



Utah Land Trusts
Protection &
Advocacy Office

Trust System Update

April - June 2024

Message from the Director

Dear Trust Beneficiaries:

We want to make you aware of a proposed constitutional amendment coming up on the 2024 Utah Election ballot and how it will affect all trust beneficiaries.

This November, Utahns will vote on a constitutional amendment that, if passed, will increase the maximum cap on annual distributions from the Permanent State School Fund from 4% to 5%. While the language of the amendment specifically addresses the Public Schools beneficiary, the vote will also impact annual distributions to all trust beneficiaries.

During the 2023 General Session, the Utah Legislature unanimously passed HJR 18, Proposal to Amend Utah Constitution – State School Fund, which qualified this amendment to be placed on the November 2024 ballot.

In addition to HJR 18, however, a companion bill, HB 421 – School LAND Trust Program Amendments, also passed unanimously that Session. HB 421 codifies in statute the prospective changes to the Utah Constitution presented in HJR 18 that are unique to Public Schools. But the bill also stipulates that annual distributions from all Trust Beneficiary Funds will be raised from 4% to 5%. A contingency clause in HB 421 enacts this change for all beneficiaries only if the voters approve the constitutional amendment.

Raising the distribution caps for all beneficiary funds will give the School and Institutional Trust Funds Office (SITFO), which administers all beneficiary investment portfolios, the opportunity to better balance distributions for current and future generations, yet still provide for growth.

Our office is working to educate voters about this important amendment in support of all trust beneficiaries.

Sincerely,

Kim Christy

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CONTACT

Kim S. Christy

ADVOCACY OFFICE DIRECTOR

801.201.7480

kschristy@utah.gov

Jessie Stuart

ADVOCACY OFFICE ASSISTANT DIRECTOR

385.315.1892

jpstuart@utah.gov

PROTECTION & ADVOCACY OFFICE

Thank you to everyone for joining us at our Legislative Interim breakfast this past May. We were pleased to meet with many legislators to discuss current happenings within the Utah Trust System.

We're grateful to our Trust System colleagues from the Trust Lands Administration (TLA), Treasurer Marlo Oaks and his team, the School Children's Trust Office at the Utah State Board of Education, and the School and Institutional Trust Funds Office (SITFO) for joining us at the event and sharing their support and expertise.

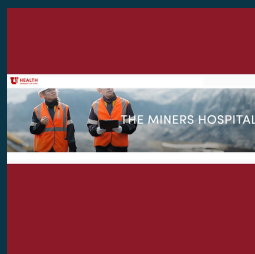


We also want to share the exciting news that Mr. Richard Ellis and Mr. Louis Cononelos were reappointed to the Land Trusts Advocacy Committee for second terms.

We appreciate their willingness to share their extensive experience and expertise in all areas of trust matters.



At the invitation of Shawn Shipley, RN who serves as the Miners Hospital Clinical Outreach and Development Coordinator,



Director Kim Christy attended the Miners Hospital Advisory Board Meeting this past May.

Director Christy met with the Miners Hospital team, including advisory board members, outgoing Hospital Director Dr. John Speed, and other University of Utah Health system staff.

We appreciate opportunities such as these, to visit with beneficiaries and learn more about your great work.

As you may have read in Director Christy's message, Utahns will vote on a Constitutional Amendment that would increase the maximum cap on annual distributions from the Permanent School Fund from 4% to 5%.

Constitutional Amendment
School LAND Trust Fund Distributions



THIS NOVEMBER

Utahns will vote on an amendment increasing the LAND Trust distribution cap from 4% to 5%

Raising the cap costs taxpayers nothing, it simply increases the percentage of LAND Trust distributions schools may receive from the Permanent School Fund.



Though the amendment language specifically addresses the Public Schools Beneficiary, the outcome of the vote will affect all trust beneficiaries.

We are joining forces with the education community and others to share information through their outreach platforms.

School and Institutional Trust Funds Office (SITFO)

New SITFO Trustee, Staffing, and Summit

The School and Institutional Trust Funds Office (SITFO) named Mr. Bong Choi to its Board of Trustees. Choi replaces outgoing Trustee Jason Gull.

The SITFO team is nearly fully staffed, with the Deputy Chief Investment Officer position to be filled in the coming months.

SITFO will host its annual Summit on December 2 and 3 in Midway, UT.

Asset Allocation and Performance

SITFO Chief Investment Officer Peter Madsen shared the following asset allocation and performance update as of May 31, 2024:

Plan Allocation & Performance												
	Allocation		Performance (%)									
	Market Value (\$)	%	10 Years	5 Years	3 Years	1 Year	FYTD	CYTD	QTD	MTD	Since Incep.	Inception Date
Total Fund	3,627,037,195	100.00	6.01	7.26	4.85	12.97	10.12	5.92	1.12	2.12	6.93	07/01/2003
Consumer Price Index+5%			7.96	9.37	10.54	8.43	7.64	4.49	1.38	0.57	7.73	
Difference			-1.95	-2.11	-5.69	4.54	2.48	1.43	-0.26	1.55	-0.80	
Total Fund Interim Target Index			6.40	7.97	4.06	11.39	8.35	3.95	0.25	1.66	7.08	
Difference			-0.39	-0.71	0.79	1.58	1.77	1.97	0.87	0.46	-0.15	
Plans												
School Fund Total Fund	3,377,199,514	93.11	6.02	7.26	4.85	12.97	10.12	5.92	1.12	2.12	6.96	07/01/2003
Deaf School Fund Total Fund	4,926,201	0.14	5.38	7.26	4.85	12.97	10.12	5.92	1.12	2.12	6.53	07/01/2003
Industrial School Total Fund	9,676,259	0.27	5.44	7.26	4.85	12.97	10.12	5.92	1.12	2.12	6.32	07/01/2003
Institute for the Blind Total Fund	25,388,432	0.70	5.82	7.26	4.85	12.97	10.12	5.92	1.12	2.12	6.81	07/01/2003
Miners Hospital Total Fund	99,016,999	2.73	5.67	7.26	4.85	12.97	10.12	5.92	1.12	2.12	6.33	07/01/2003
Normal School Total Fund	9,371,140	0.26	5.44	7.26	4.85	12.97	10.12	5.92	1.12	2.12	6.29	07/01/2003
Reservoirs Fund Total Fund	24,290,605	0.67	5.42	7.26	4.85	12.97	10.12	5.92	1.12	2.12	6.41	07/01/2003
School of Mines Total Fund	27,578,258	0.76	5.66	7.26	4.85	12.97	10.12	5.92	1.12	2.12	6.63	07/01/2003
University of Utah Total Fund	14,103,808	0.39	5.71	7.26	4.85	12.97	10.12	5.92	1.12	2.12	6.50	07/01/2003
Utah State Hospital Total Fund	9,936,417	0.27	5.40	7.26	4.85	12.97	10.12	5.92	1.12	2.12	6.22	07/01/2003
Utah State University Total Fund	25,549,562	0.70	5.89	7.26	4.85	12.97	10.12	5.92	1.12	2.12	6.61	07/01/2003

TRUST LANDS ADMINISTRATION (TLA)

New TLA Trustee

At the Trust Lands Administration (TLA) Board of Trustees meeting in April, we were pleased to announce that Governor Cox has appointed John Baza, a highly respected figure in the industry and retired director of the Division of Oil, Gas and Mining, to the TLA Board of Trustees.

Mr. Baza's wealth of experience and expertise will be a valuable addition to our diverse and knowledgeable board.

TLA Board Tour: Beaver County

At its June TLA Board Meeting, TLA staff and trustees undertook a comprehensive tour of several trust lands sites in Beaver County. These included the Eagle Point Resort, forestry and stewardship projects, and a successful environmental cleanup site of a former Boy Scouts of America Camp shooting range, providing a firsthand look at our diverse initiatives.

Successful Land and Mineral Auctions

TLA recently achieved significant financial success with two successful auctions. The land auction brought in an impressive \$733,000 for the Trust, while the mineral auction generated over \$1.1 million, showcasing the effective management of our trust lands and resources.

Trust Lands Administration Board Action Updates and Notifications

TLA manages thousands of leases and other transactions on an ongoing basis and performs dozens of new transactions or amendments to transactions on a weekly basis. The Trust Lands Administration's Board of Trustees meets monthly to review policy related matters as well as transactions that require board review.