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**ALABAMA AND MISSISSIPPI: A CASE STUDY IN SCHOOL  
TRUST LAND MANAGEMENT**

by

**John Morgan Maynes**

**Thesis submitted in partial fulfillment  
of the requirements for the degree**

of

**DEPARTMENTAL HONORS**

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in the School of Teacher Education And Leadership**

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Alabama and Mississippi: A Case Study in School Trust Land Management

School trust lands are an enormous, yet often overlooked resource for public education. In some states, they have the potential to fund public education in an entirely tax-free manner, and they contribute tax-free funding for schools in many states. Before the Constitution of the United States was written, Congress established a system for granting lands to support common schools. However, there is a gap in the scholarly discourse about this legacy. Souder and Fairfax (1996) noted in their comprehensive work on school trust lands that “other than noting the initial grant to Ohio, most texts ignore the remaining details surrounding school trust lands.” Few know that 134 million acres were eventually granted for the benefit of public schools. Perhaps even fewer know that only one third (42 million acres) of the original lands are still held in trust for schools. The other two-thirds of school trust lands were either sold off or are caught up in legal proceedings, making them unavailable to produce revenue for schools. As acres of school trust lands are sold off instead of leased, school trust resources deteriorate. Unfortunately, many of the factors that have contributed to the loss of school trust lands in some states are threatening school trust resources in states that have not yet lost their school trust lands.

This paper defines school trust resources as any lands, products derived from lands, or funds derived from the use of lands granted for educational purposes. School trust lands is a term that refers to lands dedicated by the United States Congress, or in rare cases by state governments, for the support of public schools. These lands are often referred to in law and research literature as school lands or sixteenth section lands (referring to the surveyed section that was set aside in every township). Permanent school funds is a term that refers to funds

derived from the sale, lease, or rent of school trust lands or the sale of products derived from these lands. In general, each state has one permanent school fund and states use a variety of official titles for their permanent school funds.

The principal focus of this paper is the management, loss and efforts to regain school trust lands in Mississippi and Alabama; the twin states that were born from the Mississippi Territory. These two states provide a uniquely valuable context to evaluate factors that contribute to the loss of school trust lands. Because they originally received school trust lands as one territory, have similar governmental structures and natural resources, Alabama and Mississippi provide fertile ground for a case study. By controlling for as much variance as possible between entire states, this twin study yields valuable insight into the process of losing and regaining school trust lands.

Mississippi and Alabama provide a unique study to examine the establishment of school trust lands and their loss as a result of poor management. The stories of Mississippi and Alabama demonstrate that school trust resources can be lost when a state manages them poorly. But these two states also show that school trust resources can be at least partially recovered through legislative and legal interventions, even after they have dwindled for a time. Both originally received hundreds of thousands of acres for schoolchildren. However, of the two only Mississippi still manages a sizeable portion of its original grant for the benefit of schoolchildren. Table 1 compares statistics relevant to school trust lands in both states. This paper uses Mississippi and Alabama because of their similar historical and geographical attributes; both received school trust lands as part of the Mississippi Territory in 1803 and both are roughly the same size geographically (U.S. Census 2010) and therefore originally received similar amounts

of school trust lands. Table 1 provides examples of similarities in geography and economics in Alabama and Mississippi.

	Alabama	Mississippi
Total Land Area	33,424,000 acres	30,527,000 acres
Original School Trust Lands	928,444 acres	847,972 acres
Current School Trust Lands	27,853 acres	644,459 acres
Percent of Original Remaining	3%	76%
Crop Land	7.5%	16.3%
Range Land	0.2%	0%
Forest Land	64.4%	54.9%
Per Capita GDP	\$36,115.32	\$37,272.90

Table 1: Comparison of Alabama to Mississippi from 2010 Census

## Introduction

The General Land Ordinance of 1785 laid the foundation for the system of granting lands to support common schools. This ordinance created a system by which land in the then western territory of the United States would be surveyed and divided into townships to be sold. Each township would measure six miles square, and was divided into thirty-six one-square mile lots, which are now referred to as sections. The sixteenth section of every township was reserved for schools, as displayed in Figure 1. Mississippi is used only as an example in this figure; the same surveying process was used in most states that entered the Union after 1803.

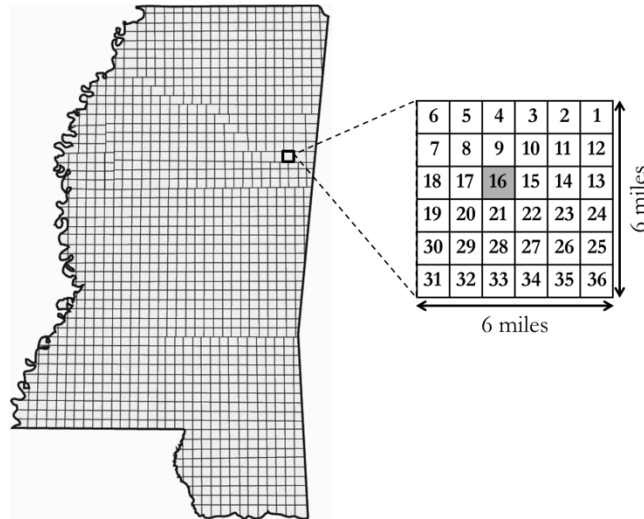


Figure 1: Diagram of Mississippi's Townships and Sections

The key clause in the Ordinance of 1785, which is the foundation of school trust lands reads: “There shall be reserved the lot No. 16, of every township, for the maintenance of public schools within the said township” (U.S. Congress 1785). The federal government set these lands aside in an effort to encourage settlement of and to promote public education in the western territories of the new nation (Walker 2006). The function of the Ordinance of 1785 was limited in its scope to setting lands aside from sale. School trust lands were not actually granted to territories until those territories gained statehood.

In fact, the setting aside of school trust lands seemed to be forgotten until Ohio's statehood in 1802. The original language in the Ordinance of 1785 applied only to a relatively small portion of the Northwest Territory (Treat 1910). As Ohio was transitioning from territorial status to statehood, the relevance of the Ordinance of 1785 was reinforced. The act that enabled Ohio to become a state, known as the Ohio Enabling Act, specifically stated, “that the section, number sixteen, in every township, and where such section has been sold, granted or disposed of, other lands equivalent thereto, and most contiguous to the same, shall be granted to the inhabitants of such township for the use of schools” (Act of April 30 1802). It is notable that in a

two-page act that primarily contains language about the procedures of establishing a new state, Congress included language ensuring that lands would be granted for the support of public schools within the boundaries of the whole state of Ohio. The Enabling Act of Ohio moved responsibility for school trust lands from Congress to the state. As other territories were created and gained statehood, they followed the Ohio pattern. Thus, the Enabling Act became the standard mechanism for granting school trust lands and establishing a solemn pact between the state and federal government, with public schools and schoolchildren as beneficiaries of this pact.

This pact meant that states could not simply use the lands as other public lands. The federal government granted specific lands to the states, and states were responsible for ensuring that the lands provided support to public schools. In exchange, the state agreed not to tax unappropriated federal lands (Walker 2006). The responsibility is twofold. States must make the lands productive (by renting or leasing the lands to farmers, miners, ranchers, etc.), and they must use the proceeds from the lands to benefit public schools. At least initially, the states that received school trust lands seemed eager to fulfill their solemn responsibility. To maximize revenue for schools, Alabama's state legislature petitioned Congress for the ability to exchange less productive sixteenth sections for more productive federal lands that had not yet been appropriated (Application of Alabama 1828). Ohio petitioned to select lands in lieu of a sixteenth section that was already granted to a university (H.R. 819 1838). These are just two examples of states' early efforts to fulfill their responsibility to maximize revenue for schools from school trust lands. It is possible that state legislators may have merely requested more school trust lands in hopes of maximizing revenue to themselves by leveraging revenue from the lands. However, as the historian Adolph Meyer most aptly described, "Whatever the motive, whether bright or

shady, there is no doubt that at a time when government participation in education was almost unanimously dismissed as utopian, the nation's lawmakers undertook to extend a helping hand to education" (1957). The important thing to remember from the Ordinance of 1785 is that it established a system that granted lands *to benefit public schools*. The Ordinance proved to be little more than a precedent until the enabling act of Ohio reinforced its magnitude. Yet granting school trust lands to Ohio in its enabling act forced Congress to revisit the matter of granting school trust lands to the Mississippi Territory.

### **Mississippi Territory**

One year after the Ohio Enabling Act, Congress passed an act setting school trust lands aside from sale in the Mississippi Territory. On March 3, 1803, Congress granted lands in-lieu of the sixteenth sections whose title was already owned by others in Ohio (Act of March 3, ch. 21). This act only echoed and reaffirmed Congress' determination to provide school trust lands in Ohio. But Congress passed another act on the same day relating to the Mississippi Territory, turning the Ohio Enabling Act from singular to precedent. This second act provided for the survey and sale of lands in the Mississippi territory except for the sixteenth section in each township, which sections were reserved "for the support of schools" (Act of March 3, ch. 27). As in Ohio, these lands were not yet granted as school trust lands but only reserved from sale.

After the setting aside of school trust lands in the Mississippi territory in 1803, Congress largely overlooked them for a few years. Without public schools to fund, there was no need for school trust lands to be revisited. Private academies were established but no publicly supported primary schools were created until 1821, after Mississippi gained statehood and the school trust lands were formally granted. Furthermore, the territory was so widely unoccupied that there was little contest over the lands. No mention of the lands appears in the laws of Mississippi from the



time they were reserved in 1803 until 1806. It was on April 21, 1806 that Congress passed a law to grant “lieu lands.” These lands were granted in-lieu of the sixteenth sections that were already owned at the time of the Act of March 3, 1803.

The Act of April 21, 1806 demonstrated two things with regards to school trust lands. Firstly it showed that Congress had not forgotten about the lands. The provision of lieu lands showed that Congress had not whimsically granted surplus public lands to schools. Congress was not required to grant lieu lands. It would surely have been easier to let thousands of acres of school trust lands slip away unnoticed. But to maximize the school trust, Congress appointed the Secretary of the Treasury to select lands in lieu of those lands for which the title was already owned.

Secondly this act showed that the United States government was still responsible for the land. Because of the territorial status of the area at the time, there was no local or state governance of the lands. This separated responsibility from the future trustees (the states of Mississippi and Alabama) and laid a shaky foundation for the success of school trust lands. This situation was in stark contrast to that of Ohio, where the vast majority of school trust lands were set aside at the time Ohio entered the Union. In Ohio, fiduciary responsibility for the lands was immediately held by the state. However, it seems that the bright line drawn between the lands and responsibility for them that was apparent in Ohio was missing in Mississippi and Alabama. The long gap of time between the original reservation of the lands from sale (1803) to the statehood of Mississippi (1817) and Alabama (1819) allowed plenty of time for squatters to settle on the school trust lands, and legislators to forget about them.

### **Granting Mechanisms**

Congress passes Enabling Acts to authorize a territory to become a state. Enabling Acts are solemn contracts between the federal government and each new state. Prior to becoming a state, each territory must meet certain requirements including reaching a predetermined population within the territory and convening a constitutional convention. Congress then grants authority to the state to establish its own government and power over most of the land within its borders. Thus, as Mississippi and Alabama entered the Union, they received control over their lands from Enabling Acts.

Mississippi's Enabling Act did not mention school trust lands, as its grant of sixteenth section lands stemmed from its days as a territory (Treat 1910). However, all of the territorial land fell under the domain of the federal government. As Mississippi gained statehood, the lands contained within her boundaries were transferred in large part to state ownership, including school trust lands. But the new state's constitution left little ambiguity about the state's responsibility regarding these lands, and strictly prohibited their sale. Section twenty of the Mississippi constitution of 1817 reads as follows:

That the General Assembly shall take measures to preserve from unnecessary waste or damage such lands as are or may hereafter be granted by the United States for the use of schools, within each township in this State, and apply the funds which may be raised from such lands, by rent or lease, in strict conformity to the object of such grant, but no lands granted for the use of such township schools shall ever be sold by any authority in this State.

This section established the framework of school trust land management in Mississippi. The constitution places responsibility for the prudent management of the lands with the General Assembly, reinforcing the state's role as trustee on behalf of public school students, the beneficiaries of the lands. The constitution also reiterates that the lands and the funds derived from them are intended "for the use of schools ... in strict conformity to the object of such grant" (Mississippi Constitution 1817). It upholds the precedent preventing the state from selling its

school trust lands. This constitution effectively marked the transfer of school trust lands from federal ownership to state ownership. Mississippi's first constitution created a precedent that Alabama would follow two years later.

Congress passed Alabama's enabling act on March 2, 1819. Section six of this act granted every sixteenth section within the new state "for the use of schools" (Act of March 2). It also provided that where the sixteenth sections were already owned, the township would receive another nearby section for schools. Although the enabling act granted the lands to schools in Alabama to confirm their reservation from sale as a result of the Act of 1803, the state's constitution outlined the restrictions for managing the lands.

Alabama's first constitution mimicked many aspects of Mississippi's constitution with regards to school trust lands. Both vested the duty to manage and protect this endowment in the General Assembly. And like Mississippi, Alabama's constitution stated that the General Assembly should "take measures to preserve, from unnecessary waste or damage [school trust] lands" (Alabama Constitution 1819). However where Mississippi explicitly prohibited the sale of school trust lands, Alabama did not state whether the lands may be sold.

Both Mississippi and Alabama received their grants from the federal government and confirmed their responsibility to manage the lands in their constitutions. Although the responsibility to protect the lands was vested in both states in the legislature, the responsibility to manage the lands soon shifted away from the state level.

### **Governance of Lands**

Between 1818 and 1824, responsibility for managing school trust lands in Mississippi bounced back and forth between state and local authorities. In 1824, the Mississippi legislature passed an act officially transferring responsibility for managing the lands to the individual

townships where the sections of school trust lands were located (Act of January 9 1824). That act remained in force for the next twenty-two years (Davis 1950). This law created a system for a township to elect five residents of the township as trustees over the school lands. Each trustee was to serve a term of one year, and could be reelected indefinitely. They were authorized to lease or rent school lands for no more than five years. However, with the term of a trustee lasting as short as one year, leases lasting longer than one year were prone to falling through the cracks. The structure was also precarious because there was no form of oversight for the actions of the trustees.

Because of the frontier nature of the young state, townships often felt distant from the state government (Haynes 2010). Without independent oversight, township trustees proved either ineffective or purposely self-interested, which was destructive to school trust lands. The legislation creating this local management structure urged, “That the trustees ... shall carefully and faithfully, preserve the school lands” (Act of January 9 1824). And although they were incomplete, provisions were made to protect the trust. Alabama was also active in legislating to protect the trust during the first decade of her statehood.

Alabama’s first constitution placed the responsibility for managing school trust lands with the legislature. Three days after the state’s constitution was ratified, the General Assembly passed an act providing for the management of school trust lands. The system was, not surprisingly, similar to Mississippi’s. Three trustees were to be elected to manage the lands within their township for a term of three years. These trustees were authorized to rent lands annually, or to lease them for no more than four years. They were also charged to evaluate the lands at the expiration of each lease to assess any waste or trespass that had occurred on the lands, and proceed legally against the one who had caused such waste or trespass. As in

Mississippi, the trustees were urged by legislation to manage the lands judiciously and carefully, and were sworn into office to do just that. Also like Mississippi, there was no provision authorizing the sale of lands included in this act in Alabama. Nevertheless both states soon moved toward the idea of more permanently disposing of the lands to increase revenue.

### **Sale of Lands**

The story of Mississippi's school trust lands was very similar to Alabama's until 1827. Alabama's policy change allowing school trust lands to be sold became the great point of divergence in the two states' destinies. Mississippi's policy that school trust lands could only be leased continued, although the allowable length of leases was extended to ninety-nine years. Alabama received power from Congress to sell its school trust lands, and exercised that power in a generally shortsighted manner.

In Mississippi, this shift came in the form of a township-by-township change in policy to extend the length of a lease on the lands from five years up to ninety-nine years. The act of January 9, 1824, which established the township trustee governance structure, also extended the allowable length of a lease on school trust lands to five years (Act of January 9 1824). Two years later, a gradual shift toward longer leases began.

Counties began petitioning the legislature for the ability to lease the lands for longer periods of time than five years. In 1826, the legislature granted authority to lease school trust lands for up to ninety-nine years to the trustees in Claiborne County (Act of January 31 1826). In 1830, Rankin County received the same authority as did Madison, Jefferson, Monroe and Lowndes Counties (Act of December 16 1830). Many of these ninety-nine year leases became untraceable over time (Swift 1911). During the Civil War, some of the records tracking rights to school trust lands and the leases thereon were destroyed (Davis 1950). As war activities

destroyed the records, many lessees of school trust lands simply retained the lands they were leasing as their own. The loss of records led to the permanent loss of benefit that could be gained from many sixteenth sections.

In Alabama, as in Mississippi, school trust lands started off on a strong foundation. The legislature repeatedly petitioned Congress to exchange valueless sixteenth sections for more productive lands for the support of schools. This was partially in response to a growing demand for public schools in the state. In fact it appears that in parts of Alabama, the resources available were insufficient to meet the demand for education. One journalist reported that if the citizens in northern Alabama “could only have a sufficient number of teachers with suitable literary qualifications and a good share of common sense, the whole [region] would soon be supplied with flourishing schools” (Intelligence 1833). As demand grew, the sentiment also grew that leasing the lands would not provide sufficient income for the support of schools (Weldin 1935). Scarcity of resources available for public education led legislators to pursue the authority to sell school trust lands.

Congress granted authority to Alabama to sell school trust lands in 1827, with the requirement that funds derived from such sale be used for no other purpose than for schools (Act of March 2 1827). Alabama’s legislature passed a subsequent act requiring townships to hold a vote, thus allowing citizens of a township to determine whether or not to sell school trust lands within their township. The requirement for a township vote provided yet another layer of protection to the trust assets in Alabama. As Mississippi allowed ninety-nine year leases and Alabama allowed the sale of lands, both created permanent school funds to capture proceeds from school trust lands.

### **Permanent School Funds**

The Mississippi legislature created the Literary Fund shortly after statehood in 1821, but repealed it two years later. This paper refers to the Literary Fund as the permanent school fund of Mississippi. The legislature's reason for revoking the permanent school fund is unclear, but the legislature "revived" the permanent school fund in 1830 (Act of February 12). The permanent school fund consisted of more than just revenues from school trust lands. It included income from escheats, confiscations, fines, forfeitures, and derelict personal property (Act of November 26 § 1). The stated purpose of the permanent school fund was primarily to build schoolhouses. Any funds remaining after the construction of the school houses were to be used for "the education of the poor, and the encouragement of learning in each township" (Act of November 26 § 17). The establishment of the permanent fund in Mississippi also established that the governor would be chiefly responsible for its management. The line of responsibility became muddled, however, when township trustees became responsible for investing proceeds from school trust lands.

In 1833, the Mississippi legislature authorized the trustees over school trust lands in each of the townships to invest the permanent school fund. Instead of sending proceeds from leasing the lands directly to schools, the trustees invested the proceeds into the Planters' Bank (Act of February 27 1833). Then at the end of the year, the trustees were to distribute any dividends or interest from the Planters' Bank to building schools or supporting public education. Thus, the permanent school fund also became the financial backing for Mississippi's new Planter's Bank. This was the first time that the state overlooked its fiduciary duty as trustee to provide benefit to schoolchildren (Davis 1950). The legislature used the trust for its own benefit and not for the benefit of public schools by using the school trust resources to back its pet project. Instead of diversifying school trust resources to protect the investment, the legislature lumped as many of

the school trust resources as it could into the Planters' Bank. The lack of diversification of school trust resources proved detrimental.

The act of February 27, 1836 required trustees from the townships to invest any money they currently held to either "good and responsible persons at the rate of ten percent interest per annum" or in "stock at par, in some good and solvent bank in this state" (§4). In either case, the act allowed the trustees to distribute only the interest and dividends generated from such investments for the support of schools. The corpus was to remain intact in the Planters' Bank. Although this was a step at diversification of investments, the Mississippi permanent school fund was primarily at the mercy of the solvency of the banks in the state.

When the Planters' Bank failed, the permanent school fund was lost in large measure as well. The state legislature authorized township trustees to sell all depreciated bank paper from the Planters' Bank, but virtually no gain was realized in doing so (Davis 1950). The failure of the bank significantly diminished the assets of schoolchildren in the state, and only emphasized the fact that allowing trust assets to support pet projects of legislators does nothing to protect the trust. Although the Planters' Bank failure significantly reduced the state's trust assets, there was still plenty of room for mismanagement of the dwindling endowment.

Loans made to individuals were also lost in many cases. The townships were authorized to issue loans from the permanent school fund, with the intention that the loans would generate interest and be repaid, thus growing the permanent fund. W.R. Newman, an attorney and member of the board of trustees of Jackson Public Schools described the actual effect of these loans: "The lending of the money to individuals was in a large number of instances made to friends of persons holding the office [of trustee], and was never collected" (qtd. in Davis 1950). This certainly stemmed from a lack of central oversight over the funds derived from school trust



lands. The Civil War also moved the permanent school fund to the backburner, and almost all the individuals holding loans from the permanent school fund during the war defaulted on their debts, their collateral being worthless at the end of the war. As many county courthouses were destroyed during the war, records of the loans were also lost, making it impossible to collect on the loans (Adams 1875). The confluence of these factors resulted in a dark age for the trust assets in Mississippi. The state legislature would later revisit and, to some degree, resurrect the permanent school fund and effective management of the lands. Unfortunately, Alabama made many of the same mistakes resulting in an even darker age for trust assets than in Mississippi.

The trustees in each of the townships in Alabama deposited funds generated by the sale and lease of school trust lands in the state bank of Alabama. From 1830 to 1840, land prices were high and, according to Weldin, “Practically all the sixteenth section lands of any value were either leased or sold” (1935). The influx of revenues from the sale of school trust lands was deposited into the Alabama state bank, where it was used as capital for the bank. When the state bank failed as a result of the Panic of 1837, the value of the permanent school fund was virtually reduced to nothing. Any salvageable moneys were invested in other banks in the state, and the remains of the permanent school fund were mired in mystery for more than a decade, only to emerge under another name.

In 1856 the pieces of the Alabama permanent school fund were consolidated into a single fund, which was called the Education Fund. Taxes formed the foundation of the Education Fund, but it also incorporated: interest on the surplus revenue deposit granted by Congress in 1836; the annual interest at eight percent on the proceeds of the sales of lands granted in-lieu of valueless school trust lands by Congress in 1848; the annual interest at eight percent on the fund derived from the sale of school trust lands; and several minor appropriations (Act of Feb. 14 1856). With

the permanent school funds incorporated into the general education fund, they soon supplanted other tax revenue, which was diverted to other state expenditures.

By supplanting the Education Fund and diverting revenues to other state expenditures with taxes, the taxpayers became beneficiaries of the school trust resources instead of public schools. Although these revenues were probably appreciated by other state agencies that received the diverted funds, the school trust lands and permanent school fund were meant solely for the benefit of public schools. In this way the state legislature violated the solemn pact that had been established with the federal government to use the lands for the benefit of public schools. With revenues meant for education being diverted to other state projects, the state legislature effectively robbed schools of their resources.

### **Regaining the Legacy in Mississippi**

School trust resources almost vanished during the late nineteenth century in both Mississippi and Alabama. However, advocates for school trust resources in Mississippi have made and continue to make a difference, and one legislator is fighting to reclaim the benefits of school trust lands in Alabama. During the twentieth century, legislative, policy, and legal interventions created protections for school trust resources in Mississippi. These protections have contributed to Mississippi's permanent school fund being one of the fastest growing permanent school funds in the country.

At the beginning of the twentieth century, Swift reported that the permanent school funds in Mississippi and Alabama had dwindled to a "negligible sum." In 1911 he wrote that the permanent school fund in Mississippi existed on the books of the state, "presumably ... as a non-payable debt." He similarly reported that in Alabama "scarcely any permanent fund exists, except a small amount of sixteenth section school lands which yield but a slight and doubtful

revenue.” With the permanent school funds practically worthless, school trust resources in Mississippi and Alabama failed to serve their purpose. Some tried to take advantage of the invisibility of school trust resources for their own gain.

However, starting in the first two decades of the 20<sup>th</sup> century, the courts ruled to protect school trust lands in multiple cases. Swift reported that the school trust was mired in mystery in Mississippi at the time he published his report in 1911. But in 1918, the Mississippi Supreme Court ruled twice in favor of protecting school trust resources. In one of those cases, *Robertson v. Monroe County*, the court also clarified that school trust resources were held in trust for the benefit of public schools. Although this is the functional meaning of the original legislation granting school trust lands, the school trust had never been defined legally as a trust. The case clarified the ways a county could use the proceeds from school trust lands.

Later during the 1930s and 40s, many of the ninety-nine year leases began to expire, which led to growing interest in the education community about school trust lands. In 1942, the State Auditing Department found that many of the loans of the permanent school fund to individuals had gone uncollected. These findings led to the prohibition of loans from sixteenth section funds to individuals (Davis 1950). Concerning a study of Mississippi’s school trust lands, President R.C. Cook of Mississippi Southern College stated, “the implication of the study are far reaching and will be of inestimable financial benefit to the public schools of Mississippi” (Davis 1950). Almost thirty years later the state legislature also acted to protect school trust resources.

In 1978, the General Assembly passed the Frasier-Hall Reform Act. Bonds and Pompe called this act “the most significant school land management regime change in recent history.” They also found that the Frasier-Hall Reform Act had contributed to school districts more than

doubling their average annual returns from school trust lands (2008). After the General Assembly passed this act, the Secretary of State in Mississippi intervened.

As Secretary of State, Dick Molpus drastically improved the standing of school trust lands in Mississippi. Filing over 300 lawsuits during the 1980's against lessees who paid less than market value for their use of school trust lands, he brought the management of school trust resources into accordance with the law (Children's Land Alliance 2012). While receiving threats against his own life for his work on school trust lands, Mr. Molpus brought new life back into the school trust resources of Mississippi.

School trust lands in Mississippi have increased exponentially in their productivity. The value of Mississippi's permanent school fund grew from \$37 million at the end of fiscal year 2005 to \$262 million at the end of fiscal year 2012, an increase of over six hundred percent. This is evidence that legal and policy interventions are beneficial and effective in protecting school trust resources. Also, because Mississippi still retains the rights to over 70% of its original lands means that it has the opportunity to continue growing.

In Alabama, the battle continues up a steeper hill. One legislator in Alabama is fighting to allocate money that would have been generated by school trust lands to schools. Offshore oil operations in Alabama's waters generate more than \$14 billion annually in revenue (Alabama House 2013). As many of Alabama's school trust lands were once located in the places where these oil operations are currently drilling, Representative McClammy of Alabama proposed legislation in 2013 that would channel one-sixteenth of these revenues from the federal government to Alabama's schools. This would contribute an additional \$900 million to the state's education budget each year. And although Representative McClammy's proposal may

seem drastic, Alabama has provided funding for education simply to make up for valueless sixteenth section lands in the past as part of the Education Fund's structure.

### **Conclusion**

The story of school trust resources in Mississippi and Alabama demonstrates at least two key principles in the management of school trust resources. First, when a state sells its lands instead of leasing them, that state will likely also lose its school permanent fund. Second, legislative and legal interventions are effective in recovering school trust resources. The difference in the current condition of school trust resources in Mississippi versus those in Alabama effectively demonstrates these principles. Other states can and should learn from the story of school trust resources in these twin states.

By learning from the laboratory of history, current policymakers can make decisions that will benefit public education in the long-term. School trust resources are currently in a precarious position in many states. For example, the California State Land Board loaned ninety-eight percent of the state's permanent school fund to the state's general fund during fiscal year 2009 (California State Land Commission 2009). As of July 1, 2013, the state had failed to make any repayments on this "loan" (California State Land Commission 2013). California's permanent school fund faces a similar fate to Alabama's if legal or legislative actions are not taken soon.

The stories of school trust lands in Mississippi and Alabama urge us to act quickly to protect and maximize school trust resources. They teach us that without careful management and oversight, states lose their school trust resources to cover short term needs. Yet, the story of Mississippi teaches that legislative and legal interventions are effective in protecting this legacy. However, schoolchildren do not make excellent advocates for their property. It is up to those who care about schoolchildren to speak on their behalf.

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