



Nevada Association of School Boards

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A 501 (c) (3) not-for-profit Nevada Corporation

Supporting Success for All Students through Local School Board Leadership

School Trust Lands – Talking Points

What are School Trust Lands?

- School trusts were created by Congress for states at the time of statehood.
- The federal school lands acts were put in place to make land more accessible to individual citizens and to create earmarks for public education.
- The state put the money earned on this land into trust funds for education.
- School Trusts consist of: school trust lands and the permanent school fund.
- These trusts were established in lieu of taxes.

Nevada Trust Lands

- Original grant was roughly 4 million acres.
- Nevada's trust lands were modified due to the difficult topography and terrain. The alternative that was approved in 1880 was 2 million acres of improved lands.
- Nevada has a disproportionately low amount of school trust lands compared to other states.
- In 1985, Nevada petitioned for an additional grant of \$6.2 million but was unsuccessful.
- Currently, 2914.29 acres of School Trust Lands remain in the state.

Nevada's Permanent School Fund

- Proceeds from the school trust lands are deposited into the *Nevada Trust Land Account* which is a smaller portion of the *Permanent School Fund*.
- Interest from the Nevada Trust Lands portion of the account is transferred to the Distributive School Account and then is appropriated to the school districts within the state.

Money within the Permanent School Fund

- State statute allows for school districts to enter into agreements with the State Treasurer where the funding can be used to guarantee debt service payments on bonds issued by the districts.
- Prior to 2011, funds were invested in fixed income securities. In 2011, the Legislature created a non-profit to provide better diversification.
- Market value as of 01/31/15 was \$300,889,752 with current interest estimated at \$130,000.