

Department Order: 143

Title: School Trust Lands

Original Date Signed: December 21, 1998

Original Author: John Shively

Status: New

Date: December 21, 1998

By: John Shively

This is to notify all Divisions that litigation has been filed against the State with the allegation the State breached the trust of the School Trust lands and to establish the procedure to be followed in actions involving the disposal of school trust land or resources. These lands were removed from trust status on July 1, 1978, by legislative action. The school lands differ from the other trust grants in that a Public School Trust Fund was established where one-half of one percent of all revenues generated from natural resources in Alaska are deposited in this fund. This fund has been maintained since 1978.

Because of this litigation, all staff members are directed to review any pending and future actions, which dispose of land or resources, to determine if they affect School Trust Lands. If School Trust Lands are involved, the following criteria must be met prior to the disposal of the land or resources.

Criteria for Actions on School Trust Land

1. The action approved must be for full, Fair Market Value at the highest and best use of the parcel,

or
2. The action must be a result of an existing contractual obligation (i.e., land sale contract, reappraisal of an existing lease, or a land settlement with a municipality).

If a pending action does not meet the above criteria, a memo explaining the action and why it is not being accomplished at fair market value must be forwarded to the Commissioner. The Commissioner will determine if the action may proceed. Please keep in mind that conveyances to boroughs and municipalities do not meet the criteria, nor do timber sales with the new value-added provision.

The School Trust Lands affect approximately 179,403 acres, which include sections 16 and 36 surveyed under the rectangular net at Statehood; Territorial Grant - 1 at Merrill Field; and ANILCA sec. 906(b) lands. These lands generally follow the road and railroad system in Southcentral Alaska, as well as some is Southeast Alaska. The state received title to 10 parcels of school trust land containing 74,930.63 acres after July 1, 1978. A list of those parcels is attached to this D.O.

Prior to the disposal of land and resources, please direct your staff to check the land abstract screen in LAS (N301) to determine if School Trust Lands are involved. A case status of 65 "IN Litigation" will identify these lands. The status plats have a note in the remarks column indicating the sections involved in the School Trust Lands litigation. A statewide set of maps depicting the school lands are being provided to each Division Director, Regional office and the Public Information Center, (PIC).

Please note, the rules that affected the Mental Health Trust Lands litigation are not the same for this litigation. For example, if the school trust lands lie within any Legislatively Designated Areas, the above criteria applies, which was not the case in the Mental Health Trust Lands litigation.

If your division takes any action on the lands in litigation, please notify the Project Manager, Carol Shobe, Chief Realty Services, Division of Land (Email carols@dnr.state.ak.us) by sending a copy of the action to her. Please include a copy of any memos to the Commissioner on actions which must be approved. The Project Manager is accountable for knowing all actions on lands currently in litigation. If you have questions concerning this Departmental Order, please contact the Project Manager.

School Lands Acquired after July 1, 1978

Group B

**Casefile
Number
Township, Range,
Meridian & Section
Confirmation of Title
Date
Acreage**

School - 13
S.M., T. 5 N., R. 8 W.

Section 16

Section 36 Lots 1 to 9, inclusive, NE4, N2NW4, S2SW4

February 3, 1992
1,215.97

School - 230
S.M., T. 16 N., R. 1 W.

Section 36 Lots 2 and 3, E2, E2W2

October 8, 1985
549.45

School - 231A
S.M., T. 12 N., R. 3 W.

Section 36 N2N2

March 31, 1988

160.00

School - 232

F.M., T. 4 S., R. 4 E.

Section 36

March 12, 1990

640.00

School - 233

C.R.M., T. 5 S., R. 11 E.

Section 36 S2NE4, SE4SW4, SE4

February 1, 1990

280.00

School - 235

C.R.M., T. 50 S., R. 67 E.

Section 36 Lot 8

August 22, 1989

4.76

Aggregating

2,850.18

Group C

**Casefile
Number
Township, Range
Meridian & Section
Conveyance
Date
Acreage**

ANISS - 1

C.R.M., T. 3 S., R. 2 E.

Sections 1 to 6, inclusive

Sections 8 to 17, inclusive

Sections 20 and 36, inclusive

C.R.M., T. 4 S., R. 2 E.

Sections 1 to 22, inclusive

excluding Native allotment application AA-7242, Parcel A in Sections 8 & 9

C.R.M., T. 4 S., R. 2 E.

Sections 23 and 24

Sections 28 and 29

Section 32

Section 33, W2, W2NE4

June 1, 1994

TA

April 26, 1995

TA

21,075

13,972

3,600

ANISS - 2
F.M., T. 19 S., R. 5 E.

Sections 1 and 2

Sections 11 to 14, inclusive

Sections 23 to 26, inclusive

F.M. T. 19 S., R. 6 E.

Sections 4 to 10, inclusive

Sections 15 to 22, inclusive

Sections 29 and 30

June 2, 1994

TA

6,400

10,790

ANISS - 3
F.M., T. 18 S., R. 8 E.

Sections 1 to 22, inclusive

Sections 27 to 34, inclusive

May 23, 1994

TA

19,027

ANISS - 4
C.R.M., T. 40 S., R. 59 E.

Section 16, lot 2, NW4NW4

May 24, 1994

PA

66.63