

CLASS ROLL CALL NOTES

Kalispell, Montana

July 14, 2010

Marguerite Hermann, Secretary-Treasurer of CLASS conducted the CLASS Roll Call of the States.

North Dakota – Not present

South Dakota – Not present

Wyoming – Marguerite Hermann

The state of Wyoming has been working for many years to trade some trust acreage within Grand Teton National Park. In frustration and to try to get an exchange in place before the end of Governor Freudenthal 's term, he issued a press release indicating he planned to put the parcels up for public sale. This seems to have moved federal agencies and it appears an exchange could happen soon.

A few years ago, the Wyoming Supreme Court ruled that the trust lands were not constitutionally granted, though the permanent fund was created by the constitution. Beneficiaries and land managers are waiting for the right case to try and reverse the ruling because the ruling is setting up a scenario for abuses to the trust.

Montana – Dee Hensley-Maclean and Jeri Anton

CLASS participants have learned a good deal of interesting information about the Montana trust over the past several days. The Otter Creek coal lease and cabin site leases have increased public awareness about school trust lands.

Montana PTA was pleased to be included in the conference and looks forward to continued work with CLASS. The delegates from Montana especially appreciated having face to face contact with staff from the land office.

Minnesota – Not present

Alaska - Celia Rosen

Alaska hasn't received all the lands they should have due to the fact that the lands had not been surveyed at statehood. Alaska PTA believes that the common school trust is still owed considerable acreage. In addition, several years ago, the legislature combined the trusts to be "general trust lands." The University of Alaska and the mental health trust beneficiaries filed suit and their lands were reconstituted. Litigation is under way to get the common school lands back. As a result of a court ruling, the lands need to be reconstituted but in order to do so, they also all must be appraised. The appraisal process has been under way for the past eleven years.

A website for the Alaska common school trust has been created at www.publicschooltrust.org and Alaska PTA has adopted a resolution directing their work towards reconstituting the trusts. At the annual Juneau fly-in to meet with legislators, they spoke with policy makers about the school trust and found some interest including a legislator that may become a sponsor of legislation.

Oklahoma – Brenda Lee

Oklahoma PTA found the conference to be very valuable and feel they need to become more involved. The embezzlement discussed in the WSLCA Roll Call partially took place while PTA was watching and attending land board meetings. Evidently they were not vigilant enough. Oklahoma PTA will create a CLASS Committee in their state and work to provide their members and the public with information about the trust.

Oklahoma has a new secretary (commissioner) and three of the five land board members will change in the next election.

Idaho – Laurie Boeckel

A constitutional change came forward in the last days of the recent legislative session. PTA was asked to support it but didn't feel they had enough information to do so. Idaho PTA would like to be with the land office and board to support good changes for the trust but feel they must have time to fully understand and be comfortable with the change. Hopefully that can happen before it is introduced again.

Over the last 10 years the school trust has suffered a loss of millions of dollars for the beneficiaries due to political pressure to keep cottage site lease rates below market value. PTA spoke to the land board about their concerns to continue the practice but the land board adopted another rate increase that was below market value. The state treasurer has filed a motion with the Idaho Supreme Court to stop the action of collecting the rents.

Trust land issues have become a priority for Idaho PTA. One of the most important needs seems to be an effort to educate PTA members and the community, as well as being vigilant as issues arise.

Colorado – Colleen Heinz

Colorado has formed a CLASS group that meets regularly to receive reports and updates from the treasurer and land office. Legislation is also discussed. It seems the more the public and policy makers are educated about the trust and permanent fund, the more there are groups that surface with new ideas, wanting a piece of the pie. These ideas may not be in the best interest of the school children.

In the recent legislative session the legislature swept funds, intended to increase the permanent fund, to balance the budget. When actions like this occur, it prevents the permanent fund from growing and being relevant to an increasing student population. CLASS Colorado will work with the land board and lobbyists to determine an alternative so that the interest that should grow the fund is not spent.

Nevada - Ken Buhrmann

Only 25,000 trust acres remain due to the fact that Nevada received fewer sections than other states. They expect a resolution (BDR 90) to come forward in the upcoming session. It is expected that the resolution will request that congress grant additional school lands to Nevada. The concept that this could help with funding for schools is gaining interest and support.

The beneficiaries have learned that there are buildings (primarily government) built on some of the remaining land where rent is not being paid to the trust. The Nevada group will be looking into that concern over the coming year. Schools receive about \$3 million annually from the trust in Nevada.

Mississippi – Not present

Washington – Anita Boyum

The state of Washington retains about 3 million acres of trust lands – 80% of which are forested. The revenue from the lands goes to support school construction.

Washington has a new land commissioner and a new commissioner of education. The beneficiaries have become acquainted with both over the past year. They have worked to educate the commissioner of education about the trust. The beneficiary involvement with the land office has been quite limited, requiring beneficiaries to ask to be included in issues the former commissioner always involved them in. The beneficiaries are committed to attending land meetings and being just as involved as they can be.

The Secure Rural Schools Act, that reimbursed states through payments to rural schools and counties that have lost revenue and jobs due to the reduction in forest harvest, was renewed a year ago but just until 2012. It is important to stay involved in the reauthorization so that rural schools are not unduly impacted. The payments are to compensate schools and counties for the loss in jobs and revenues due to policy changes within the federal government.

Utah – Tyler Slack

Utah PTA will produce a couple of short videos to try to educate people about trust issues as part of the scholarship goals they committed to.

The recent legislative session was interesting and difficult for trust advocates. A bill was introduced that directed the legislature to file a suit against the federal government for lack of access to trust parcels. They planned to do this by enacting eminent domain on federal lands. The funds for the lawsuit were initially going to be taken from revenue dedicated to the permanent fund. With a lot of hard work on the part of beneficiaries, some legislators and the land director, the funding source changed, leaving the trust revenues untouched. Arizona is looking to do something similar in the upcoming legislative session.

The trust continues to suffer from a loss of dedicated and promised revenue for hunter access and the beneficiaries continue to look for the right opportunity to resolve the issue.

New Mexico – Mercedes Sandoval

At this conference, New Mexico PTA learned there are other trusts in addition to the common schools and will be looking into the details of how those trusts are managed and where the revenue goes. New Mexico is very interested in looking at possibilities for earmarking the funds so they improve education.

In New Mexico the land commissioner is a statewide elected office and the current land commissioner is term limited. The PTA plans to hold a forum/debate discussing trust issues during the election cycle with the candidates.

Arizona - Panfilo Contreras

Panfilo had to leave the conference prior to the CLASS Roll Call and left some information that Marguerite read as an update for the CLASS participants.

The governor of Arizona has gathered a group of environmental groups, land users and education groups to discuss needed reforms to the trust land management in an effort to find a package that could move forward either in the legislature or by going directly to the citizens. This strategy has been implemented many times but to date without much success. Some small changes have been successful in the legislature but widespread reform ends up stalemated in the legislature and unsuccessful with the people. It seems trust reform is not such a high priority as it once was in this down economy.

Trust funds in Arizona are spent in the Classroom Site Fund program that currently is primarily made up of a citizen imposed sales tax. It is intended that as the revenues from the trust increase they will take the place of the sales tax funds. The decision about how to spend the money is outlined in code and as follows: 20% for teacher base pay, 40% for teacher performance pay, and the other 40% for a menu of classroom-related items. Decisions about the funding allocations are made at the district level with committees made up primarily of teachers.

Oregon – Not present

Texas – Rene Nunez

The beneficiaries have been working to improve the relationship between the school board and the land office and have found that participation at the annual CLASS/WSLCA Conferences has helped considerably. David Bradley, also of the Texas State Board of Education, attended the conference this year.

The permanent and investment funds distribute about \$1 billion for education each year. The fund guarantees school bonds to AAA rating that also helps districts with construction. The land office now holds the mineral revenue and invests in real estate.

Rene requested the help of the education representatives at the CLASS Conference to help him get the other education groups in Texas more involved with the trusts, including participation at upcoming conferences.

California – Not present

Jeri Henly of Idaho PTA guessed the Roll Call Order. It was the number of endangered plant and animals in each state from the least to the most.