



2024 NASTL Conference

Idaho Land Board Perspective

August 26, 2024 CdA, ID

Agenda

- Quick intro
- Historic
- Current
- Future

State Fiscal Officer

- State Checkbook
 - Pay All employees
 - Pay All state expenses
- 4 Divisions(Accounting, Admin, Enterprise Business Ops, and IT)
- 114 employees
- State Data Center
- Land Board member since 2012

Historic



Managing the Lands

- “Evidence strongly suggests a lack of public knowledge and understanding of the term “state lands.” These lands are, at times, referred to as, “public lands,” “grant lands,” “school lands,” “endowment lands,” etc. Irregardless of the term used to describe them, there appears to be a general misconception as to how they were acquired, their purpose and dedication, and their disposition.”

Commissioner Gordon Trombley to Governor Don Samuelson 1969

Idaho Constitutional Convention

Some argued that the state should:

- sell the land,
- invest the principal,
- and use the interest to support the schools and institutions:

Idaho Constitutional Convention

Others argued that the state should:

- Hold the land forever,
- and obtain benefits by leasing the agricultural, grazing, and mineral lands,
- and by selling timber from time to time
- Debate also focused on the difficulty of determining the value of the grant lands

Idaho Constitutional Convention

Dilemma resolved through compromise

Protection of the trust assets

Land Board Endowment Reform

1996 through 1999

- Committee recommendations in 1996 and implemented with Constitutional and statutory changes in 1998
- Put the Land Board over the Endowment Fund Investment Board, and
- Allowed the greater flexibility in investing (stocks)

2013 through 2014

Prudent Expert Rule

Trust, but Verify

Idaho Admission Act – Sections 16 & 36

Table 2. Idaho endowment land ownership by beneficiary institution, 1890-2010 (acres).

Beneficiary Institution	1890	1940	2010
Public Schools	2,982,683	2,543,962	2,080,249
Agricultural College (U of I)	90,000	42,836	33,526
Charitable Institutions*	150,000	86,085	77,211
Normal School†	100,000	53,389	60,046
Penitentiary	50,000	34,051	29,067
School of Science (U of I)	100,000	74,714	75,875
State Hospital South‡	50,000	30,315	31,414
University of Idaho	96,080	51,316	54,646
Public Building (Capitol)	32,000	14,719	7,222
Total	3,650,763	2,931,387	2,449,255

* Idaho State University, Industrial Training School, State Hospital North, Idaho Veterans Homes, and the School for the Deaf and Blind.

† Idaho State University Department of Education and Lewis-Clark State College.

‡ Grant was to the “Insane Asylum” and later renamed State Hospital South.

Current



Land Board Overview



Members of the Board of Land Commissioners

Governor
Brad Little - Chairman



Secretary of State
Phil McGrane



Attorney General
Raúl R. Labrador



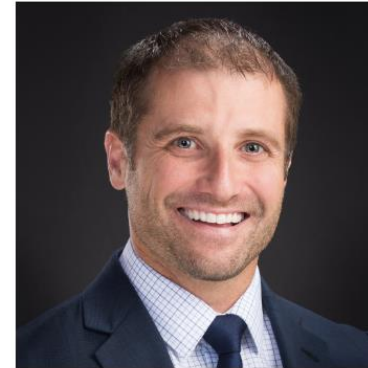
State Controller
Brandon Woolf



Superintendent of Public Instruction
Debbie Critchfield



Secretary to the Board
Dustin Miller, IDL Director



Endowment Land

SURFACE ACRES BY ASSET CLASS

 Farmland: 19,702
 Commercial: 987
 Timberland: 1,048,834
 Rangeland: 1,433,890
 Residential: 210

TOTAL ACRES: 2,503,623

ENDOWMENT LAND STATUS – SURFACE ACRES BY ASSET CLASS

Endowment	Farmland	Commercial	Timberland	Rangeland	Residential	Grand Total
Agricultural College	707.93	0	15,160.49	17,953.62	0	33,822.04
Capitol Permanent	0	9.80	7,227.81	45.20	0	7,282.81
Charitable Institutions	37.73	2.86	63,256.86	14,033.72	0	77,331.17
Normal School	62.11	153.06	46,875.46	15,750.75	7.03	62,848.41
Penitentiary	477.41	8.91	27,070.12	1,293.55	0	28,849.99
Public School	17,656.68	664.98	749,668.93	1,357,723.26	192.43	2,125,906.28
School of Science	194.32	136.70	63,591.66	11,533.42	0	75,456.10
State Hospital South	18.08	0.69	33,346.90	3,660.78	10.60	37,037.05
University of Idaho	547.83	10.01	42,635.44	11,895.88	0.20	55,089.36
Total	19,702.09	987.01	1,048,833.67	1,433,890.18	210.26	2,503,623.21

LAND NET INCOME BY ASSET CLASS

By Asset Class	Acres	FY23 Net Income
Farmland	19,702	\$450,474
Commercial	987	\$689,976
Timberland	1,048,834	\$50,718,721
Rangeland	1,433,890	\$1,311,927
Residential	210	\$102,902
Total	2,503,623	\$53,274,000

Endowment Lands

Idaho has 21.5MM Timberland acres (covering 41% of Idaho)
16.5MM acres productive

Total Endowment Land = 2,503,623 acres
IDL = 1,048,833.67 acres of productive Timberland
4.9% of Idaho Timberland or 6.4% of Productive

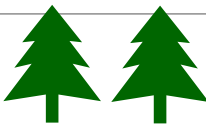
32% of all fiber and sawlogs come from IDL Endowment

Importance of timber to the Land Board

Timber compared to all other land income

Fiscal Year	Total Net Land Income	Net Income from Timber	Net Income all other Land	Timber %
2023	\$52.8 M	\$50.7 M	\$2.1 M	96%
2022	\$57.9 M	\$54.5 M	\$3.4 M	94%
2021	\$60.4 M	\$59.7 M	\$.7 M	99%
2020	\$47.5 M	\$46.5 M	\$1.0 M	98%
2019	\$45.0 M	\$43.7 M	\$1.3 M	97%
2018	\$46.4 M	\$43.7 M	\$2.7 M	94%

2024 Accomplishments: Timber

328 mmbf	Timber Harvested	
\$81.1 million	Gross Income	
\$60.8 million	Net Income	
\$100 million	Distributed to Beneficiaries	

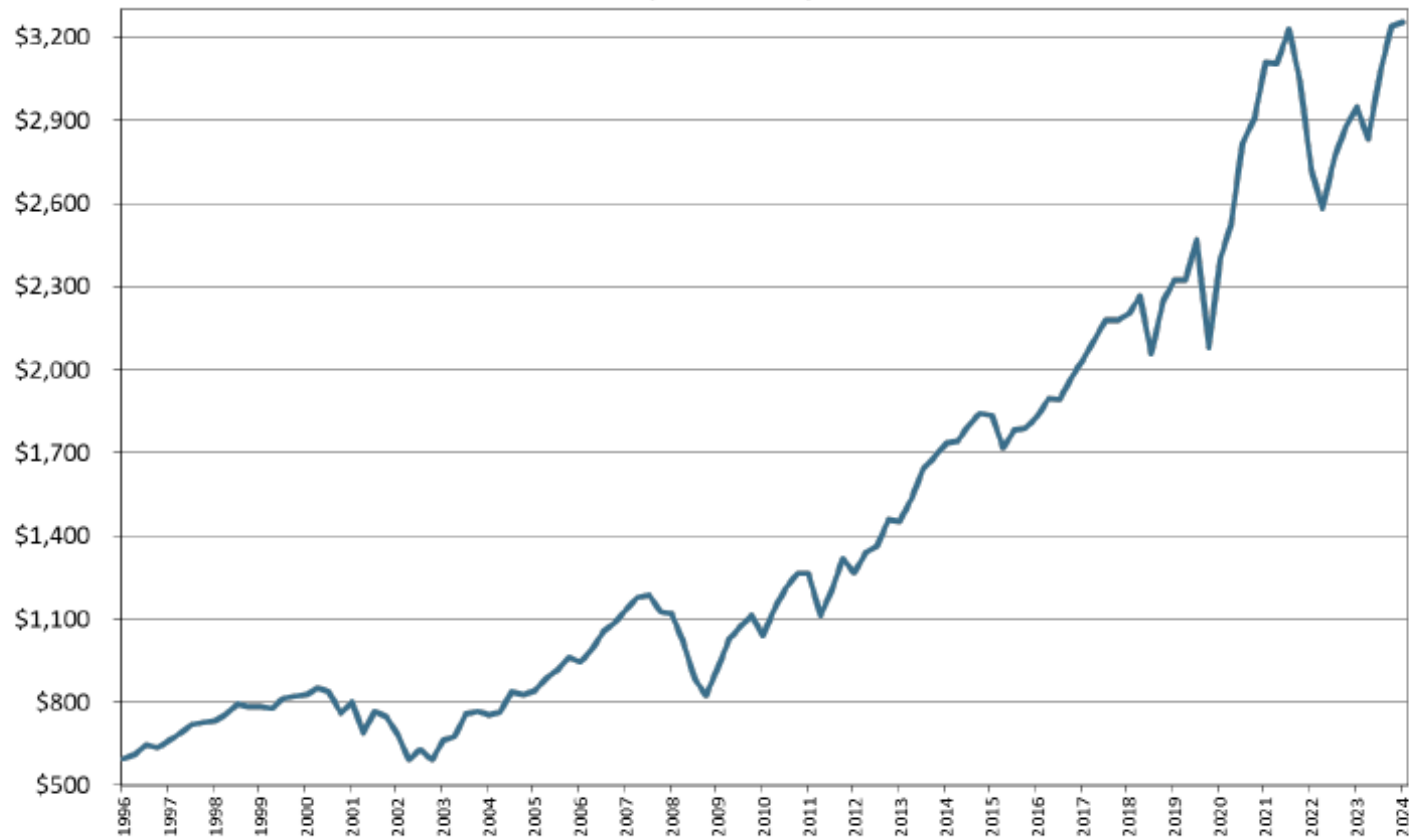
171 Active Timber sales – 52,255 truckloads hauled

3.97 million seedlings planted on 11,022 acres

286 wildfires fought with 92% held to less than 10 acres

Current Fund Balance

Total Land Grant Endowment Fund Assets
June 1996 - June 2024
(in millions)



As of June 2024 fund:

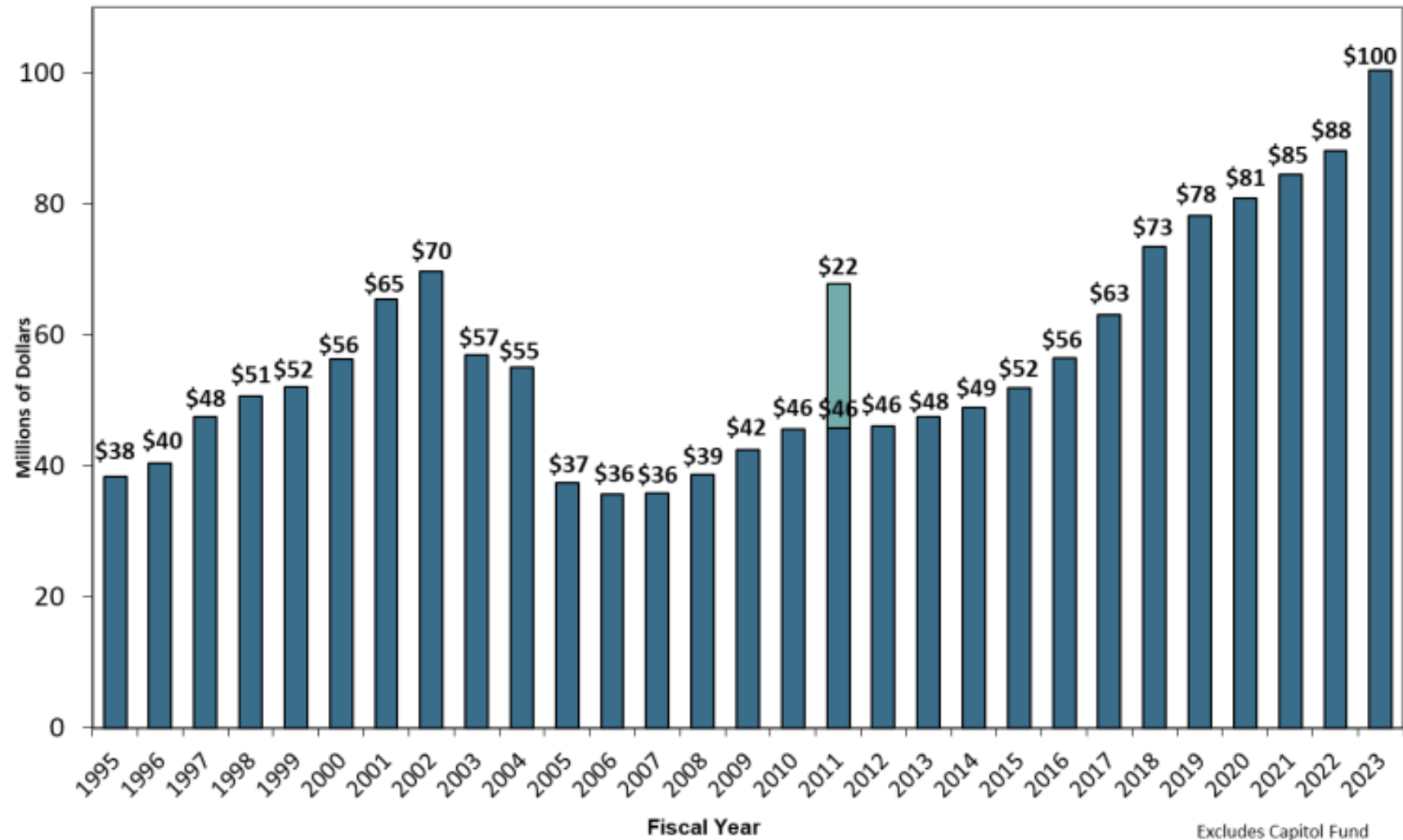
\$3,254,000,000

Endowment Distribution Policy Objectives

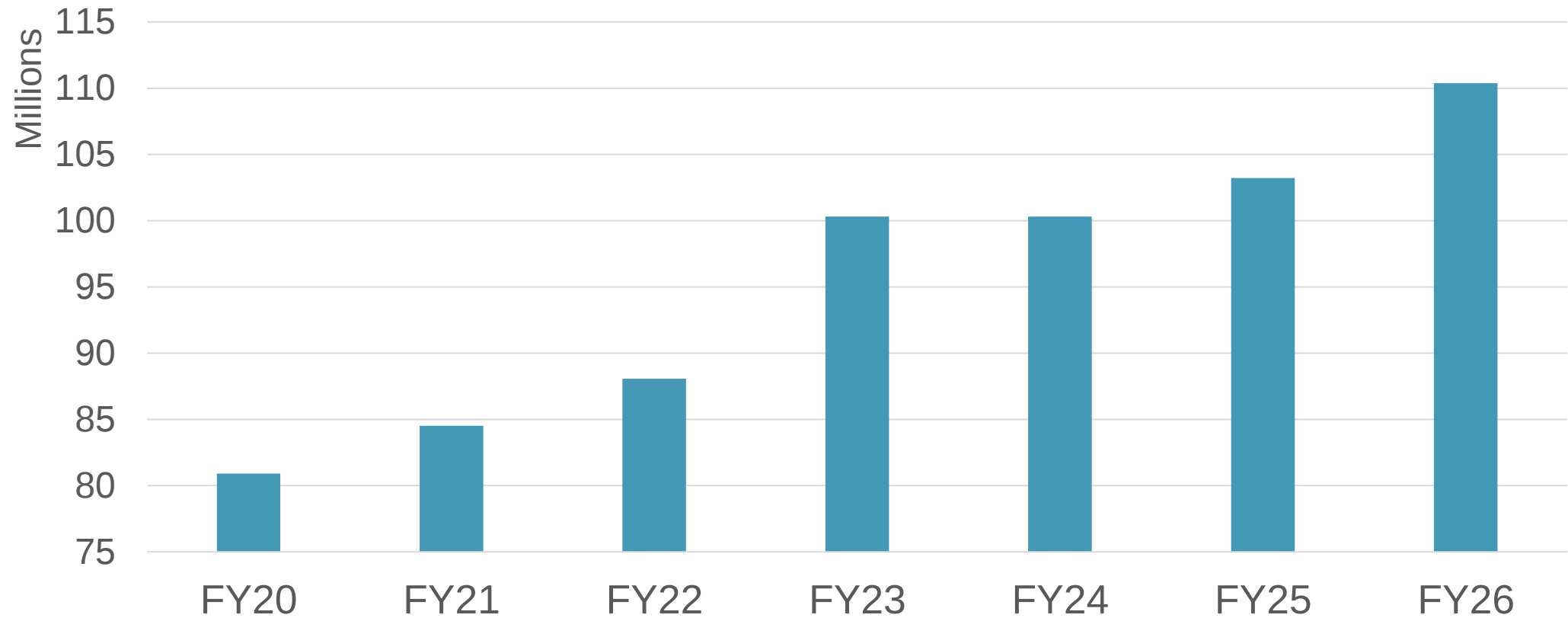
The ultimate purpose of Idaho's land grant endowments is to provide a perpetual stream of income beneficiaries.

- Avoid reductions in total endowment distributions
- Maintain adequate Earnings Reserves to protect distributions from income shortfalls
- Grow distributions at least commensurate with inflation and population growth

Beneficiary Distributions 1995-2023



Beneficiary Distribution



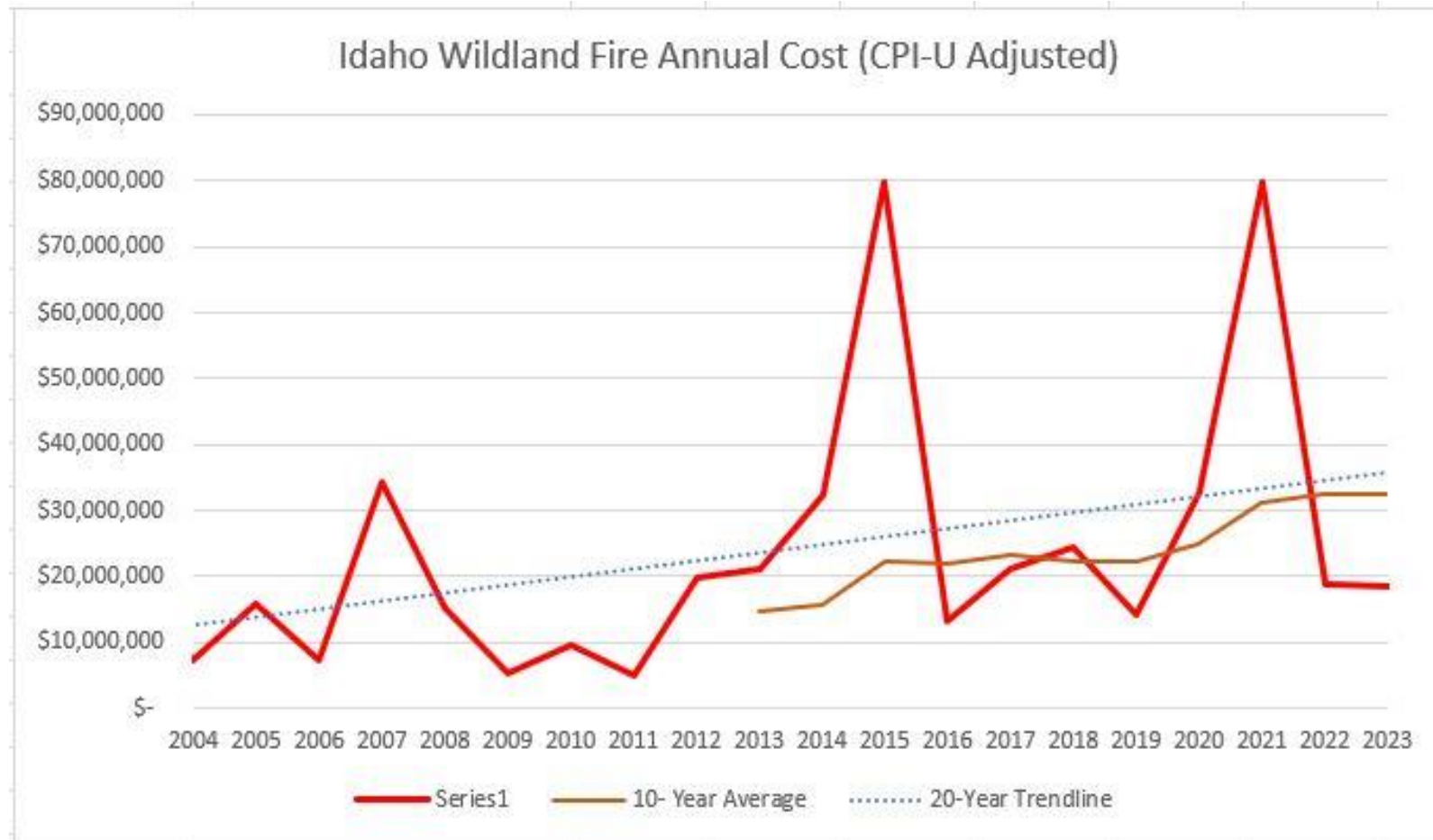
Cottage Sites – Land Bank

- 535 cottage sites on Priest Lake and Payette Lake
- Split Ownership
- 2010 Land Board decision
- VAFO Disposal process
- Over \$200+ Million
 - Reinvestment in timberland or other investments
 - Add to Permanent Fund

Land Bank

- End of June 2024 = \$73,598,319
- Last 7 years = \$129.6 Million moved to Permanent Fund
- Last 7 years = \$99.7 Million used to purchase 54,000 acres of timberland

Idaho Wildland Fire Annual Costs



10 Year Avg: \$33.5 M

20 Year Avg: \$23.7 M

Active Management

- Partnership
- Think long term
- Good Neighbor Authority
- Shared Stewardship
- Act quickly – salvage
- Recreation and wildlife

Future



Future

Good investment is to diversify your portfolio

But how do we diversify with 95% of land revenue based on timber

- What if there were a catastrophic fire?
- What if there were a massive bug infestation?
- What if we had to lower our timber harvest volume?

Impact that these items could cause

Future

Constitutional mandate and fiduciary duties are to maximize our funds, what is our trustee role;

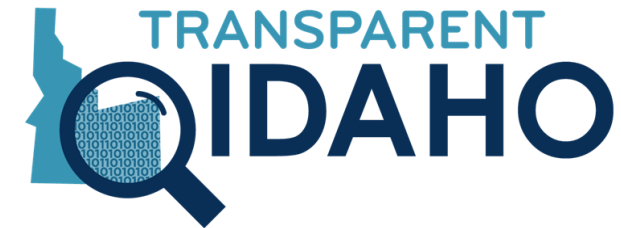
Look at big picture of our other commercial property and grazing lands to see if they are the highest and best use.

What is the political appetite to diversify and to what level. What does the public and all other stakeholders see as the proper role and duty?

Future – Next steps

- Endowment and Wildfires
 - 5 to 10 acres slice of heaven – no WUI
- Trucking/Loggers/Mills
- Technology - Data
- Building our bench – Plug for the Next Panel
- Continue to build the Portfolio for the future Generations

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Transparent.Idaho.gov