

Senator Margaret Dayton proposes the following substitute bill:

SCHOOL CHILDREN'S TRUST SECTION AND BENEFICIARY

ADVOCATE AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Michael E. Noel

Senate Sponsor: Margaret Dayton

LONG TITLE

General Description:

This bill amends provisions regarding the School Children's Trust Section under the State Board of Education.

Highlighted Provisions:

This bill:

- ▶ creates the beneficiary advocate under the State Board of Education who:
 - shall take an oath of office as specified;
 - shall serve for a term of four years;
 - shall have supervisory duties for section staff;
 - may serve multiple terms; and
 - is exempt from the Utah State Personnel Management Act;
- ▶ amends the reasons for which the State Board of Education may remove the beneficiary advocate and removal procedures;
- ▶ requires the School Children's Trust Section to annually:
 - review distribution recipients' compliance with applicable laws and rules; and
 - report any findings to the appropriate governing bodies; and
- ▶ makes technical changes.

4th Sub. H.B. 291



26 **Money Appropriated in this Bill:**

27 None

28 **Other Special Clauses:**

29 None

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **53A-16-101.6 (Superseded 07/01/17)**, as last amended by Laws of Utah 2016, Chapter
33 144

34 **53A-16-101.6 (Effective 07/01/17)**, as last amended by Laws of Utah 2016, Chapters
35 144 and 172

36 **53C-1-103**, as last amended by Laws of Utah 2012, Chapter 224

37 **53D-1-102**, as last amended by Laws of Utah 2016, Chapter 144

38 **53D-1-202**, as enacted by Laws of Utah 2014, Chapter 426

39 **53D-1-304**, as enacted by Laws of Utah 2014, Chapter 426

40 **53D-1-403**, as last amended by Laws of Utah 2015, Chapter 276

41 **53D-1-501**, as enacted by Laws of Utah 2014, Chapter 426



43 *Be it enacted by the Legislature of the state of Utah:*

44 Section 1. Section **53A-16-101.6 (Superseded 07/01/17)** is amended to read:

45 **53A-16-101.6 (Superseded 07/01/17). Creation of School Children's Trust Section**

46 **-- Duties.**

47 (1) As used in this section:

48 (a) "Beneficiary advocate" means the individual, as an independent employee, who
49 shall fulfill the duties prescribed in this section to the trust land beneficiaries as the primary
50 beneficiary representative set forth in Subsection **53C-1-103(7)**.

51 (b) "Board" means the State Board of Education.

52 ~~[(a)]~~ (c) "School and institutional trust lands" [is as] means the same as that term is
53 defined in Section **53C-1-103**.

54 ~~[(b)]~~ (d) "Section" means the School Children's Trust Section created in this section.

55 ~~[(c)]~~ (e) "Trust" means:

56 (i) the School LAND Trust Program created in Section **53A-16-101.5**; and

57 (ii) the lands and funds associated with the trusts described in Subsection
58 [53C-1-103](#)(7).

59 (2) There is established a School Children's Trust Section under the [~~State Board of~~
60 ~~Education~~] board.

61 [~~(3)(a) The section shall have a director.~~]

62 (3) (a) There is created an independent beneficiary advocate who shall:

63 (i) act in a fiduciary capacity to the trust and to the trust beneficiaries in accordance
64 with the principles set forth in Section [53C-1-102](#);

65 (ii) take an oath of office before assuming the position of beneficiary advocate as
66 follows: "I solemnly swear to carry out my duties as beneficiary advocate with undivided
67 loyalty to the beneficiaries, to the best of my abilities and according to law."; and

68 (iii) have supervisory duties for the staff of the section.

69 (b) The [~~director~~] beneficiary advocate shall have professional qualifications and
70 expertise in the areas generating revenue to the trust, including:

71 (i) economics;

72 (ii) energy and mineral development;

73 (iii) finance;

74 (iv) investments;

75 (v) public education;

76 (vi) real estate;

77 (vii) renewable resources;

78 (viii) risk management; and

79 (ix) trust law.

80 (c) (i) The [~~director~~] beneficiary advocate shall:

81 (A) be appointed as provided in this Subsection (3)[~~;~~]; and

82 (B) except as provided in Subsection (3)(c)(ii), serve for a term of four years.

83 (ii) The four-year term of an individual who is the beneficiary advocate on July 1,
84 2017, shall expire on July 1, 2021, unless a vacancy occurs.

85 (iii) The beneficiary advocate may serve more than one term.

86 (iv) The beneficiary advocate shall notify the board whether the beneficiary advocate is
87 willing to be considered for reappointment to another term no later than four months before the

88 end of the current term.

89 (v) The board shall announce whether the beneficiary advocate is reappointed for
90 another term no later than three months before the end of the current term.

91 (d) ~~[The]~~ When a vacancy for the position of beneficiary advocate occurs, the School
92 and Institutional Trust Lands Board of Trustees nominating committee shall submit to the
93 ~~[State Board of Education]~~ board the name of one ~~[person]~~ individual to serve as ~~[director]~~
94 beneficiary advocate.

95 (e) The ~~[State Board of Education]~~ board may:

96 (i) appoint the ~~[person]~~ individual described in Subsection (3)(d) to serve as ~~[director]~~
97 beneficiary advocate; or

98 (ii) deny the appointment of the ~~[person]~~ individual described in Subsection (3)(d) to
99 serve as ~~[director]~~ beneficiary advocate.

100 (f) If the ~~[State Board of Education]~~ board denies an appointment under this Subsection
101 (3):

102 (i) the ~~[State Board of Education]~~ board shall provide in writing one or more reasons
103 for the denial to the School and Institutional Trust Lands Board of Trustees nominating
104 committee; and

105 (ii) the School and Institutional Trust Lands Board of Trustees nominating committee
106 and the ~~[State Board of Education]~~ board shall follow the procedures and requirements of this
107 Subsection (3) until the ~~[State Board of Education]~~ board appoints a ~~[director]~~ beneficiary
108 advocate.

109 (g) (i) ~~[The State Board of Education may remove the director only]~~ The board may,
110 subject to Subsection (3)(g)(ii), remove the beneficiary advocate only:

111 (A) by majority vote ~~[of a quorum]~~ of all board members in an open and public
112 meeting after proper notice and the inclusion of the removal item on the agenda[-]; and

113 (B) for neglect of fiduciary duty, malfeasance, gross negligence, incapacitation, or
114 insubordination for the failure to follow the rules, policies, and written directives of the board
115 for the proper administration of the School Land Trust Program, including supervisory duties
116 for the staff of the section.

117 (ii) No later than 20 days before a meeting of the board to remove the beneficiary
118 advocate, the board or the board's designee shall:

119 (A) deliver to the beneficiary advocate written notice of the time and location of the
120 meeting;

121 (B) provide in writing the board's reasons for removing the beneficiary advocate; and

122 (C) provide the beneficiary advocate an opportunity to respond in writing to the
123 reasons for removal.

124 (iii) The termination of an individual under this Subsection (3)(g) is effective
125 immediately and creates a vacancy in the position of the beneficiary advocate.

126 (iv) For the purposes of this Subsection (3)(g), the board shall place the beneficiary
127 advocate on paid administrative leave until a decision is made by the board.

128 (h) The position of beneficiary advocate is exempt from the career service provisions
129 of Title 67, Chapter 19, Utah State Personnel Management Act.

130 (4) The [~~State Board of Education~~] board shall make rules regarding:

131 (a) regular reporting from the [~~School Children's Trust Section director~~] beneficiary
132 advocate to the [~~State Board of Education,~~] board, to allow the [~~State Board of Education~~]
133 board to fulfill its duties in also representing the trust beneficiaries; and

134 (b) the day-to-day reporting of the [~~School Children's Trust Section director~~]
135 beneficiary advocate.

136 (5) (a) The [~~director~~] beneficiary advocate shall annually submit a proposed [~~section~~]
137 budget to the [~~State Board of Education~~] board.

138 (b) After approving a section budget, the [~~State Board of Education~~] board shall
139 annually:

140 (i) receive input on the beneficiary advocate's performance from the chair of the board
141 and director of:

142 (A) the School and Institutional Trust Lands Administration; and

143 (B) the School and Institutional Trust Fund Office;

144 (ii) establish the range and compensation of the beneficiary advocate in line with
145 comparable positions in state government, the responsibilities of the position, and the
146 qualifications required in Subsection (3)(b);

147 (iii) report the beneficiary advocate's compensation to the Public Education
148 Appropriations Subcommittee; and

149 (iv) propose the approved budget to the Legislature.

- 150 (6) The ~~[director]~~ beneficiary advocate is entitled to attend any presentation,
151 discussion, meeting, or other gathering concerning the trust, subject to:
- 152 (a) provisions of law prohibiting the ~~[director's]~~ beneficiary advocate's attendance to
153 preserve confidentiality; or
- 154 (b) other provisions of law that the ~~[director's]~~ beneficiary advocate's attendance would
155 violate.
- 156 (7) The section shall have a staff.
- 157 (8) The ~~[section]~~ beneficiary advocate shall protect current and future beneficiary
158 rights and interests in the trust consistent with the state's perpetual obligations under:
- 159 (a) the Utah Enabling Act;
- 160 (b) the Utah Constitution;
- 161 (c) state statute; and
- 162 (d) standard trust principles described in Section 53C-1-102.
- 163 (9) The ~~[section]~~ beneficiary advocate shall promote:
- 164 (a) productive use of school and institutional trust lands for the financial support of the
165 trust beneficiaries; and
- 166 (b) the efficient and prudent investment of funds managed by the School and
167 Institutional Trust Fund Office, created in Section 53D-1-201.
- 168 (10) The ~~[section]~~ beneficiary advocate shall provide representation, advocacy, and
169 input:
- 170 (a) on behalf of current and future beneficiaries of the trust, school community
171 councils, schools, and school districts;
- 172 (b) on federal, state, and local land decisions and policies that affect the trust; and
- 173 (c) to:
- 174 (i) the School and Institutional Trust Lands Administration;
- 175 (ii) the School and Institutional Trust Lands Board of Trustees;
- 176 (iii) the Legislature;
- 177 (iv) the School and Institutional Trust Fund Office, created in Section 53D-1-201;
- 178 (v) the School and Institutional Trust Fund Board of Trustees, created in Section
179 53D-1-301;
- 180 (vi) the attorney general;

181 (vii) the public; and
182 (viii) other entities as determined by the [section] beneficiary advocate.

183 (11) The [section] beneficiary advocate shall provide independent oversight on the
184 prudent and profitable management of the trust and report annually to the [~~State Board of~~
185 ~~Education~~] board and the Legislature.

186 (12) The [section] beneficiary advocate shall provide information requested by a
187 person or entity described in Subsections (10)(c)(i) through (vii).

188 (13) (a) The section shall provide training to the entities described in Subsection
189 (13)(b) on:

- 190 (i) the School LAND Trust Program established in Section 53A-16-101.5; and
- 191 (ii) (A) a school community council established pursuant to Section 53A-1a-108; or
- 192 (B) a charter trust land council established under Section 53A-16-101.5.

193 (b) The section shall provide the training to:

- 194 (i) a local school board or a charter school governing board;
- 195 (ii) a school district or a charter school; and
- 196 (iii) a school community council.

197 (14) The section shall annually:

198 (a) review K-12 trust distribution recipients' compliance with applicable law, including
199 applicable rules, policies, and directives adopted by the board; and

200 (b) report findings to the board and other appropriate governing bodies, including:

- 201 (i) the School and Institutional Trust Lands Administration created in Section
202 53C-1-201 and the School and Institutional Trust Lands Board of Trustees established in
203 Section 53C-1-202;

204 (ii) the School and Institutional Trust Fund Office created in Section 53D-1-201 and
205 the School and Institutional Trust Fund Board of Trustees created in Section 53D-1-301; and

206 (iii) other designated representatives and organizations of trust beneficiaries of school
207 and institutional trust lands.

208 Section 2. Section 53A-16-101.6 (Effective 07/01/17) is amended to read:

209 **53A-16-101.6 (Effective 07/01/17). Creation of School Children's Trust Section --**
210 **Duties.**

211 (1) As used in this section:

212 (a) "Beneficiary advocate" means the individual, as an independent employee, who
213 shall fulfill the duties prescribed in this section to the trust land beneficiaries as the primary
214 beneficiary representative set forth in Subsection 53C-1-103(7).

215 (b) "Board" means the State Board of Education.

216 ~~[(a)]~~ (c) "School and institutional trust lands" [is-as] means the same as that term is
217 defined in Section 53C-1-103.

218 ~~[(b)]~~ (d) "Section" means the School Children's Trust Section created in this section.

219 ~~[(c)]~~ (e) "Trust" means:

220 (i) the School LAND Trust Program created in Section 53A-16-101.5; and

221 (ii) the lands and funds associated with the trusts described in Subsection
222 53C-1-103(7).

223 (2) There is established a School Children's Trust Section under the State Board of
224 Education.

225 ~~[(3) (a) The section shall have a director.]~~

226 (3) (a) There is created an independent beneficiary advocate who shall:

227 (i) act in a fiduciary capacity to the trust and to the trust beneficiaries in accordance
228 with the principles set forth in Section 53C-1-102;

229 (ii) take an oath of office before assuming the position of beneficiary advocate as
230 follows: "I solemnly swear to carry out my duties as beneficiary advocate with undivided
231 loyalty to the beneficiaries, to the best of my abilities and according to law."; and

232 (iii) have supervisory duties for the staff of the section.

233 (b) The ~~[director]~~ beneficiary advocate shall have professional qualifications and
234 expertise in the areas generating revenue to the trust, including:

235 (i) economics;

236 (ii) energy and mineral development;

237 (iii) finance;

238 (iv) investments;

239 (v) public education;

240 (vi) real estate;

241 (vii) renewable resources;

242 (viii) risk management; and

- 243 (ix) trust law.
- 244 (c) (i) The ~~[director]~~ beneficiary advocate shall:
- 245 (A) be appointed as provided in this Subsection (3)[-]; and
- 246 (B) except as provided in Subsection (3)(c)(ii), serve for a term of four years.
- 247 (ii) The four-year term of an individual who is the beneficiary advocate on July 1,
- 248 2017, shall expire on July 1, 2021, unless a vacancy occurs.
- 249 (iii) The beneficiary advocate may serve more than one term.
- 250 (iv) The beneficiary advocate shall notify the board whether the beneficiary advocate is
- 251 willing to be considered for reappointment to another term no later than four months before the
- 252 end of the current term.
- 253 (v) The board shall announce whether the beneficiary advocate is reappointed for
- 254 another term no later than three months before the end of the current term.
- 255 (d) ~~[The]~~ When a vacancy for the position of beneficiary advocate occurs, the School
- 256 and Institutional Trust Lands Board of Trustees nominating committee shall submit to the
- 257 ~~[State Board of Education]~~ board the name of one ~~[person]~~ individual to serve as ~~[director]~~
- 258 beneficiary advocate.
- 259 (e) The ~~[State Board of Education]~~ board may:
- 260 (i) appoint the ~~[person]~~ individual described in Subsection (3)(d) to serve as ~~[director]~~
- 261 beneficiary advocate; or
- 262 (ii) deny the appointment of the ~~[person]~~ individual described in Subsection (3)(d) to
- 263 serve as [director] beneficiary advocate.
- 264 (f) If the ~~[State Board of Education]~~ board denies an appointment under this Subsection
- 265 (3):
- 266 (i) the ~~[State Board of Education]~~ board shall provide in writing one or more reasons
- 267 for the denial to the School and Institutional Trust Lands Board of Trustees nominating
- 268 committee; and
- 269 (ii) the School and Institutional Trust Lands Board of Trustees nominating committee
- 270 and the [State Board of Education] board shall follow the procedures and requirements of this
- 271 Subsection (3) until the [State Board of Education] board appoints a [director] beneficiary
- 272 advocate.
- 273 (g) (i) ~~[The State Board of Education may remove the director only]~~ The board may,

274 subject to Subsection (3)(g)(ii), remove the beneficiary advocate only:

275 (A) by majority vote [~~of a quorum~~] of all board members in an open and public
276 meeting after proper notice and the inclusion of the removal item on the agenda[-]; and

277 (B) for neglect of fiduciary duty, malfeasance, gross negligence, incapacitation or
278 insubordination for the failure to follow the rules, policies, and written directives of the board
279 for the proper administration of the School Land Trust Program, including supervision duties
280 for the staff of the section.

281 (ii) No later than 20 days before a meeting of the board to remove the beneficiary
282 advocate, the board or the board's designee shall:

283 (A) deliver to the beneficiary advocate written notice of the time and location of the
284 meeting;

285 (B) provide in writing the board's reasons for removing the beneficiary advocate; and

286 (C) provide the beneficiary advocate an opportunity to respond in writing to the
287 reasons for removal.

288 (iii) The termination of an individual under this Subsection (3)(g) is effective
289 immediately and creates a vacancy in the position of the beneficiary advocate.

290 (iv) For the purposes of this Subsection (3)(g), the board shall place the beneficiary
291 advocate on paid administrative leave until a decision is made by the board.

292 (h) The position of beneficiary advocate is exempt from the career service provisions
293 of Title 67, Chapter 19, Utah State Personnel Management Act.

294 (4) The [~~State Board of Education~~] board shall make rules regarding:

295 (a) regular reporting from the [~~School Children's Trust Section director~~] beneficiary
296 advocate to the [~~State Board of Education~~] board, to allow the [~~State Board of Education~~]
297 board to fulfill its duties in also representing the trust beneficiaries; and

298 (b) the day-to-day reporting of the [~~School Children's Trust Section director~~]
299 beneficiary advocate.

300 (5) (a) The [~~director~~] beneficiary advocate shall annually submit a proposed section
301 budget to the [~~State Board of Education~~] board.

302 (b) After approving a section budget, the [~~State Board of Education~~] board shall
303 annually:

304 (i) receive input on the beneficiary advocate's performance from the chair of the board

305 and director of:

306 (A) the School and Institutional Trust Lands Administration; and

307 (B) the School and Institutional Trust Fund Office;

308 (ii) establish the range and compensation of the beneficiary advocate in line with

309 comparable positions in state government, the responsibilities of the position, and the

310 qualifications required in Subsection (3)(b);

311 (iii) report the beneficiary advocate's compensation to the Public Education

312 Appropriations Subcommittee; and

313 (iv) propose the approved budget to the Legislature.

314 (6) The [~~director~~] beneficiary advocate is entitled to attend any presentation,

315 discussion, meeting, or other gathering concerning the trust, subject to:

316 (a) provisions of law prohibiting the [~~director's~~] beneficiary advocate's attendance to

317 preserve confidentiality; or

318 (b) other provisions of law that the [~~director's~~] beneficiary advocate's attendance would

319 violate.

320 (7) The section shall have a staff.

321 (8) The [~~section~~] beneficiary advocate shall protect current and future beneficiary

322 rights and interests in the trust consistent with the state's perpetual obligations under:

323 (a) the Utah Enabling Act;

324 (b) the Utah Constitution;

325 (c) state statute; and

326 (d) standard trust principles described in Section 53C-1-102.

327 (9) The [~~section~~] beneficiary advocate shall promote:

328 (a) productive use of school and institutional trust lands for the financial support of the

329 trust beneficiaries; and

330 (b) the efficient and prudent investment of funds managed by the School and

331 Institutional Trust Fund Office, created in Section 53D-1-201.

332 (10) The [~~section~~] beneficiary advocate shall provide representation, advocacy, and

333 input:

334 (a) on behalf of current and future beneficiaries of the trust, school community

335 councils, schools, and school districts;

336 (b) on federal, state, and local land decisions and policies that affect the trust; and

337 (c) to:

338 (i) the School and Institutional Trust Lands Administration;

339 (ii) the School and Institutional Trust Lands Board of Trustees;

340 (iii) the Legislature;

341 (iv) the School and Institutional Trust Fund Office, created in Section 53D-1-201;

342 (v) the School and Institutional Trust Fund Board of Trustees, created in Section

343 53D-1-301;

344 (vi) the attorney general;

345 (vii) the public; and

346 (viii) other entities as determined by the [section] beneficiary advocate.

347 (11) The [section] beneficiary advocate shall provide independent oversight on the

348 prudent and profitable management of the trust and report annually to the [~~State Board of~~

349 ~~Education~~] board and the Legislature.

350 (12) The [section] beneficiary advocate shall provide information requested by a

351 person or entity described in Subsections (10)(c)(i) through (vii).

352 (13) (a) The section shall provide training to the entities described in Subsection

353 (13)(b) on:

354 (i) the School LAND Trust Program established in Section 53A-16-101.5; and

355 (ii) (A) a school community council established pursuant to Section 53A-1a-108; or

356 (B) a charter trust land council established under Section 53A-16-101.5.

357 (b) The section shall provide the training to:

358 (i) a local school board or a charter school governing board;

359 (ii) a school district or a charter school; and

360 (iii) a school community council.

361 (14) The section shall annually:

362 (a) review [~~each school's~~] K-12 trust distribution recipients' compliance with applicable

363 law, including applicable rules, policies, and directives adopted by the [~~State Board of~~

364 ~~Education~~] board; and

365 (b) report findings to the [~~State Board of Education.~~] board and other appropriate

366 governing bodies, including:

367 (i) the School and Institutional Trust Lands Administration created in Section
368 53C-1-201 and the School and Institutional Trust Lands Board of Trustees established in
369 Section 53C-1-202;

370 (ii) the School and Institutional Trust Fund Office created in Section 53D-1-201 and
371 the School and Institutional Trust Fund Board of Trustees created in Section 53D-1-301; and

372 (iii) other designated representatives and organizations of trust beneficiaries of school
373 and institutional trust lands.

374 Section 3. Section 53C-1-103 is amended to read:

375 **53C-1-103. Definitions.**

376 As used in this title:

377 (1) "Administration" means the School and Institutional Trust Lands Administration.

378 (2) "Board" or "board of trustees" means the School and Institutional Trust Lands
379 Board of Trustees.

380 (3) "Director" or "director of school and institutional trust lands" means the chief
381 executive officer of the School and Institutional Trust Lands Administration.

382 (4) "Mineral" includes oil, gas, and hydrocarbons.

383 (5) "Nominating committee" means the committee that nominates candidates for
384 positions and vacancies on the board.

385 (6) "Policies" means statements applying to the administration that broadly prescribe a
386 future course of action and guiding principles.

387 (7) "Primary beneficiary representative" means the beneficiary advocate appointed by
388 the State Board of Education acting with undivided loyalty consistent with the fiduciary duties
389 and principles set forth in Section 53C-1-102 for the financial support of and as representative
390 on behalf of the following trusts:

391 (a) the trust established for common schools;

392 (b) the trust established for schools for the blind; and

393 (c) the trust established for schools for the deaf.

394 (8) "School and institutional trust lands" or "trust lands" means those properties
395 granted by the United States in the Utah Enabling Act to the state in trust, and other lands
396 transferred to the trust, which must be managed for the benefit of:

397 (a) the state's public education system; or

398 (b) the institutions of the state which are designated by the Utah Enabling Act as
399 beneficiaries of trust lands.

400 Section 4. Section **53D-1-102** is amended to read:

401 **53D-1-102. Definitions.**

402 (1) "Account" means the School and Institutional Trust Fund Management Account,
403 created in Section [53D-1-203](#).

404 (2) "Beneficiaries":

405 (a) means those for whose benefit the trust fund is managed and preserved, consistent
406 with the enabling act, the Utah Constitution, and state law; and

407 (b) does not include other government institutions or agencies, the public at large, or
408 the general welfare of the state.

409 (3) "Beneficiary advocate" means the same as that term is defined in Section
410 [53A-16-101.6](#).

411 [~~3~~] (4) "Board" means the board of trustees established in Section [53D-1-301](#).

412 [~~4~~] (5) "Director" means the director of the office.

413 [~~5~~] (6) "Enabling act" means the act of Congress, dated July 16, 1894, enabling the
414 people of Utah to form a constitution and state government and to be admitted into the Union.

415 [~~6~~] (7) "Nominating committee" means the committee established under Section
416 [53D-1-501](#).

417 [~~7~~] (8) "Office" means the School and Institutional Trust Fund Office, created in
418 Section [53D-1-201](#).

419 [~~8~~] (9) "School children's trust section" means the School Children's Trust Section
420 under the State Board of Education, established in Section [53A-16-101.6](#).

421 [~~9~~] (10) "Trust fund" means money derived from:

422 (a) the sale or use of land granted to the state under Sections 6, 8, and 12 of the
423 enabling act;

424 (b) proceeds referred to in Section 9 of the enabling act from the sale of public land;
425 and

426 (c) revenue and assets referred to in Utah Constitution, Article X, Section 5,
427 Subsections (1)(c), (e), and (f).

428 Section 5. Section **53D-1-202** is amended to read:

429 **53D-1-202. Access to office records and personnel.**

430 (1) The office shall provide board members and the [~~director of the school children's~~
431 ~~trust section~~] beneficiary advocate access to all office records and personnel as necessary for
432 board members and the [~~director of the school children's trust section~~] beneficiary advocate to
433 fulfill their responsibilities to ensure that the office is in full compliance with applicable law
434 and policies.

435 (2) If the director requires, board members and the [~~director of the school children's~~
436 ~~trust section~~] beneficiary advocate shall maintain confidentiality of information they obtain
437 from office records and personnel.

438 Section 6. Section **53D-1-304** is amended to read:

439 **53D-1-304. Board meetings.**

440 (1) The board shall hold at least nine meetings per year to conduct business.

441 (2) The board chair or two board members:

442 (a) may call a board meeting; and

443 (b) if calling a board meeting, shall provide as much advance notice as is reasonable
444 under the circumstances to all board members, the director, and the [~~director of the school~~
445 ~~children's trust section~~] beneficiary advocate.

446 (3) Any board member may place an item on a board meeting agenda.

447 (4) The board shall annually adopt a set of parliamentary procedures to govern board
448 meetings.

449 (5) The board may establish an attendance policy to govern the attendance of board
450 members at board meetings.

451 Section 7. Section **53D-1-403** is amended to read:

452 **53D-1-403. Reports.**

453 (1) At least annually, the director shall report in person to the Legislative Management
454 Committee, the governor, and the State Board of Education, concerning the office's
455 investments, performance, estimated distributions, and other activities.

456 (2) The director shall report to the board concerning the work of the director and the
457 investment activities and other activities of the office:

458 (a) in a public meeting at least nine times per year; and

459 (b) as otherwise requested by the board.

460 (3) (a) Before November 1 of each year, the director shall:
461 (i) submit a written report to school community councils, created under Section
462 53A-1a-108, and charter trust land councils, established under Section 53A-16-101.5
463 concerning the office's investments, performance, estimated distributions, and other activities;
464 and
465 (ii) post the written report described in Subsection (3)(a)(i) on the office's website.
466 (b) A report under Subsection (3)(a) shall be prepared in simple language designed to
467 be understood by the general public.

468 (4) The director shall provide to the board:
469 (a) monthly written reports on the activities of the office;
470 (b) quarterly financial reports; and
471 (c) any other report requested by the board.
472 (5) The director shall:
473 (a) invite the [~~director of the school children's trust section~~] beneficiary advocate to
474 attend any meeting at which the director gives a report under this section; and
475 (b) provide the [~~director of the school children's trust section~~] beneficiary advocate:
476 (i) a copy of any written report prepared under this section; and
477 (ii) any other report requested by the [~~director of the school children's trust section~~]
478 beneficiary advocate.

479 Section 8. Section 53D-1-501 is amended to read:

480 **53D-1-501. Nominating committee -- Membership -- Terms -- Vacancies --**
481 **Compensation.**

482 (1) There is established a School and Institutional Trust Fund Nominating Committee.
483 (2) The nominating committee consists of:
484 (a) two members appointed by the State Board of Education;
485 (b) two members, appointed by the [~~director of the school children's trust section~~]
486 beneficiary advocate, each of whom is a member of a respected professional organization;
487 (c) the chief investment officer of the University of Utah endowment;
488 (d) the chief investment officer of the Utah State University endowment; and
489 (e) the director of the school children's trust section.
490 (3) An individual appointed as a member of the nominating committee under

491 Subsection (2)(a) or (b) shall be appointed based on the individual's expertise in:

492 (a) investment finance;

493 (b) institutional asset management;

494 (c) trust administration; or

495 (d) the practice of law in the areas of capital markets, securities law, trusts,
496 foundations, endowments, investment finance, institutional asset management, or trust
497 administration.

498 (4) The term of a member appointed under Subsection (2)(a) or (b) is four years, except
499 that the initial term of members appointed under Subsection (2)(b) is two years.

500 (5) A nominating committee member shall serve until a successor is appointed and
501 qualified.

502 (6) (a) If a member appointed under Subsection (2)(a) or (b) leaves office, the vacancy
503 shall be filled in the same manner as the initial appointment under Subsection (2)(a) or (b).

504 (b) An individual appointed to fill a vacancy under Subsection (6)(a) serves the
505 remainder of the unexpired term.

506 (7) A member of the nominating committee may not receive compensation or benefits
507 for the member's service, but may receive per diem and travel expenses in accordance with:

508 (a) Section [63A-3-106](#);

509 (b) Section [63A-3-107](#); and

510 (c) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
511 [63A-3-107](#).