MEMORANDUM

To: Board of Regents  
From: Board Office  
Subject: Proposed Modification of Millard Trust  
Date: November 4, 2002

Recommended Action:

Authorize the Executive Director to request the Office of the Attorney General to seek a change in the spending authority of Iowa Braille and Sight Saving School pursuant to the terms and conditions of the Millard Trust (Trust).

Executive Summary:

School seeks to ease restrictions of Millard Trust

The School received a gift of $46,804.58 from the estate of Ella Millard in 1977. The gift, held in trust with restrictions on expenditure since that time, has grown to approximately $385,000. The School seeks to have some of the restrictions modified so that proceeds of the Trust can be spent to benefit students of the School.

Background:

- In October 1977 the School received $46,804.58 as one half of the proceeds of the estate of Ella Millard of Lake View, Iowa.
- The Sac County District Court (Court) determined that the School could spend not more than $1,000 of Trust proceeds in any year without approval of the Court.
- The Court determined that the proceeds could be spent only on non-recurring expenses and that the expenditures had to benefit students directly.
- The Court identified three examples of expenditures that would meet its standard, as follows:
  - Consultation and specialist expenses providing services to students or in-service training for staff;
  - Specialized equipment specifically purchased for the care of blind children;
  - Renovations or improvements to the facility that would directly improve the learning potential for students.
Trust not being used

School seeks modification of Trust limits

Attorney General asked to represent School

• The School has not used proceeds from the Trust because of the necessity to limit expenditures to $1,000 per year and because of the requirement that any expenditures above that amount be approved by the Court.

• The School would like to have the conditions placed on the Trust by the Court modified, and to identify a spending plan for approximately $10,000 per year, such expenditures meeting the standard of the Trust approved by the Court.

• The School seeks to have the Executive Director request the services of the Office of the Attorney General for this purpose.

Analysis:

Trust not being used

School wants to use Trust

Attorney General asked to seek modification of Trust

• The School has not been using the Trust to provide benefit to its students as provided by the bequest.

• The School’s proposal would begin to use the Trust for its intended purpose and benefit students.

• Therefore, the Board Office concurs with the recommendation of the Superintendent to seek modification of the current Trust restrictions.

Charles Wright

Approved: Gregory S. Nichols

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