



\$1.46 billion **Our record balance of endowment fund assets to date**

May 21, 2013

(BOISE) - **At \$1.46 billion, the balance of Idaho land grant endowment fund assets is at an all-time high**, up 14 percent from the end of FY12.

The fund assets come from **more than 120 years of managing millions of acres of State endowment trust lands and the revenue they generate to support public schools and other Idaho institutions.**

The Endowment Fund Investment Board (EFIB) presented the numbers - which reflect the status of the fund for the first nine months of FY13 compared to the end of FY12 - during its semiannual report to the State Board of Land Commissioners (Land Board) this morning. The EFIB is the nine-member board and staff that provide professional investment management services to the Land Board, among other stakeholders.

The record level of fund assets is due to stronger investment returns and 14-percent higher revenue from endowment trust lands for the nine months ending in March.

The endowment fund had an investment return of 6.7 percent over the past five years and, as a result of rising equity markets, a 14.5-percent return in the first nine months of FY13.

Endowment trust lands, which are managed by the Idaho Department of Lands (IDL) under the direction of the Land Board, are tied to specific funds and beneficiaries. There are nine state endowment funds, the largest of which supports Idaho's **public school system**. Beneficiaries of the other funds include the **University of Idaho, State hospitals** for the mentally ill, **Lewis-Clark State College**, State **veterans homes**, **Idaho State University**, the **Capitol Commission, Idaho School for the Deaf and Blind**, and **Idaho's juvenile corrections system and prison system**.

The Idaho Constitution stipulates the lands are to be managed to produce maximum long-term financial returns to the beneficiaries. Distributions to these beneficiaries will total **\$47.5 million this fiscal year** and will **rise at least 2.8 percent to \$48.8 million in FY14**.

In a nutshell, each endowment is overseen by the Land Board and has both permanent assets - which can never be spent - and a reserve fund of accumulated earnings that acts as a buffer. The permanent assets include 2.4 million acres of endowment trust land and money in a Permanent Fund. Investment earnings from the Permanent Fund as well as ongoing land revenues, such as the money from timber sales or cash returns on a commercial building lease, go to the Earnings Reserve fund. The Land Board annually determines the allocation of the reserve account - how much to distribute to the beneficiaries, how much to transfer to the permanent fund to offset inflation, and how much to retain for future distribution.



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