



President—Paul

Spoke Newsletter

Wednesday February 13, 2019

Attendance: 20 (49%) Attendance with make ups: 26(63%)

Program Wednesday, February 20, 2019

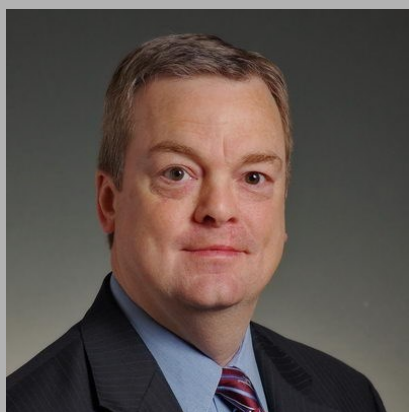
Suzanne Wise, Director Nebraska Arts Council

arranged by Darrel Huenergardt

Program Wednesday, February 13, 2019

Kelly L. Sudbeck. CEO/Executive Secretary, Nebraska Board of Educational Lands and Funds

Arranged by Darrel Huenergardt



Kelly is originally from Hartington, Nebraska where he grew up on a farm. He went to undergraduate and law school at UNL, graduated in 1995 with a Juris Doctor, and moved to Cozad, NE where he was in private practice until June 2016. Kelly practiced agricultural law with specialty in real estate transactions and then accepted the position of CEO/Executive Secretary of the Board of Educational Lands and Funds, and moved to Lincoln in July 2016. His wife is a teacher at Humann, they have 9 year old twins, Greye (boy) and Lillie, they attend St. Peters.

The Nebraska Board of Educational Lands and Funds is a Trust created to manage a large grant of lands from the federal government to the State at the time of Nebraska Statehood. As Trustees, Board members are bound to adhere to the “fiduciary duty” imposed by law upon all Trustees. This duty requires

the Board to maximize its trust income for the sole benefit of its designated beneficiaries---the public school children of Nebraska.

The Board consists of five members, four from congressional districts as they existed on January 1, 1961, and one at large. Board members are appointed by the Governor and confirmed by the Legislature to serve a rotating five-year term. The Board selects a CEO/Executive Secretary who is responsible for managing the Trust, subject to Board oversight and approval. Meetings of the Board are held once each month in Lincoln. The Board receives compensation of \$50 per day and expense reimbursement for each day they perform their duties for the Board.

The primary function of the Board is to manage the School Land. In its capacity as landowner, the Board makes expenditures for conservation, maintenance, and improvement of the land under its care. The Board issues and services both surface Leases, primarily for agricultural use, and subsurface Leases permitting exploration and extraction of oil and gas and other minerals. Sales and trades of land are discretionary with the Board.

The Board’s Biennial Report summarizes its activities for each two-year period and is published during even-numbered years; the Biennial Report is supplemented by a report published in the Nebraska Blue Book during odd-numbered years. The Biennial Reports are available for download from this website. See “Info/Forms, then BELF Reports.”

A Rotary Thank You to Kelly Sudbeck for an excellent presentation on the Nebraska Board of Educational Lands and Funds

**Lincoln East Rotary Club
Meetings at Valentino’s—70th & Van Dorn
Noon Luncheon starting @ 11:45 a.m.**

February 13, 2019

History

Early in our country's history, Congress decided that education was extremely important. The problem was: how to fund public education? Since there was little money, but lots of land, Congress, under the leadership of Thomas Jefferson, gave land grants for public education to new states as they came into the Union. Beginning with Ohio in 1803, every new state received a land grant. The states then obtained funds for education by leasing or selling the land.

On April 19, 1864, the U.S. Congress passed, and President Abraham Lincoln signed, the Enabling Act as a prelude to Nebraska Statehood. Upon admission to the Union in 1867, Nebraska received 2,797,520 acres of land for the "support of the common schools." The original endowment represented nearly one eighteenth of the land in Nebraska---an area larger than the states of Delaware and Rhode Island combined.

The original grant represented Sections 16 and 36 in each Township "or lands in lieu thereof." This "in lieu" provision was necessary because settlers living on these Sections (mainly in the eastern part of the State) before statehood were allowed to remain on the land they had settled. Thus, lands in Sections other than 16 and 36 were occasionally selected for the School Trust.

As was true of virtually all land-grant states, Nebraska had its share of early day problems related to the School Lands. In the period before 1900, corruption, cronyism, and managerial incompetence plagued the administration of the School Lands. As a result, almost half of the original acres were sold at bargain prices to private-sector owners and land speculators.

About the turn of the century, Nebraska leaders began to realize the importance of preserving the School Trust Lands. In 1897, Nebraska legislator Addison Sheldon, led the passage of a bill intended to protect the School Trust Lands. The bill stated: "The State of Nebraska has accepted from the United States this land endowment for future schools as a sacred trust."

The Nebraska Supreme Court addressed the preservation issue in 1946, stating: "Anyone dealing with the school lands must be held to do so with knowledge and subject to the trust obligations of the estate."

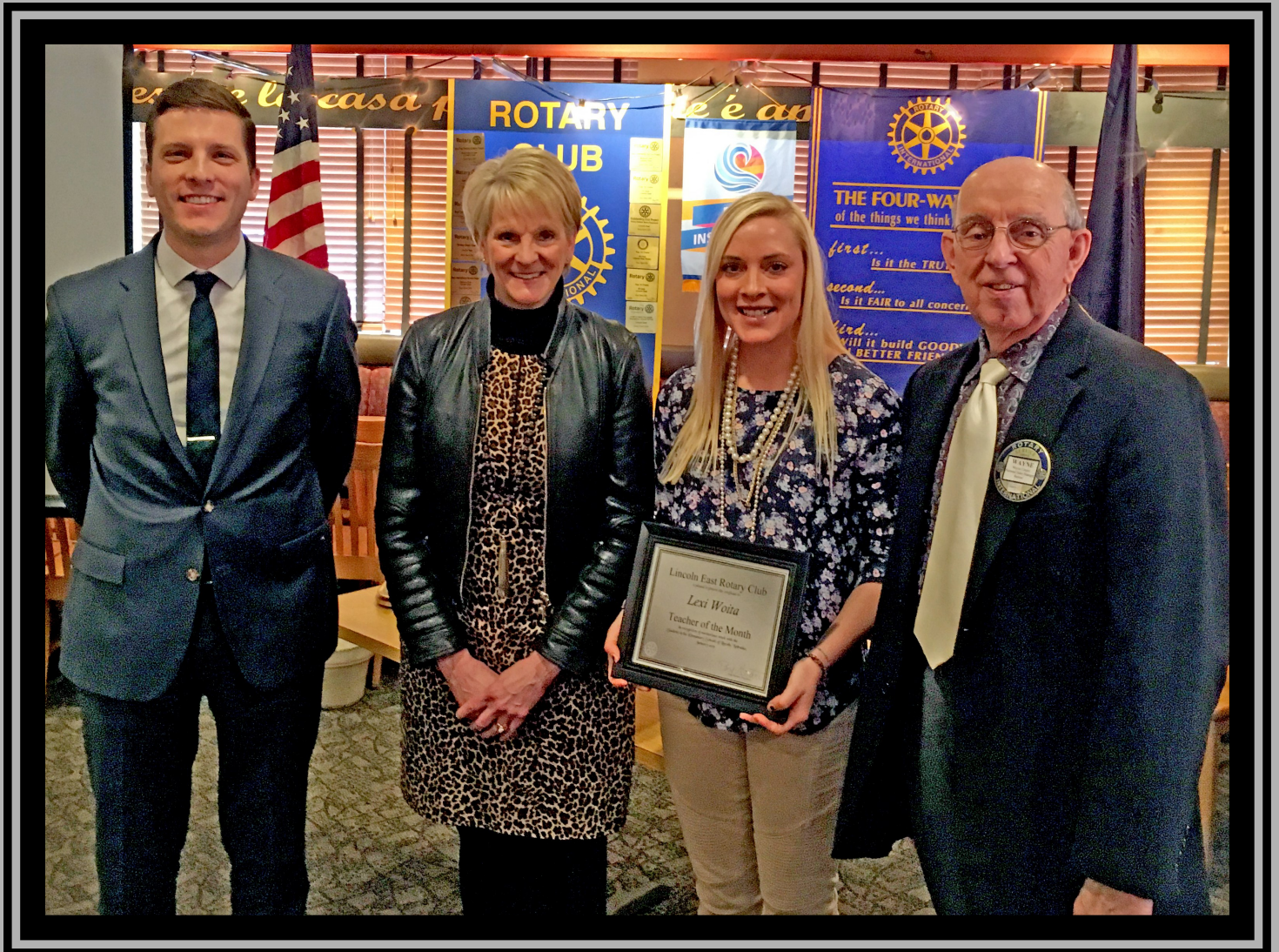
The Board recognizes that it holds the School Land in "a sacred trust" and conscientiously administers the Trust consistent with its mandated fiduciary duty toward its sole beneficiaries---the public school children of Nebraska. Each year, the land produces millions of dollars of income for public schools.

The Trust Land not only produces a steady flow of net income, but the land continues to appreciate at an impressive rate. Proceeds from any land sales are distributed from the School Land Trust to the Nebraska Investment Council for investment in stocks and bonds, with the annual income from the proceeds of land sales also being paid out to the K-12 public schools.

The Board is also aware of the importance of carefully managing its expenditures. The graph below demonstrates that for the last 37 years the U.S. rate of inflation has far exceeded increases in the Board's expenditures.



Lincoln East Rotary Club
Teacher of the Month—January 2019
Lexi Woita St. Michael Catholic School



Ben Martens, U.S. Bank, Sue Braun, Principal, Lexi Woita, Teacher, Wayne Casper, Chairman
Lincoln East Rotary Club Members extend a **sincere thank you and congratulations**
To Lexi Woita, as an outstanding teacher in Lincoln Elementary Schools.



Lincoln East Rotary Club members extends a sincere Thank You to
Milt Schmidt, Chairman for the Parks & Recreation Painting Project.

Another thank you to Lincoln East Rotary Club Members
who volunteered to paint picnic tables.

"Service Above Self"



Anniversaries & Birthdays

Weeks of February 14—20

Birthdays:

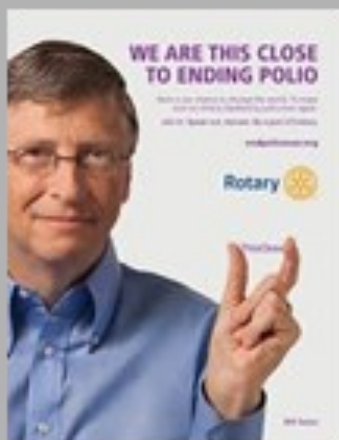
Chris Klingenberg—February 18

Anniversaries

Mil Schmidt—February 14



Happy Dollars



Ben Martin	\$ 1.00
Milt Schmidt	\$ 2.00
Gene Roth	\$ 5.00
Greg Schnasse	\$ 1.00
Chris Klingenberg	\$ 1.00
Andrea Ahrens	\$ 1.00
Al Burdick	\$ 2.00
Barry Stelk	\$ 5.00
Paul Horton	\$ 5.00
Duane Tappe	\$ 2.00
Wayne Casper	\$ 3.00
Total	\$28.00



NOTE:

Total Happy Dollars to date:
\$1012.00



Greeter Duty

February—Gordon Bair

Make Ups

Dick Cumming	Board Meeting
Dean Douglas	Social Meeting
Ozzie Gilbertson	Zambia Project
Ed Stivers	Concessions F.B.
Dennis Duckworth	SumFun Picnic
Gene Frederick	Board Meeting



Cashier Duty

February—Sue Schuerman
Contact Dick Cumming

Guests & Visitors

Merilee Anderson	Steve Grosserode
Merle Jansen	Club #14
Alexis Woita	Teacher of the Month
Joel Woita	Father of Alexis
Sue Braun	Principal
Patty Marmie	St. Michael School
Ben Martens	U.S. Bank

Lincoln East Rotary Club—February/March Speaker Schedule

February 27—Rep. from William Jennings Bryan Home, arranged by Darrel Huenergardt

March 6—Sara Lockard, Madonna Physical Therapist, arrange by Darrel Huenergardt

March 13—Opioid Epidemic, Jeff Kahrs, Reg. Director US Dept. HHS, arranged by Paul Horton

March 20—Erin Worth, Nebraska Department of Tourism, arranged by Minnie Stephens

March 27—Bill Vrtiska, Assistant Director., Lighthouse, arranged by Minnie Stephens

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Spoke Newsletter
Published by Wayne Casper