

Representative Michael E. Noel 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:
 - shall take an oath of office as specified;
 - shall serve for a term of four years;
 - 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
- ▶ requires the School Children's Trust Section to annually:
 - review distribution recipient's compliance with applicable laws and rules; and
 - report any findings to the appropriate governing bodies.

Money Appropriated in this Bill:

None



26 **Other Special Clauses:**

27 None

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **53A-16-101.6 (Superseded 07/01/17)**, as last amended by Laws of Utah 2016, Chapter
31 144

32 **53A-16-101.6 (Effective 07/01/17)**, as last amended by Laws of Utah 2016, Chapters
33 144 and 172

34 **53C-1-103**, as last amended by Laws of Utah 2012, Chapter 224

35 **53D-1-102**, as last amended by Laws of Utah 2016, Chapter 144

36 **53D-1-202**, as enacted by Laws of Utah 2014, Chapter 426

37 **53D-1-304**, as enacted by Laws of Utah 2014, Chapter 426

38 **53D-1-403**, as last amended by Laws of Utah 2015, Chapter 276

39 **53D-1-501**, as enacted by Laws of Utah 2014, Chapter 426



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

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 Section **53A-16-101.6 (Superseded 07/01/17)** is amended to read:

43 **53A-16-101.6 (Superseded 07/01/17). Creation of School Children's Trust Section**
44 **-- Duties.**

45 (1) As used in this section:

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

49 (b) "Board" means the Sate Board of Education.

50 ~~(a)~~ (c) "School and institutional trust lands" is as defined in Section **53C-1-103**.

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

52 ~~(c)~~ (e) "Trust" means:

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

54 (ii) the lands and funds associated with the trusts described in Subsection

55 **53C-1-103(7)**.

56 (2) There is established a School Children's Trust Section under the ~~[State Board of~~

57 Education] board.

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

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

60 (i) act in a fiduciary capacity to the trust and to the trust beneficiaries in accordance

61 with the principles set forth in Section 53C-1-102; and

62 (ii) take an oath of office before assuming the position of beneficiary advocate as

63 follows: "I solemnly swear to carry out my duties as beneficiary advocate with undivided

64 loyalty to the beneficiaries, to the best of my abilities and according to law."

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

67 (i) economics;

68 (ii) energy and mineral development;

69 (iii) finance;

70 (iv) investments;

71 (v) public education;

72 (vi) real estate;

73 (vii) renewable resources;

74 (viii) risk management; and

75 (ix) trust law.

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

77 (A) be appointed as provided in this Subsection (3)[.]; and

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

79 (ii) The four-year term of an individual who is the beneficiary advocate on July 1,

80 2017, shall expire on July 1, 2021, unless a vacancy occurs.

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

82 (iv) The beneficiary advocate shall notify the board whether the beneficiary advocate is

83 willing to be considered for reappointment to another term no later than four months before the

84 end of the current term.

85 (v) The board shall announce whether the beneficiary advocate is reappointed for

86 another term no later than three months before the end of the current term.

87 (d) [~~The~~] When a vacancy for the position of beneficiary advocate occurs, the School

88 and Institutional Trust Lands Board of Trustees nominating committee shall submit to the
89 ~~[State Board of Education]~~ board the name of one ~~[person]~~ individual to serve as ~~[director]~~
90 beneficiary advocate.

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

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

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

96 (f) If the ~~[State Board of Education]~~ board denies an appointment under this Subsection
97 (3):

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

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

105 (g) (i) The ~~[State Board of Education]~~ board may remove the ~~[director]~~ beneficiary
106 advocate only:

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

109 (B) for neglect of fiduciary duty, malfeasance, gross negligence, incapacitation, or
110 insubordination for the failure to follow the rules, policies, and directives of the board for the
111 proper administration of the School Land Trust Program.

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

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

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

117 (a) regular reporting from the ~~[School Children's Trust Section director]~~ beneficiary
118 advocate to the ~~[State Board of Education,]~~ board, to allow the ~~[State Board of Education]~~

119 board to fulfill its duties in also representing the trust beneficiaries; and

120 (b) the day-to-day reporting of the [~~School Children's Trust Section~~ director]

121 beneficiary advocate.

122 (5) (a) The [~~director~~] beneficiary advocate shall annually submit a proposed section

123 budget to the [~~State Board of Education~~] board.

124 (b) After approving a section budget, the [~~State Board of Education~~] board shall

125 annually:

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

127 and director of:

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

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

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

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

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

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

134 Appropriations Subcommittee; and

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

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

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

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

139 preserve confidentiality; or

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

141 violate.

142 (7) The section shall have a staff.

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

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

145 (a) the Utah Enabling Act;

146 (b) the Utah Constitution;

147 (c) state statute; and

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

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

150 (a) productive use of school and institutional trust lands for the financial support of the
151 trust beneficiaries; and

152 (b) the efficient and prudent investment of funds managed by the School and
153 Institutional Trust Fund Office, created in Section 53D-1-201.

154 (10) The [section] beneficiary advocate shall provide representation, advocacy, and
155 input:

156 (a) on behalf of current and future beneficiaries of the trust, school community
157 councils, schools, and school districts;

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

159 (c) to:

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

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

162 (iii) the Legislature;

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

164 (v) the School and Institutional Trust Fund Board of Trustees, created in Section
165 53D-1-301;

166 (vi) the attorney general;

167 (vii) the public; and

168 (viii) other entities as determined by the section.

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

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

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

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

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

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

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

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

- 181 (ii) a school district or a charter school; and
 182 (iii) a school community council.
 183 (14) The section shall annually:
 184 (a) review K-12 trust distribution recipient's compliance with applicable law, including
 185 applicable rules, policies, and directives adopted by the board; and
 186 (b) report findings to the board and other appropriate governing bodies, including:
 187 (i) the School and Institutional Trust Lands Administration created in Section
 188 53C-1-201 and the School and Institutional Trust Lands Board of Trustees established in
 189 Section 53C-1-202;
 190 (ii) the School and Institutional Trust Fund Office created in Section 53D-1-201 and
 191 the School and Institutional Trust Fund Board of Trustees created in Section 53D-1-301; and
 192 (iii) other designated representatives and organizations of trust beneficiaries of school
 193 and institutional trust lands.

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

195 **53A-16-101.6 (Effective 07/01/17). Creation of School Children's Trust Section --**
 196 **Duties.**

197 (1) As used in this section:

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

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

202 ~~[(a)]~~ (c) "School and institutional trust lands" is as defined in Section 53C-1-103.

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

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

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

206 (ii) the lands and funds associated with the trusts described in Subsection
 207 **53C-1-103(7).**

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

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

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

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

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

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

219 (i) economics;

220 (ii) energy and mineral development;

221 (iii) finance;

222 (iv) investments;

223 (v) public education;

224 (vi) real estate;

225 (vii) renewable resources;

226 (viii) risk management; and

227 (ix) trust law.

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

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

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

231 (ii) The four-year term of an individual who is the beneficiary advocate on July 1,
232 2017, shall expire on July 1, 2021, unless a vacancy occurs.

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

234 (iv) The beneficiary advocate shall notify the board whether the beneficiary advocate is
235 willing to be considered for reappointment to another term no later than four months before the
236 end of the current term.

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

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

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

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

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

248 (f) If the ~~[State Board of Education]~~ board denies an appointment under this Subsection
249 (3):

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

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

257 (g) (i) The ~~[State Board of Education]~~ board may remove the ~~[director]~~ beneficiary
258 advocate only:

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

261 (B) for neglect of fiduciary duty, malfeasance, gross negligence, incapacitation or
262 insubordination for the failure to follow the rules, policies and directives of the board for the
263 proper administration of the School Land Trust Program.

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

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

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

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

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

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

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

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

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

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

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

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

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

288 (6) The director is entitled to attend any presentation, discussion, meeting, or other
289 gathering concerning the trust, subject to:

290 (a) provisions of law prohibiting the [~~director's~~] beneficiary advocate's attendance to
291 preserve confidentiality; or

292 (b) other provisions of law that the [~~director's~~] beneficiary advocate attendance would
293 violate.

294 (7) The section shall have a staff.

295 (8) The [~~section~~] beneficiary advocate shall protect current and future beneficiary
296 rights and interests in the trust consistent with the state's perpetual obligations under:

297 (a) the Utah Enabling Act;

298 (b) the Utah Constitution;

299 (c) state statute; and

300 (d) standard trust principles described in Section [53C-1-102](#).

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

302 (a) productive use of school and institutional trust lands for the financial support of the
303 trust beneficiaries; and

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

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

306 (10) The [section] beneficiary advocate shall provide representation, advocacy, and
307 input:

308 (a) on behalf of current and future beneficiaries of the trust, school community
309 councils, schools, and school districts;

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

311 (c) to:

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

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

314 (iii) the Legislature;

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

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

317 53D-1-301;

318 (vi) the attorney general;

319 (vii) the public; and

320 (viii) other entities as determined by the section.

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

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

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

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

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

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

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

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

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

334 (iii) a school community council.

335 (14) The section shall annually:

336 (a) review ~~[each school's]~~ K-12 trust distribution recipient's compliance with applicable
337 law, including applicable rules, policies, and directives adopted by the ~~[State Board of~~
338 ~~Education]~~ board; and

339 (b) report findings to the ~~[State Board of Education.]~~ board and other appropriate
340 governing bodies, including:

341 (i) the School and Institutional Trust Lands Administration created in Section
342 53C-1-201 and the School and Institutional Trust Lands Board of Trustees established in
343 Section 53C-1-202;

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

346 (iii) other designated representatives and organizations of trust beneficiaries of school
347 and institutional trust lands.

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

349 **53C-1-103. Definitions.**

350 As used in this title:

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

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

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

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

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

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

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

365 (a) the trust established for common schools;

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

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

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

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

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

374 (9) The director of the School and Institutional Trust Lands Administration shall use
375 best efforts to provide independent and separate space for the beneficiary advocate created in
376 Section [53A-16-101.6](#), with costs charged to the section for the use of the facilities equal to
377 those charged to divisions in the administration.

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

379 **53D-1-102. Definitions.**

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

382 (2) "Beneficiaries":

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

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

387 (3) "Beneficiary advocate" means the same as that term is defined in Section
388 [53A-16-101.6](#).

389 [~~3~~] (4) "Board" means the board of trustees established in Section [53D-1-301](#).

390 [~~4~~] (5) "Director" means the director of the office.

391 [~~5~~] (6) "Enabling act" means the act of Congress, dated July 16, 1894, enabling the
392 people of Utah to form a constitution and state government and to be admitted into the Union.

393 [~~6~~] (7) "Nominating committee" means the committee established under Section
394 [53D-1-501](#).

395 [~~7~~] (8) "Office" means the School and Institutional Trust Fund Office, created in
396 Section [53D-1-201](#).

397 [~~8~~] (9) "School children's trust section" means the School Children's Trust Section

398 under the State Board of Education, established in Section 53A-16-101.6.

399 ~~[(9)]~~ (10) "Trust fund" means money derived from:

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

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

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

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

407 **53D-1-202. Access to office records and personnel.**

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

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

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

417 **53D-1-304. Board meetings.**

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

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

420 (a) may call a board meeting; and

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

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

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

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

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

430 **53D-1-403. Reports.**

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

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

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

437 (b) as otherwise requested by the board.

438 (3) (a) Before November 1 of each year, the director shall:

439 (i) submit a written report to school community councils, created under Section
440 [53A-1a-108](#), and charter trust land councils, established under Section [53A-16-101.5](#)
441 concerning the office's investments, performance, estimated distributions, and other activities;
442 and

443 (ii) post the written report described in Subsection (3)(a)(i) on the office's website.

444 (b) A report under Subsection (3)(a) shall be prepared in simple language designed to
445 be understood by the general public.

446 (4) The director shall provide to the board:

447 (a) monthly written reports on the activities of the office;

448 (b) quarterly financial reports; and

449 (c) any other report requested by the board.

450 (5) The director shall:

451 (a) invite the [~~director of the school children's trust section~~] beneficiary advocate to
452 attend any meeting at which the director gives a report under this section; and

453 (b) provide the [~~director of the school children's trust section~~] beneficiary advocate:

454 (i) a copy of any written report prepared under this section; and

455 (ii) any other report requested by the [~~director of the school children's trust section~~]
456 beneficiary advocate.

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

458 **53D-1-501. Nominating committee -- Membership -- Terms -- Vacancies --**
459 **Compensation.**

- 460 (1) There is established a School and Institutional Trust Fund Nominating Committee.
- 461 (2) The nominating committee consists of:
- 462 (a) two members appointed by the State Board of Education;
- 463 (b) two members, appointed by the ~~[director of the school children's trust section]~~
- 464 beneficiary advocate, each of whom is a member of a respected professional organization;
- 465 (c) the chief investment officer of the University of Utah endowment;
- 466 (d) the chief investment officer of the Utah State University endowment; and
- 467 (e) the director of the school children's trust section.
- 468 (3) An individual appointed as a member of the nominating committee under
- 469 Subsection (2)(a) or (b) shall be appointed based on the individual's expertise in:
- 470 (a) investment finance;
- 471 (b) institutional asset management;
- 472 (c) trust administration; or
- 473 (d) the practice of law in the areas of capital markets, securities law, trusts,
- 474 foundations, endowments, investment finance, institutional asset management, or trust
- 475 administration.
- 476 (4) The term of a member appointed under Subsection (2)(a) or (b) is four years, except
- 477 that the initial term of members appointed under Subsection (2)(b) is two years.
- 478 (5) A nominating committee member shall serve until a successor is appointed and
- 479 qualified.
- 480 (6) (a) If a member appointed under Subsection (2)(a) or (b) leaves office, the vacancy
- 481 shall be filled in the same manner as the initial appointment under Subsection (2)(a) or (b).
- 482 (b) An individual appointed to fill a vacancy under Subsection (6)(a) serves the
- 483 remainder of the unexpired term.
- 484 (7) A member of the nominating committee may not receive compensation or benefits
- 485 for the member's service, but may receive per diem and travel expenses in accordance with:
- 486 (a) Section [63A-3-106](#);
- 487 (b) Section [63A-3-107](#); and
- 488 (c) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
- 489 [63A-3-107](#).