



Utah Land Trusts
Protection &
Advocacy Office

Utah Land Trusts Protection & Advocacy Office
310 S Main Street, Suite 1275
Salt Lake City, UT 84101

May 8, 2023

Executive Appropriations Committee
350 State Street
Salt Lake City, UT 84103

ANNUAL REPORT EXECUTIVE SUMMARY

On behalf of the Land Trusts Protection & Advocacy Office, and pursuant to U.C.A. § 53D 2-203.5(h), we are pleased to submit our Fiscal Year 2022 (FY 2022) Annual Report.

The Land Trusts Protection & Advocacy Office (Protection & Advocacy Office) is dedicated to protecting and advocating for the preservation, stability, and growth of the trust assets on behalf of the current and future beneficiaries of the School and Institutional Trust System. We are committed to cultivating prudent decision-making and entrepreneurial business practices; advocating for goal-oriented management; and engaging in large-scale, long-range planning efforts that will result in significant upward mobility of the trust for years in the future.

We are grateful to work closely with the Trust Lands Administration, the School and Institutional Trust Funds Office (SITFO) and other key entities and individuals within the trust system to protect and enhance the long-term economic value of the whole trust and commend them for the work that they have accomplished. We are also grateful for the Legislature and its support of ensuring the success of this important Trust.

Below is a summary of the annual report pertaining to the trust assets and permanent fund performance during FY 2022:

ASSET & FINANCIAL SUMMARY FY 2022

The Trust Lands Administration produced a record high earnings of \$166 million from its surface and mineral estates in fiscal year 2022. Trust Land Administration revenues were shared among three major categories: energy and mineral revenues (31%); development and planning revenues (42%); and surface resource utility (27%).

SITFO saw some retracement in the performance of the permanent funds after a record fiscal year in 2021. The disparity between FY 2021 and FY 2022 was significant and serves as a reminder of the importance of diversification and focusing on long-term, risk adjusted returns. Despite broad market headwinds globally with both stocks and bonds down 20% more in the last half of FY 2022, SITFO's performance in FY 2022 was -3.7%. Over the longer time periods, however, returns are trending in line with the primary investment objective of CPI+5%.



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A record distribution for all trust beneficiaries was realized in FY 2022. Annual distributions from each trust are capped at 4% of the average market value of each trust's permanent fund over a 20-quarter period. This equaled \$100.5 million being distributed in FY 2022 to 11 beneficiaries including Utah schools, hospitals, and institutions (compared to \$97.4 million in FY 2021). Approximately, 95% of the total distributions are distributed to Utah's public schoolchildren under discretion of school community councils and approved by local school boards.

In addition to providing meaningful revenue for its beneficiaries, the Trust is proud of its land stewardship ethic and performance as a community player. The Trust continues to also contribute significantly to the economic viability of many communities throughout the state.

We see a bright future for Utah with the revenue generated for our beneficiaries through strategic and evolving land management and permanent fund investment. It is a privilege and honor for the Land Trusts Protection & Advocacy Office to serve the trust beneficiaries and to continue advancing the interests of the Utah School and Institutional Trust.

Respectfully,

Kim S. Christy, Director
Land Trusts Protection & Advocacy Office