust.

Utah continues the endless task of educating the public and policy makers about the trusts. Political support is a necessary component to successful trust processes so that is another priority for Utah.

**Oregon – Kevin McCann, Executive Director
Oregon School Boards Association**

Ann Hanus has taken a new position in state government. The Oregon delegation has been able to meet with the Louise Solliday, the new director at this conference.

Oregon reached the one billion dollar goal for the balance in the permanent fund and did so this spring. The fund is invested by the Oregon Investment Council who does a great job and has increased the June 2003 balance from \$700 million to one billion this year.

The land office continues the quest to complete the selection of in-lieu lands and currently is looking at locations in the central part of the state where population is increasing along with land values.

The New Carissa continues to be an item of unresolved controversy. The ship was beached several years ago and became the responsibility of the land office. Some people would like it to become a tourist attraction but the state is not interested in assuming the liability. The state is awaiting an insurance settlement that will take care of the clean-up and the trust expects to acquire some new revenue in the process.

The land office is beginning a wind power project.

The education process of policy makers and the public at large is the priority of the Oregon School Boards Association.

**California – Kathy Steinberg, Vice President for Education
California PTA**

The goal for California PTA is to continue to learn and educate. California faces several challenges. In 1964 the people voted to repeal parts of the Californian Constitution that established the trust. Attorney General rulings claim that the trust is non-existent and the state has no fiduciary responsibility. In addition much of the remaining land has little value though it may have value in the long term. The land office is willing to talk but there is a lack of political will. The PTA is looking for opportunities to create the political will. California has ten million school children who need and deserve to benefit from the trust.

**Alaska – Al Tamagni, President Elect
Alaska PTA**

Suellen Appellof has led the effort in Alaska to bring a resolution for consideration by the delegates to the 2006 National PTA Convention held in June. Suellen sends her best wishes and

thanks to all who participated in bringing the resolution to convention and in working with the delegates towards an affirmative vote. It was a joint effort. The National PTA is six million members strong and has the ability to help in the advocacy effort to right the wrongs of the past and provide education about the issue in every state. The resolution passed with a unanimous vote.

Over the past year, the PTA board has come in contact with Dean Coon, an individual who has been dedicated to following the activities of the trust managers and trustees over the past few decades. He is a retired Associate Professor of Education at the University of Alaska Fairbanks. He has shared his research papers with the PTA and presented at the State Convention.

**Wisconsin – Liz Kane, School Administration Consultant
Wisconsin Department of Public Instruction**

Liz expressed her interest in the issue of school trust lands. The 2006 Conference was her first involvement. She would like to stay involved.

**Colorado – Ron Brady, Past President
Colorado Education Association
Vicki Newell, Director Public Policy
Colorado PTA**

Ron introduced Ken Delay of the Colorado School Boards Association and Colleen Heinz, the new Vice President of the Colorado Education Association.

The trust lands coalition in Colorado recognizes that the lands and funds do not have a history of being managed all that well. The coalition is looking at what they can do so the trust makes a difference in the public schools of Colorado. The policy of investing has been weighted towards spending instead of saving and the focus of the coalition has been towards making statutory changes to grow the fund. The effort was not entirely successful this year because the legislation had a \$31 million fiscal note. Still as the effort moves forward policy makers are being educated and the plan for the upcoming session will be to try and phase in the changes so the fiscal note is not so large. There is a state treasurer race in Colorado and the CEA is interviewing the candidates to get a commitment to support the changes to the investment of the fund.

**Nevada – Dorothy Nolan, Chair, APPLE Initiative Task Force
Nevada State Board of Education**

Pam Wilcox is the Land Commissioner in Nevada and is appointed to the position. Dorothy is the chair of the Apple Initiative Sub-committee of the State Board of Education. The Board is interested in federal issues. All nineteen western states involved in CLASS should care about the Apple Initiative.

In Nevada most of the trust lands were disclaimed in a settlement with the federal government, subsequently the granted lands were sold and the permanent fund liquidated.

The Roll Call Order was correctly guessed by Roger Bergmeier as the FY2005 Trust Grazing Revenue for each state from largest to smallest. The prize awarded for the correct guess was an antique cow bell.