

CALENDAR ITEM

22.

12/79
W 20865
Baker
Grimes

INFORMATIVE
SCHOOL LAND INDEMNITY AUDIT

An act of Congress entitled "An act to provide for the Survey of the Public Lands in California, the granting of Preemption Rights therein, and for other purposes," enacted March 3, 1853, provides that "...sections sixteen and thirty-six, ... shall be and hereby are granted to the State for the purposes of public schools in each township." Section 7 of said act also provides that (1) settlement upon said sections, "... by erection of a dwelling-house or the cultivation of any portion of the land..." or (2) reservation for public uses, entitles the State to select other lands in lieu thereof. This has resulted in the State's selection of thousands of acres of public lands of the United States as indemnification for losses to the School Land Grant. The selections are made through the Bureau of Land Management.

Until enactment of Public Law 85-771 (72 Stats. 928) on August 27, 1958, the State was indemnified for school land parcels withdrawn after title had passed to the State (e.g., lands within the exterior boundaries of National Forests). Since August 27, 1958, base (offered) lands must have (1) been withdrawn by the United States prior to survey, (2) result from a fractional township or section, or (3) be a remaining portion of a subdivision allowed to be used as base prior to enactment of Public Law 85-771. Over the years the records of the Commission and the Bureau have not agreed.

Since 1974 the State Lands Commission has cooperated with the United States Bureau of Land Management in an audit of the School Land Grant. Prior to commencement of the audit State Lands Commission showed an unused indemnity entitlement of approximately 17,000 acres, which has now been increased to more than 63,000 acres. Our records did not reflect any compilation of overcertifications, for which the State owes the United States only 1,300[±] acres of repayment.

Many record discrepancies have been resolved, frequently in the State's favor. There are a few remaining differences which cannot be resolved without legal and/or Commission and Bureau action. Disposition of these discrepancies will

be presented to the Commission case by case.

The current totals compiled by the Bureau of Land Management and concurred in by the staff are:

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|--|-------------------------|
| Total due the State (unsurveyed and not withdrawn) | + 52,710.98 acres |
| Total due the State for loss to the School Land Grant (indemnity base) | + 63,628.99 acres |
| Total excess indemnification entitlement used by State | - <u>1,301.54 acres</u> |
| Total acreage due State in place and as indemnification | 114,538.69 acres |

The records of the Commission have been amended to correspond to the schedule above.