

Report of Education Group Breakouts  
and Roll Call of the States  
2008 CLASS Conference  
Boise, Idaho  
July 15, 2008

**Education Group Breakout Reports**

Education Association Members Report – Colleen Heinz

A Trust Land Resolution, sponsored by the Nevada Education Association, was passed at the 2008 NEA conference.

Education Association members would like CLASS to prepare a simple article on Trust Lands that can be used in state publications. They are also hoping that CLASS can support NEA as the resolution is implemented on state levels.

Ken Buhrmann of Nevada was elected as the new Board of Governors member representing Education Association members.

PTA Members Report – Renata Witte

PTA members have requested a quarterly report from Renata to PTA members.

They are proposing that CLASS look in to hiring a grant writer, and would like to see a “Donate Now” button on the CLASS website, and a membership list on the website.

PTA members would like CLASS to provide delegates with a letter of introduction that can be used as they help search for funding and membership.

PTAs will work to get links from all member state PTA websites to the CLASS website. They will also continue to present trust land workshops at state conventions, and create positions on state PTA boards that focus on trust land issues. They will also work to raise money to bring more PTA members to CLASS Conferences.

State Offices and Boards Members – Brenda Hood

State Offices and Boards members elected Rene Nunez to represent them on the Board of Governors.

Administrator Members – Mike Smith

Administrator members have a goal to get more administrators to participate, including national administrators. They would like to work toward a national resolution, and will use the CLASS DVD to educate other administrators.

#### Local Board Members – Anita Boyum

Local Board members see the need to get more representatives to the conference. They will use the DVD, and would like CLASS to explore putting the DVD on the internet, maybe on YouTube.

They plan to continue to use Margaret's expertise as they work to educate other local board members.

#### Conference Committee – Anita Boyum

Anita made a plea for delegates to please join the conference committee. The commitment required is participating in a monthly meeting by teleconference, and completing assignments during the conference.

### **State Reports**

#### Utah – Tim Donaldson

The Trust Land Administration is considering a sensitive lands proposal. The beneficiaries are watching closely to insure that the mandate is not weakened in the process. The administration is also continuing to work on a congressional land exchange .

The State Treasurer is retiring after 28 years in office.

The Permanent Fund investments are struggling, and the fund lost \$68 million in the first 3 quarters. This loss was offset by \$69 million in land revenue during the same term.

There will be a constitutional amendment on the ballot in November that, if passed, will allow the State Treasurer to invest a portion of the Permanent Fund in private equity.

As the distribution continues to grow, CLASS Utah is working on a strategy to determine additional distribution options so the legislature doesn't decide without beneficiary input.

#### Texas – Rene Nunez

Texas Permanent School Fund is the oldest endowment in the country, dating back to 1855. It has gone bankrupt twice, during the Civil War and the Depression.

Most of the revenue is from oil leases. The state successfully sued the federal government to receive royalties from off-shore drilling.

Rene is fulfilling his 20<sup>th</sup> year on the State Board of Education, and he has seen the Permanent Fund grow from \$5 billion to \$30 billion. The allocation is not diversified, and revenue is suffering. The state is working with new consultants. There is a steep learning curve, but they are looking forward to new strategies improving returns.

#### Arizona – Mike Smith

There is an initiative regarding trust lands that will be on the ballot in November. This is the sixth initiative directly related to trust lands in recent years. The education community is split on this initiative.

Trust land dividends are distributed through the Classroom Site Fund, and this is very effective in distributing to school districts for teacher salary increases and use in the classroom. It is working very well.

The education community are holding monthly meetings with the treasurer, and hoping it will evolve into more of an advisory committee.

Idaho – Sheri Wood reporting, Cindy Schiller state representative

Idaho has a statewide CLASS Coalition. Cindy monitors land board meetings, and they hold regular meetings among coalition members. Legislatively, they work to get money into the classroom, and they hope to follow the Utah model. They also work to educate the public on trust lands.

They need DVDS to distribute, and information on the Utah distribution model.

At the next conference, they'd like to learn more about media strategies.

Nevada – Carolyn Edwards

Nevada's permanent fund balance is \$2.6 million, with 2,500 acres remaining in the trust.

The position recently adopted by NEA Delegate Assembly was proposed by Nevada.

The Nevada Association of School Boards is considering a resolution.

Nevada delegates are considering revising the investment strategy to diversify from bonds. Currently they are not building the fund with any reinvestment, and the distribution is not supplementing education funding. There are 1,300 acres in leases with no income.

The education community is working toward asking for additional acres, because at statehood, Nevada only received 2 sections per township. Other arid states received four and Nevada is the most arid.

Congress passed the Southern Nevada Public Land Management Act, which outlines sections of federal land to be sold. 5% of all BLM Land sales are deposited into the Permanent Fund.

New Mexico – Mercedes Sandoval

New Mexico delegates received the State Land Office annual report at the conference this week.

The state has secured more trust lands to use for building public schools.

There is increased income from oil and gas.

In FY 2007, over \$500 million was deposited in the Permanent Fund.

Colorado – Mary Wickersham – unsure of who state liaison will be

Colorado has a new state treasurer, who is providing quarterly updates on the permanent fund, a map and a report on the treasurer's website. She is also pursuing in-lieu lands and improving royalty rates on oil and gas revenues.

There have been 3 new land board appointments in the last 6 months. Colorado has a five member volunteer land board appointed by the governor.

The director of the Colorado State Land Board has resigned, and they are looking for a replacement.

There was a law passed during the 2008 legislative session directing the use of trust land revenue. It changes the way the revenue is spent. Most of the revenue will be used as a dedicated source for school capital. With 35% of the annual distribution from the trust, leverage financing, and getting matching grants from locals.

#### Oklahoma – Sandy Foster

The Oklahoma permanent fund is currently at \$1.45 billion. A majority of the revenue comes from oil and gas, which is performing well. Unfortunately, the investment of the fund is not doing well.

There is a problem because the state land office will only allow 3 year wind energy leases, and the private sector is doing 99 year leases.

The state land office is considering land banking.

In the past session, the legislature tried unsuccessfully to use revenue from the permanent fund to pay for teacher retirement.

This year, the distribution to schools increased to \$65 million.

Oklahoma delegates report that one of the great benefits of CLASS is that the beneficiaries are now empowered to hold the trustees accountable.

#### Washington – Brenda Hood

Most of Washington's revenue comes from renewable resources. The trust is very timber-oriented. There is strong intergenerational language in the state constitution.

The trust has worked to become entirely Sustainable Forestry Initiative certified, with a large section of urban forests Forest Stewardship Council certified.

The state is working on land exchanges to reposition the land assets.

A challenge that Washington is facing is that the legislature does not allow land banking, and has shut down commercial leasing, including leasing for cell towers and wind towers.

In the past session, the legislature asked the Department of Natural Resources and the Office of the State Superintendent of Public Instruction to do a joint legislative briefing.

There is a need to diversify the permanent fund.

#### Wyoming – Marguerite Herman

Wyoming's permanent fund is at \$1.6 billion, with most of the money coming from oil and gas. They are looking to invest both renewable and non-renewable proceeds into the permanent fund, which would take a constitutional amendment. This may be a long process.

They are trying to prevent EPA listing of the Sage Grouse, and working to be ready if the listing comes. This would impact mineral leasing.

This year, \$8 million of the distribution went to capital improvements of schools.

The agency is in the process of diversifying investments. They are also working on a bill that would allocate 1% of the distribution to enhance the land.

The legislature has a general distrust of the trust because they think the land office is competing with private industry. There needs to be more education on this issue.

Montana – Terry Zickuhr

Montana's goal is to increase communication to the public about trust lands, and they have created a committee in conjunction with Montana PTA. There are no immediate threats to the trust, and the committee is exploring ways to improve the investment of the fund.

The education community has an increased presence at land board meetings, and is working to build partnerships with education foundations.

Director's Report – Paula Plant

Margaret is currently meeting with WSLCA. WSLCA is working on making information more readily available on the web and they have asked her to be present for the discussion.

Minnesota – Paula met with Marty Vadis, Minnesota Land Commissioner. In their last legislative session, the legislature changed the allotment of the annual trust land allocation from the general fund to school districts. The state legislature was considering moving the trust land administrative duties from the Department of Natural Resources, but instead set up a watchdog committee that includes education leaders.