

Idaho State Board of Land Commissioners Open Meeting Checklist

Meeting Date: March 18, 2025

Regular Meetings

Date	Action
3/5/2025	Meeting Notice posted in Idaho Department of Lands (IDL) Boise Director's office five (5) or more calendar days before meeting.
3/5/2025	Meeting Notice posted in IDL Coeur d'Alene staff office five (5) or more calendar days before meeting.
3/5/2025	Meeting Notice posted at meeting location five (5) or more calendar days before meeting.
3/5/2025	Meeting Notice posted electronically on IDL website (https://www.idl.idaho.gov) five (5) or more calendar days before meeting.
3/5/2025	Meeting Notice published on Townhall Idaho website (https://townhall.idaho.gov) five (5) or more calendar days before meeting.
3/12/2025	Agenda posted in IDL Boise Director's office forty-eight (48) hours before meeting.
3/12/2025	Agenda posted in IDL Coeur d'Alene staff office forty-eight (48) hours before meeting.
3/12/2025	Agenda posted at meeting location forty-eight (48) hours before meeting.
3/12/2025	Agenda posted electronically on IDL website (https://www.idl.idaho.gov) forty-eight (48) hours before meeting.
3/12/2025	Agenda published on Townhall Idaho website (https://townhall.idaho.gov) forty-eight (48) hours before meeting.
2/27/2025	Revised Land Board annual meeting schedule posted—Boise Director's office, Coeur d'Alene staff office, and IDL website (https://www.idl.idaho.gov).

Certification



Recording Secretary

March 12, 2025

Date



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

NOTICE OF PUBLIC MEETING MARCH 2025

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, March 18, 2025 in the **Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd.**, Boise. The meeting is scheduled to begin at 9:00 AM (MT).

Please note meeting location.

Directions: Enter City Hall from Capitol Blvd.; take the Capitol Boulevard elevators to the 3rd floor; Council Chambers are directly across from the elevators.

The State Board of Land Commissioners will conduct this meeting in person and by virtual means. This meeting is open to the public. No public comment will be taken.

[View live streaming via YouTube:](https://youtube.com/live/7IeKWfyKTxY) <https://youtube.com/live/7IeKWfyKTxY>

[Register to attend the Zoom webinar:](https://idl.zoom.us/webinar/register/WN_yTTEGhgvRyuTYOvWrU53eg)
https://idl.zoom.us/webinar/register/WN_yTTEGhgvRyuTYOvWrU53eg

Notice Posted: 3/5/2025 Boise; 3/5/2025 Coeur d'Alene

This notice is published pursuant to Idaho Code § 74-204. For additional information regarding Idaho's Open Meeting Law, please see Idaho Code §§ 74-201 through 74-208.

Idaho Department of Lands, 300 N 6th Street, Suite 103, Boise ID 83702, 208.334.0200



Idaho State Board of Land Commissioners

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Final Agenda

State Board of Land Commissioners Regular Meeting

March 18, 2025—9:00 AM (MT)

Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise

Please note meeting location.

The State Board of Land Commissioners will conduct this meeting in person and by virtual means. This meeting is open to the public. No public comment will be taken.

[View live streaming via YouTube:](https://youtube.com/live/71eKWfyKTxY) <https://youtube.com/live/71eKWfyKTxY>

[Register to attend the Zoom webinar:](https://idl.zoom.us/webinar/register/WN_yTTEGhgvRyuTYOvWrU53eg)

https://idl.zoom.us/webinar/register/WN_yTTEGhgvRyuTYOvWrU53eg

Reports

1. Department Reports—presented by Bill Haagenson, Deputy Director
 - A. Timber Sales Revenue—February 2025
 - B. Leases/Permits Transactions and Revenue—February 2025
 - C. Legislative Summary
2. Endowment Fund Investment Board—presented by Chris Halvorson, EFIB Investment Officer
 - A. Manager's Report
 - B. Investment Report

Consent—Action Item(s)

3. Timber License Plate Fund—presented by Jennifer Okerlund Frederickson, Idaho Forest Products Commission
4. Approval of Draft Minutes—February 18, 2025 Regular Meeting

Regular—Action Item(s)

5. Modernizing Wildland Fire Operations Facilities: Seek Concurrent Resolution—presented by Michele Andersen, Deputy Director-Policy and Administration; and Derrick Reeves, Fleet and Facilities Manager

Information

None

Executive Session

None

This agenda is published pursuant to Idaho Code § 74-204. The agenda is subject to change by the Land Board. To arrange auxiliary aides or services for persons with disabilities, please contact Idaho Department of Lands at (208) 334-0200. Accommodation requests for auxiliary aides or services must be made no less than five working days in advance of the meeting. Agenda materials are available on [IDL's website](https://www.idl.idaho.gov) at <https://www.idl.idaho.gov/land-board/>.



Idaho Statutes

Idaho Statutes are updated to the website July 1 following the legislative session.

TITLE 74
TRANSPARENT AND ETHICAL GOVERNMENT
CHAPTER 2
OPEN MEETINGS LAW

74-206. EXECUTIVE SESSIONS - WHEN AUTHORIZED. (1) An executive session at which members of the public are excluded may be held, but only for the purposes and only in the manner set forth in this section. The motion to go into executive session shall identify the specific subsections of this section that authorize the executive session. There shall be a roll call vote on the motion and the vote shall be recorded in the minutes. An executive session shall be authorized by a two-thirds (2/3) vote of the governing body. An executive session may be held:

(a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general;

(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;

(c) To acquire an interest in real property not owned by a public agency;

(d) To consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code;

(e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;

(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;

(g) By the commission of pardons and parole, as provided by law;

(h) By the custody review board of the Idaho department of juvenile corrections, as provided by law;

(i) To engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed. The mere presence of a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement; or

(j) To consider labor contract matters authorized under section 74-206A (1) (a) and (b), Idaho Code.

(2) The exceptions to the general policy in favor of open meetings stated in this section shall be narrowly construed. It shall be a violation of this chapter to change the subject within the executive session to one not identified within the motion to enter the executive session or to any topic for which an executive session is not provided.

(3) No executive session may be held for the purpose of taking any final action or making any final decision.

(4) If the governing board of a public school district, charter district, or public charter school has vacancies such that fewer than two-thirds (2/3) of board members have been seated, then the board may enter into executive session on a simple roll call majority vote.

History:

[74-206, added 2015, ch. 140, sec. 5, p. 371; am. 2015, ch. 271, sec. 1, p. 1125; am. 2018, ch. 169, sec. 25, p. 377; am. 2019, ch. 114, sec. 1, p. 439.]

STATE BOARD OF LAND COMMISSIONERS

March 18, 2025
Trust Land Revenue

Timber Sales

During March 2025, the Idaho Department of Lands (IDL) sold five endowment timber sales and one Good Neighbor Authority (GNA) timber sale at auction. All the endowment sales that sold had competitive bidding. The net sale value represents a 69% increase over the appraised price. One endowment timber sale did not sell at auction on its third attempt.

TIMBER SALE AUCTIONS								
Sale Name	Area	Sawlog MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$/MBF	Purchaser
Bear Parts	PLK	3,110	0	0	\$ 409,534.50	\$ 956,127.00	\$307.44	IFG Timber LLC
Thompson Turkey	SJ	2,605	0	0	\$ 204,745.50	\$ 540,387.00	\$207.44	PotlatchDeltic
Huck Seed Cedar	CLW	3,105	0	0	\$ 832,667.50	\$ 1,240,696.00	\$399.58	Alta Forest Products
Rainy Slope II OSR	CLW	1,275	0	0	\$ 162,764.50	\$ 305,090.00	\$239.29	IFG Timber LLC
Steep and Cheep	POL	2,495	0	0	\$ 570,079.00	\$ 651,195.00	\$261.00	IFG Timber LLC
Endowment		12,590	0	0	\$ 2,179,791.00	\$ 3,693,495.00	\$293.37	
Red Hot GNA	NezClw	2,530	0	0	\$ 171,267.70	\$ 171,267.70	\$67.69	Clearwater Paper
Non-Endowment		2,530	0	0	\$ 171,267.70	\$ 171,267.70	\$67.69	

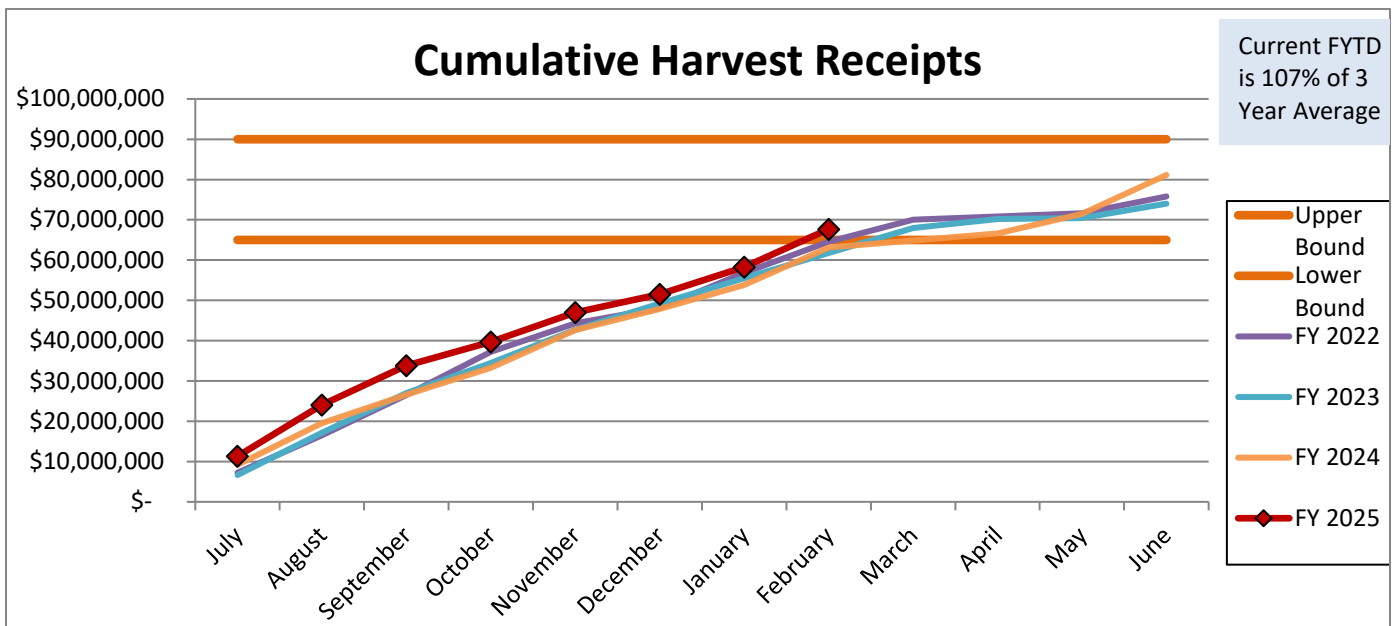
PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Scheduled Auction Date
North Operations				
Chunker	6,145	\$ 663,356.00	SJ	3/4/2025
Sly Meadows Ton	3,845	\$ 462,249.48	SJ	3/12/2025
Peakabou Pulp	2,775	\$ 366,712.50	PL	3/13/2025
Hunt Cedar	4,725	\$ 977,618.50	PL	3/13/2025
Lower Eagle Cedar	7,570	\$ 3,186,152.00	MICA	3/25/2025
Totals	25,060	\$ 5,656,088.48		
South Operations				
Deep South Ton	1,515	\$ 121,530.12	PAY	3/18/2025
Lower Benton Cedar	3,355	\$ 1,284,965.00	CLWR	3/19/2025
Last Loseth	5,675	\$ 581,981.00	CLWR	3/19/2025
Totals	10,545	\$ 1,988,476.12		

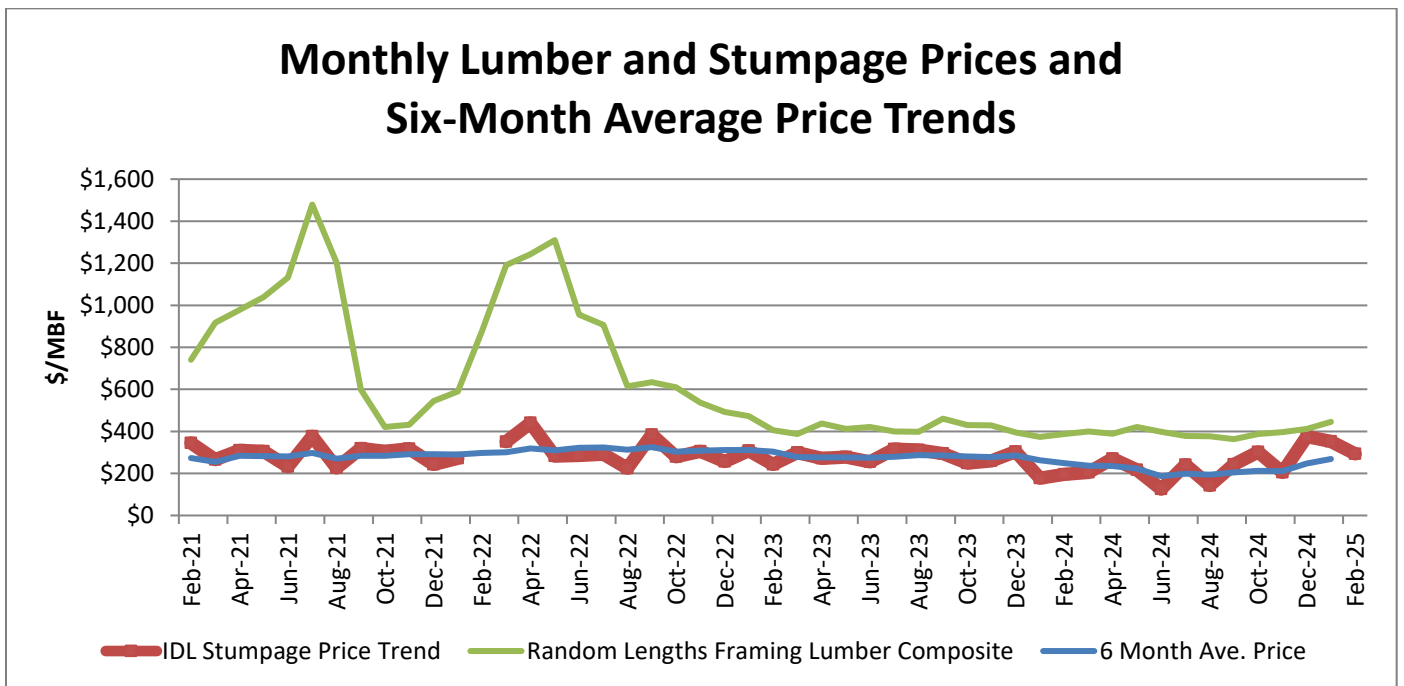
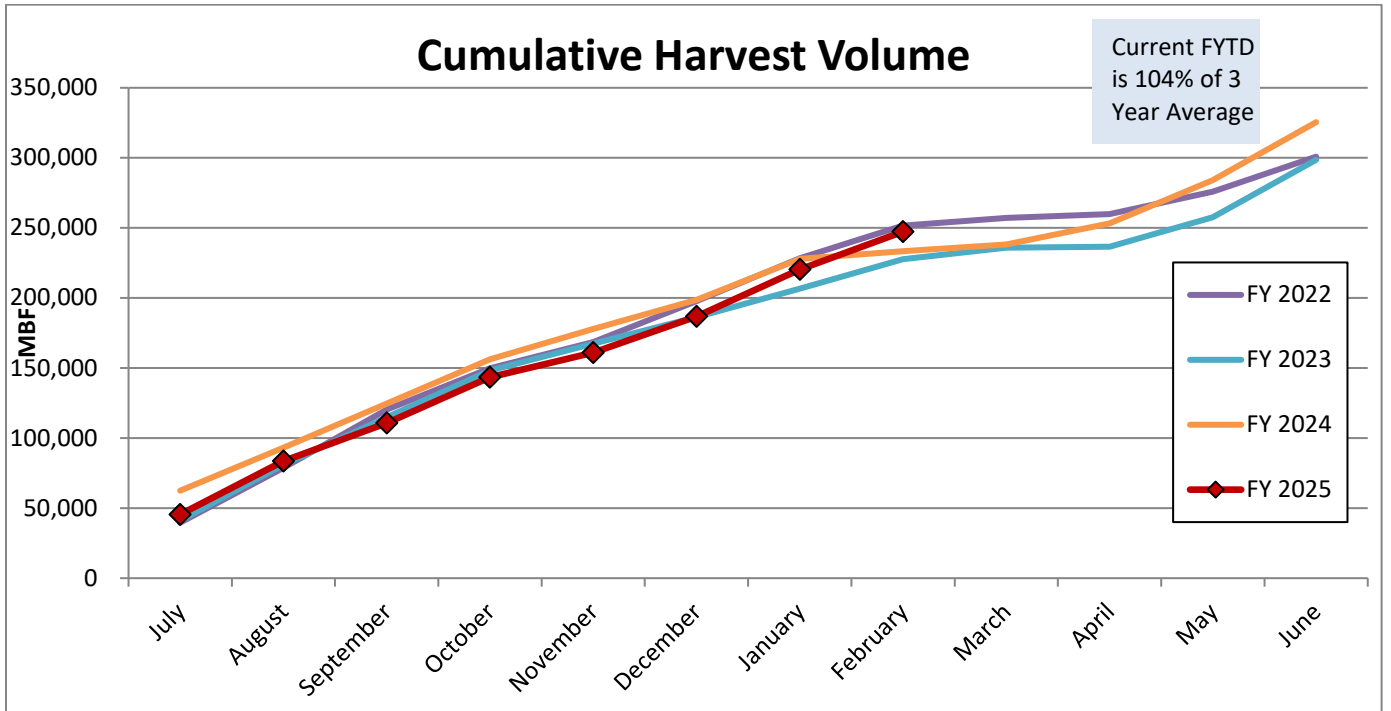
VOLUME UNDER CONTRACT as of February 28, 2025				
	Public School	Pooled	Total	3 Year Avg.
Active Contracts			151	158
Total Residual MBF Equivalent	282,716	157,115	439,831	509,142
Estimated residual value	\$76,038,855	\$47,175,240	\$123,214,095	\$136,294,306
Residual Value (\$/MBF)	\$268.96	\$300.26	\$280.14	\$267.69

	TIMBER HARVEST RECEIPTS				
	February		FY to date	March Projected	
	Stumpage	Interest	Harvest Receipts	Stumpage	Interest
Public School	\$ 5,641,886.57	\$ 323,413.15	\$ 42,241,945.28	\$ 4,231,635.98	\$ 330,304.57
Pooled	\$ 3,171,733.20	\$ 248,134.60	\$ 25,439,303.82	\$ 2,107,829.35	\$ 189,115.31
General Fund	\$ -	\$ -	\$ 4,163.55	\$ -	\$ -
Totals	\$ 8,813,619.77	\$ 571,547.75	\$ 67,685,412.65	\$ 6,339,465.33	\$ 519,419.88

	Status of FY2025 Timber Sale Program					
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of February 28, 2025	54,393	80,043	134,436	5,024	9,546	14,570
Currently Advertised	14,641	8,414	23,055	730	0	730
In Review	40,156	17,934	58,090	5,565	0	5,565
Did Not Sell*	4,775	0	4,775	0	0	0
Totals	113,965	106,391	220,356	11,319	9,546	20,865
FY2025 Sales Plan			328,000			20,000
Percent to Date			67%			104%

* After three attempts at auction.

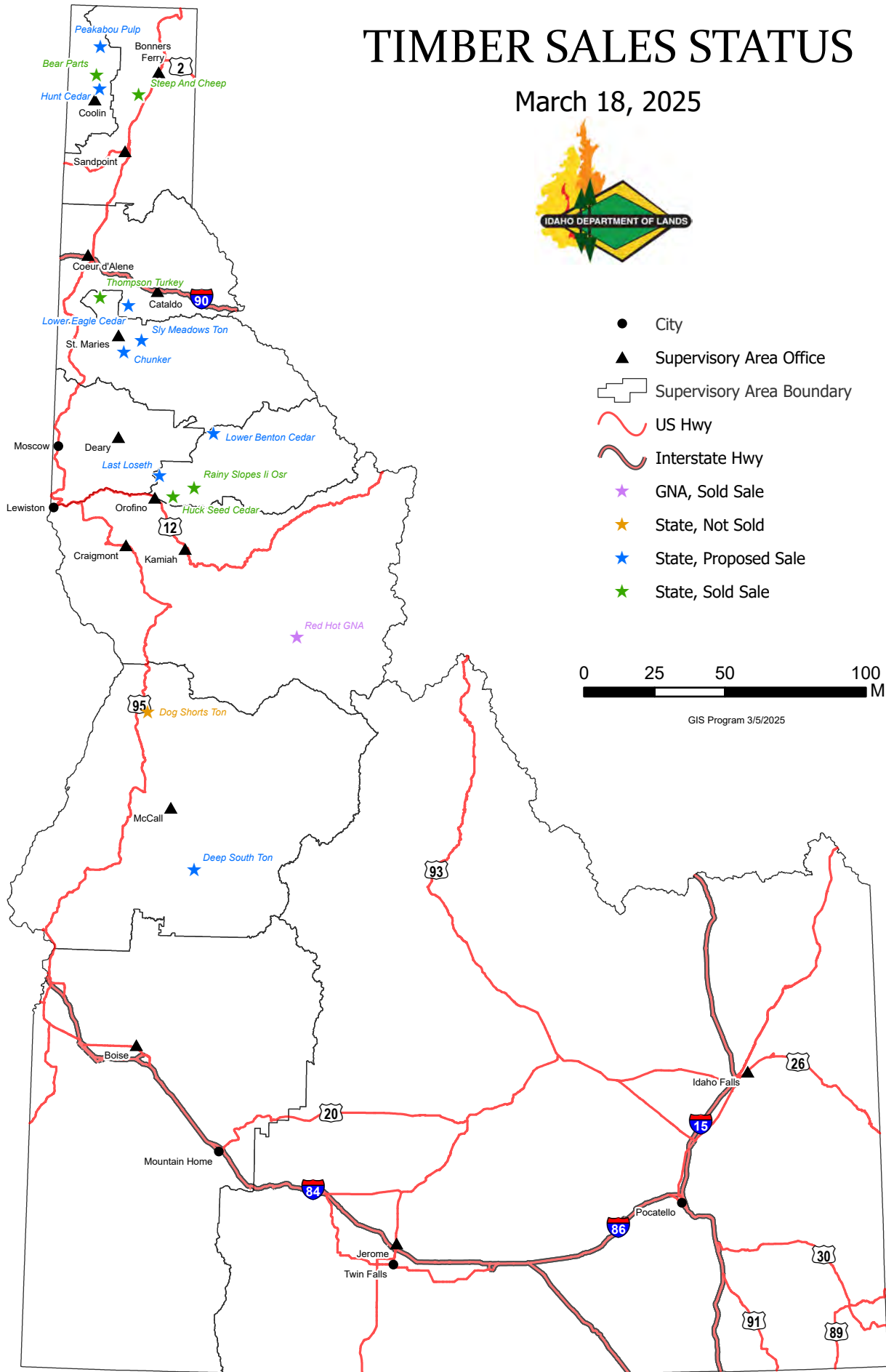




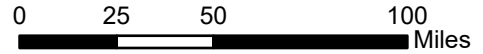
February 2025 6-month average price is \$282.71.
 February 2024 6-month average price was \$228.64.

TIMBER SALES STATUS

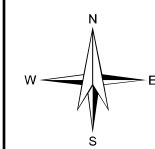
March 18, 2025



- City
- ▲ Supervisory Area Office
- ▭ Supervisory Area Boundary
- US Hwy
- Interstate Hwy
- ★ GNA, Sold Sale
- ★ State, Not Sold
- ★ State, Proposed Sale
- ★ State, Sold Sale



GIS Program 3/5/2025



STATE BOARD OF LAND COMMISSIONERS

March 18, 2025

Endowment Transactions

Leases and Permits

FISCAL YEAR 2025 – LEASING & PERMITTING TRANSACTIONS BY MONTH through February 28, 2025													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
SURFACE													
Agriculture		-	-	-	-	-	-	-	-	-	-	-	0
<i>Assignments</i>	-	-	-	-	-	-	1	-	-	-	-	-	1
Communication Sites	1		-	-	-	-	-	1	-	-	-	-	2
<i>Assignments</i>	-	4	-	-	-	-	-	-	-	-	-	-	4
Grazing	-	3	-	2	-	-	-	-	-	-	-	-	5
<i>Assignments</i>	4	2	11	2	3	-	1	1	-	-	-	-	24
Residential	-	9	1	8	3	6	4	1	-	-	-	-	32
<i>Assignments</i>		2	2	1	-	1	-	-	-	-	-	-	6
COMMERCIAL													
Alternative Energy	-	-	-	-	-	-	2	-	-	-	-	-	2
Industrial		-	-	-	-	-	-	-	-	-	-	-	0
<i>Assignments</i>	-	-	-	-	-	-	1	-	-	-	-	-	1
Military	-	-	-	-	-	-	-	-	-	-	-	-	0
Office/Retail	-	-	-	-	-	-	-	-	-	-	-	-	0
Recreation	-	-	-	1	-	-	-	-	-	-	-	-	1
<i>Assignments</i>	1	-	-	-	-	-	-	-	-	-	-	-	1
OTHER													
Conservation	-	-	-	-	-	-	-	-	-	-	-	-	0
Geothermal	-	-	-	-	-	-	-	-	-	-	-	-	0
Minerals	2		-	2	-	1	-	-	-	-	-	-	5
<i>Assignments</i>	-	-	-	-	-	-	4	-	-	-	-	-	4
Non-Comm Recreation		-	-	-	-	-	-	-	-	-	-	-	0
Oil & Gas	-	-	-	-	-	-	-	-	-	-	-	-	0
PERMITS													
Land Use Permits	9	11	10	7	2	7	11	11	-	-	-	-	68
TOTAL INSTRUMENTS	17	31	24	23	8	15	24	14	0	0	0	0	156

Real Estate

FISCAL YEAR 2025 – REAL ESTATE TRANSACTIONS BY MONTH through February 28, 2025													
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD
Deeds Acquired	-	1	-	-	-	-	-	1	-	-	-	-	2
Deeds Granted	-	-	-	4	8	-	-	-	-	-	-	-	12
Deeds Granted - Surplus	-	1	-	2	-	-	-	-	-	-	-	-	3
Easements Acquired		-	-	1	-	1	-	1	-	-	-	-	3
Easements Granted	-	-	-	-	1	-	1	-	-	-	-	-	2
<i>Notes</i> Acquired Easement from Inland Empire Paper Company for fee of \$15,637.05; road use through Spokane, Kootenai, Benewah and Idaho Counties.													

TRUST LAND MANAGEMENT DIVISION
FY2025 GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED
through February 28, 2025

	REVENUE YTD AS OF 02.28.2025	REVENUE EXPECTED BY 02.28.2025*	REVENUE EXPECTED BY 06.30.2025
SURFACE			
AGRICULTURE	\$ 456,783	\$ 528,710	\$ 678,710
COMMUNICATION SITES	\$ 1,000,092	\$ 1,050,000	\$ 1,100,000
GRAZING	\$ 110,474	\$ 126,000	\$ 2,089,000
RESIDENTIAL LEASES	\$ 1,330,410	\$ 1,320,000	\$ 1,557,115
COMMERCIAL			
COMMERCIAL ENERGY RESOURCES	\$ 58,146	\$ 117,340	\$ 117,340
COMMERCIAL INDUSTRIAL	\$ 243,537	\$ 105,000	\$ 130,000
COMMERCIAL MILITARY FACILITIES	\$ 111,775	\$ 140,000	\$ 150,000
COMMERCIAL OFFICE/RETAIL LEASES	\$ 718,888	\$ 830,000	\$ 950,000
COMMERCIAL RECREATION	\$ 815,675	\$ 910,000	\$ 1,120,000
OTHER			
CONSERVATION LEASES	\$ 99,911	\$ 73,295	\$ 73,595
GEOHERMAL	\$ -	\$ 5,006	\$ 5,006
MINERAL LEASES	\$ 198,578	\$ 110,494	\$ 110,494
OIL AND GAS LEASES	\$ 1,684	\$ 1,120	\$ 3,029
Sub Total	\$ 5,145,953	\$ 5,316,966	\$ 8,084,289
REAL ESTATE SERVICES (ER)	\$ -		**
Grand Total - Earnings Reserve	\$ 5,145,953		

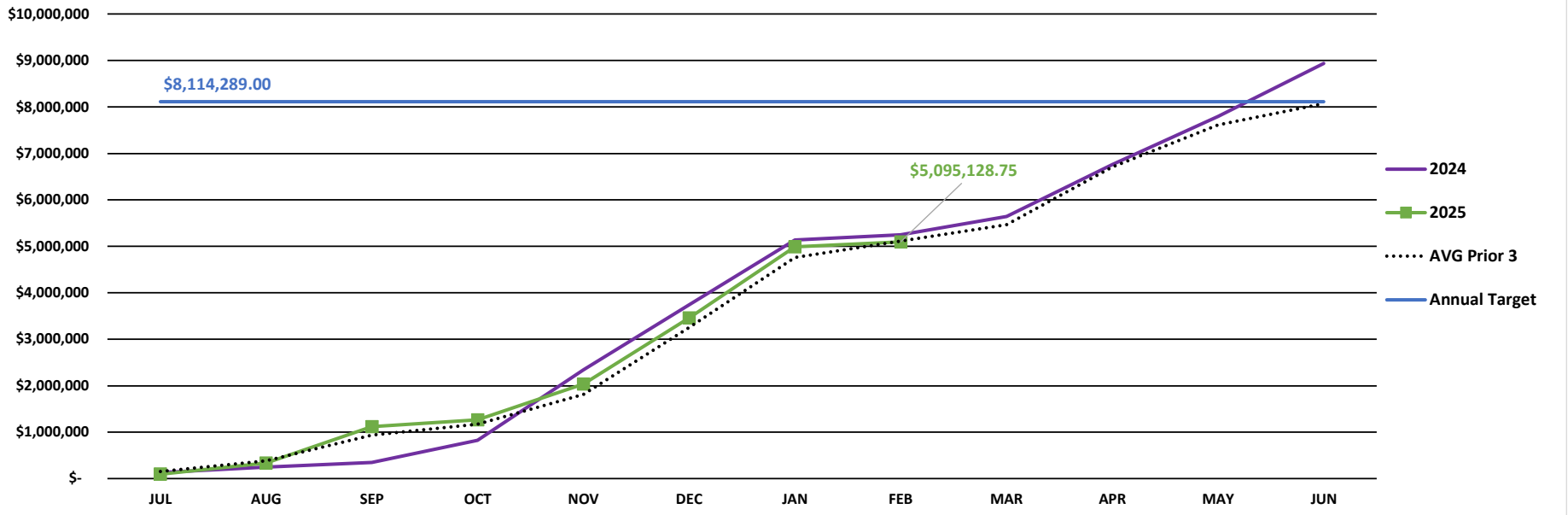
PERMANENT FUND REVENUE	
MINERALS (PF)	\$ 1,786,374 ***

*These figures are based on historic timing of revenue/billing as well as estimates of upcoming lease and permit revenue.

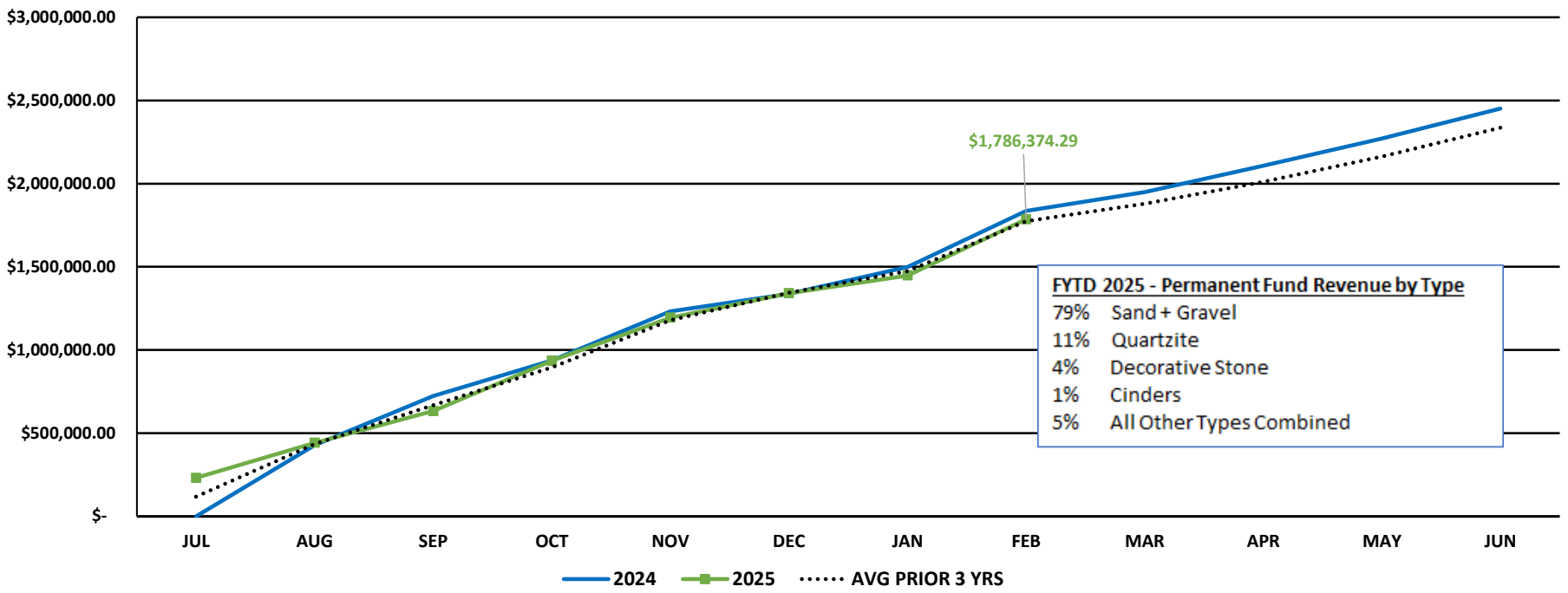
** This category is not included in the annual forecast.

***This category is not included in the annual forecast and represents minerals revenue to the permanent fund.

**Cumulative Trust Land Program Receipts
Earnings Reserve - All Programs Excluding Timber
FYTD 2025**



**Trust Land Permanent Fund Revenue & Royalties
(Excluding Land Bank and Timber Program)
FYTD 2025**



STATE BOARD OF LAND COMMISSIONERS

March 18, 2025
2025 Legislative Summary

Status of legislation monitored by the Idaho Department of Lands

IDL Pending Rules

[Docket No. 20-0313-2401](#) (p.15)—Administration of Cottage Site Leases on State Lands

Status House Resources and Conservation—unanimous approval. Senate Resources and Environment—unanimous approval.

[Docket No. 20-0314-2401](#) (p.18)—Rules Governing Grazing, Farming, and Conservation Leases

Status House Resources and Conservation—approved pending rule with exception of Section 050.02; removed 20.03.14.050.02 from final rule. Senate Resources and Environment—approved pending rule with exception of Section 050.02; removed 20.03.14.050.02 from final rule.

[Docket No. 20-0315-2401](#) (p.31)—Rules Governing Geothermal Leasing on Idaho State Lands

Status House Resources and Conservation—unanimous approval. Senate Resources and Environment—unanimous approval.

[Docket No. 20-0316-2401](#) (p.48)—Rules Governing Oil and Gas Leasing on Idaho State Lands

Status House Resources and Conservation—unanimous approval. Senate Resources and Environment—unanimous approval.

[Docket No. 20-0401-2301](#) (p.65)—Rules Pertaining to Forest Fire Protection

Status House Resources and Conservation—unanimous approval. Senate Resources and Environment—unanimous approval.

[Docket No. 20-0402-2301](#) (p.76)—Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Laws

Status House Resources and Conservation—unanimous approval. Senate Resources and Environment—unanimous approval.

[Docket No. 20-0702-2401](#) (p.92)—Rules Governing Conservation of Oil and Natural Gas in the State of Idaho

Status House Resources and Conservation—approved, 11-4-3. Senate Resources and Environment—unanimous approval.

IDL Legislation

Budget

IDL budget setting pending.

[H0248 APPROPRIATIONS-NATURAL RESOURCES](#)—Relates to the maintenance appropriation to Natural Resources for fiscal year 2026.

Status House—passed 66-1-3. Senate—Third Reading; retained on calendar.

[H0371 APPROPRIATIONS-ENDOWMENT FUND INVESTMENT BOARD](#)—Relates to the appropriation to the Endowment Fund Investment Board for fiscal year 2026.

Status House—passed 39-30-1. Sent to Senate.

Other Legislation

Endowment Land

[H0129 LAND BANK FUND](#)—Amends existing law to extend the time that proceeds can be held in the land bank fund.

Status House—passed 47-21-2. Senate Resources and Environment—to 14th Order for amendment.

[S1062 STATE LANDS](#)—Amends existing law to establish requirements for commercial land use authorizations on state endowment land.

Status Senate—passed 23-12-0. Referred to House Resources and Conservation.

Idaho Administrative Procedure Act

[H0009a IDAHO ADMINISTRATIVE PROCEDURE ACT](#)—Amends, repeals, and adds to existing law to revise the procedures for the conducting of contested cases.

Status House—passed 69-0-1. Referred to Senate Judiciary and Rules.

[H0014 IDAHO CODE CLEANUP](#)—Adds to existing law to establish the Idaho Code Cleanup Act.

Status LAW.

[H0036 IDAHO ADMINISTRATIVE PROCEDURE ACT](#)—Adds to existing law to establish provisions regarding the issuance of a subpoena in a contested case.

Status House—passed 69-0-1. Senate—passed 34-0-1.

Idaho Oil and Gas Conservation Commission

[S1146 OIL AND GAS](#)—Amends existing law to revise a provision regarding the Oil and Gas Conservation Commission.

Status Senate—Third Reading.

Miscellaneous

[H0172 OPEN MEETINGS LAW](#)—Amends existing law to establish provisions regarding multiple agenda items on an agenda.

Status LAW.

[H0215 REPORTS TO THE LEGISLATURE](#)—Amends, repeals, and adds to existing law to provide for reports to the Legislature to be submitted electronically and to remove obsolete provisions regarding reporting requirements.

Status House—passed 69-0-1. Referred to Senate State Affairs.

[H0222 STATE WEBSITES](#)—Adds to existing law to require state websites to contain certain rule and policy documents and a certain statement.

Status House—passed 69-0-1. Referred to Senate State Affairs.

[H0226 MINES AND MINING](#)—Amends and adds to existing law to provide for adjustment of mine license tax allocations, expenditures of reclamation funds, voluntary contributions, establishment of an advisory committee, responsibilities of the department of lands, and the setting of reclamation priorities.

Status House—passed 65-0-5. Senate—passed 35-0-0.

[H0253 PUBLIC RECORDS](#)—Amends existing law to provide additional time to respond to requests for public records from nonresidents and to allow a different fee schedule to fulfill nonresident requests.

Status House—passed 41-29-0. Referred to Senate State Affairs.

[H0268 STATE EMPLOYEES](#)—Amends existing law to provide that executive employees of the state of Idaho shall not be classified employees.

Status House—passed 61-9-0. Referred to Senate State Affairs.

[H0296 FOREIGN ADVERSARIES](#)—Adds to existing law to require certain governmental entities in Idaho to divest from investments in foreign adversaries.

Status Referred to House State Affairs.

[H0317 TAXATION](#)—Adds to existing law to establish an excise tax on commercial wind turbines.

Status Referred to House Revenue and Taxation.

[H0364 DEPARTMENT OF GOVERNMENTAL EFFICIENCY \(DOGE\)](#)—Adds to existing law to establish the Department of Governmental Efficiency Task Force.

Status House—passed 43-23-4. Referred to Senate State Affairs.

[H0384 DEPARTMENT OF INSURANCE](#)—Amends and adds to existing law to establish the Wildfire Risk Mitigation Fund.

Status Referred to House Business.

[HCR003 NATURAL RESOURCE ISSUES STUDY](#)—States findings of the Legislature and authorizes the Legislative Council to appoint a committee to undertake and complete a study of natural resource issues.

Status ADOPTED.

[S1078 STATE GOVERNMENT](#)—Amends current law to revise provisions regarding director appointments to certain executive agencies.

Status Referred to Senate State Affairs.

[S1086 TRESPASS](#)—Adds to existing law to establish provisions regarding a violation of landowner rules for permissible use.

Status Senate—passed 18-16-1; Referred to House Resources and Conservation.

[S1124a PUBLIC UTILITY REGULATION](#)—Adds to existing law to provide for electric corporations' standard of care for wildfire liability.

Status Senate—failed 16-19-0.



Thomas J. Wilford :: Chairman
Jerry F. Aldape Mary Pat Thompson
Robert M. Donaldson Chuck Winder
Joseph Forney Kenny Wroten
Irving Littman Brian Yeargain

Chris J. Anton :: Manager of Investments

Monthly Report to the Board of Land Commissioners

Investment performance through February 28, 2025

Month: -0.1% Fiscal year: 6.2%

Financial markets were volatile in February as tariff discussions with Canada, Mexico and China intensified and consumer sentiment and spending weakened. Consumer confidence experienced the largest monthly decline since August 2021, falling to 98.3 in February from 105.3 in January. Domestic stocks were down during the month with the Magnificent Seven experiencing an average loss of 6.5%. International stocks outperformed domestic stocks during the month and quarter-to-date. Treasury yields declined and provided a 2.3% boost to fixed income returns.

Status of endowment fund reserves

Distributions for FY2025 and FY2026 are well secured.

Significant actions of the Endowment Fund Investment Board

The Board approved Clearwater Advisors as a fixed income manager in the State Insurance Fund portfolio.

Compliance/legal issues, areas of concern

Material deviations from Investment Policy: None.

Material legal issues: None.

Changes in board membership or agency staffing:

None.

Upcoming issues/events

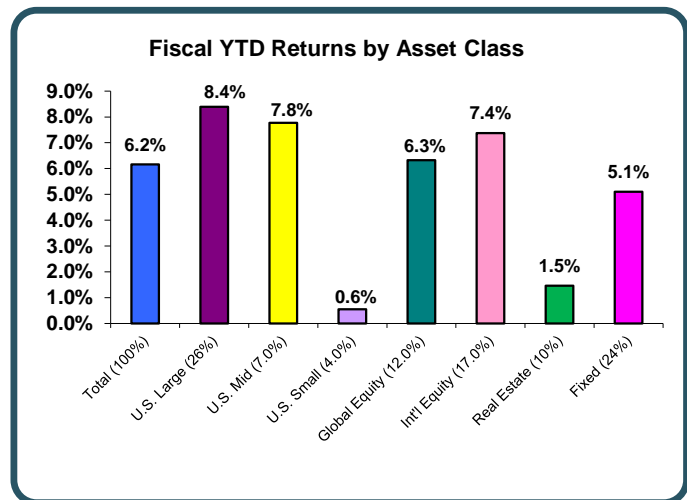
Board Meeting – May 20, 2025

	<u>Month</u>	<u>FYTD</u>
Beginning Value of Fund	3,426,397,790	\$ 3,254,002,699
Distributions to Beneficiaries	(8,601,800)	(69,064,400)
Land Revenue net of IDL Expenses	(201,805)	42,155,756
Change in Market Value net of Investment Mgt. Expenses	4,198,526	194,698,656
Current Value of Fund	\$ 3,421,792,711	\$ 3,421,792,711

<u>Gross Returns</u>	<u>Current Month</u>	<u>Calendar Y-T-D</u>	<u>Fiscal Y-T-D</u>	<u>One Year</u>	<u>Three Year</u>	<u>Five Year</u>	<u>Ten Year</u>
Total Fund	-0.1%	2.8%	6.2%	9.7%	5.3%	9.0%	7.5%
<i>Total Fund Benchmark*</i>	0.0%	2.4%	6.9%	10.4%	6.0%	8.8%	7.3%
Total Fixed	2.3%	2.8%	5.1%	6.2%	-0.2%	0.0%	1.7%
<i>BBG U.S. Agg. (Ag)</i>	2.2%	2.7%	4.8%	5.8%	-0.4%	-0.1%	1.7%
Total Equity	-1.0%	3.1%	7.2%	12.2%	8.5%	13.6%	10.1%
<i>56% R3 25.8% Ax 18.2% AC</i>	-0.8%	2.6%	8.7%	15.1%	9.4%	13.3%	9.9%
Domestic Equity	-2.6%	0.7%	7.4%	12.8%	9.5%	15.1%	11.6%
<i>Russell 3000 (R3)</i>	-1.9%	1.2%	10.3%	17.5%	11.6%	16.1%	12.4%
Global Equity	-0.5%	3.6%	6.3%	12.3%	8.5%	12.9%	9.1%
<i>MSCI ACWI (AC)</i>	-0.6%	2.7%	8.4%	15.1%	9.1%	12.8%	9.1%
Int'l. Equity	2.2%	8.2%	7.4%	10.8%	6.7%	10.8%	7.4%
<i>MSCI ACWI ex-US (Ax)</i>	1.4%	5.5%	5.3%	9.7%	4.6%	7.6%	4.8%
Real Estate	0.1%	1.0%	1.5%	1.0%	-2.8%	1.9%	
<i>NCREIF ODCE Index</i>		0.0%	-0.2%	-7.3%	-0.2%	2.9%	

* Benchmark: 37% Russell 3000 17% ACWI ex-US 12% AC 24% BB Agg. 10% OD

	<u>Mkt Value</u>	<u>Allocation</u>
Domestic Equity	\$ 1,247.4	36.5%
Large Cap	876.8	25.6%
Mid Cap	240.2	7.0%
Small Cap	130.5	3.8%
Global Equity	420.8	12.3%
Int'l Equity	588.2	17.2%
Fixed Income	797.7	23.3%
Real Estate	351.5	10.3%
Cash	15.7	0.5%
Total Fund	\$ 3,421.8	100.0%

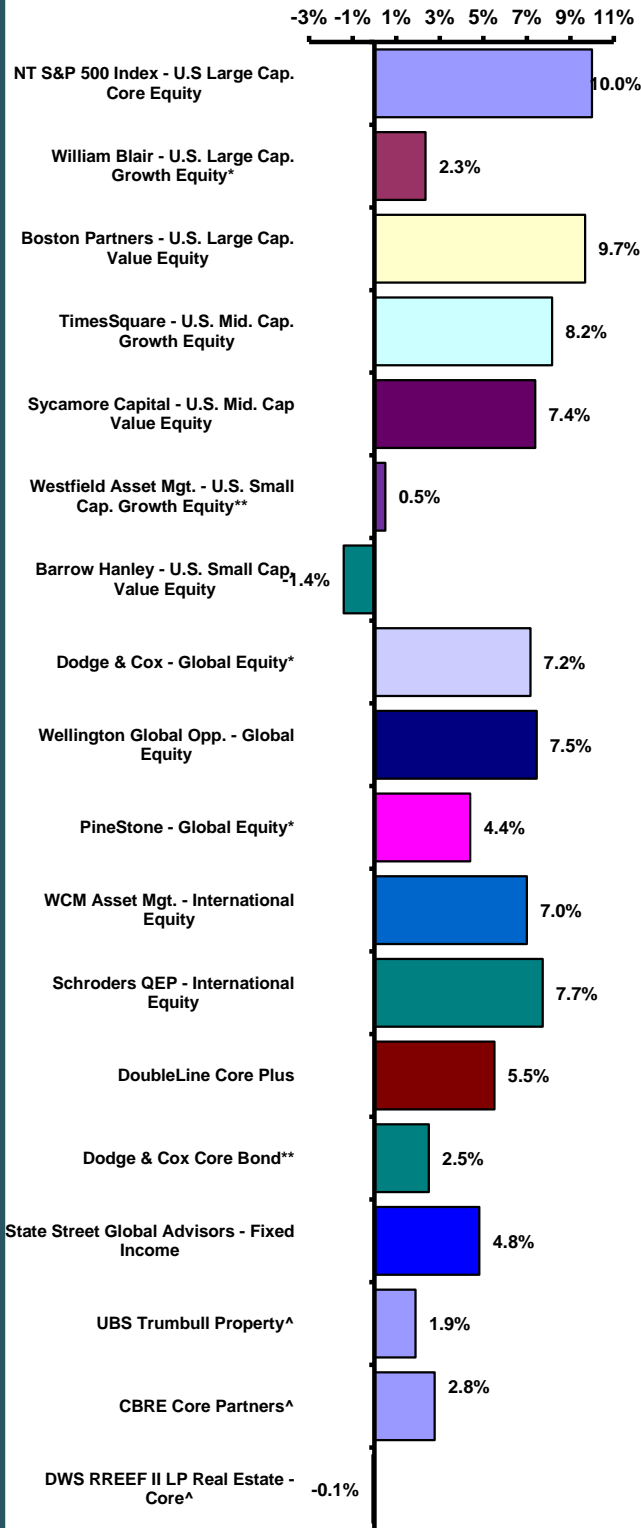


Endowment Fund Staff Comments:

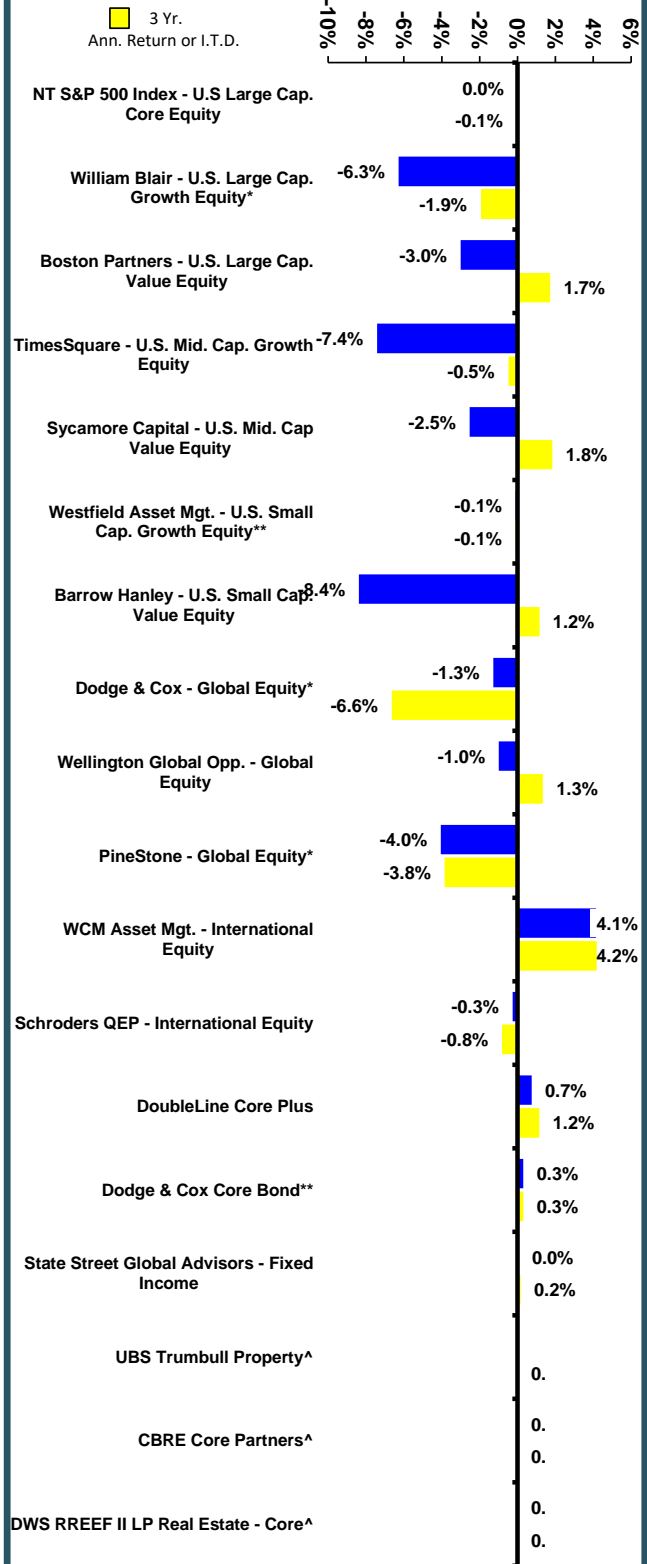
Financial markets were volatile in February as tariff discussions with Canada, Mexico and China intensified and consumer sentiment and spending weakened. Consumer confidence experienced the largest monthly decline since August 2021, falling to 98.3 in February from 105.3 in January. Domestic stocks were down during the month with the Magnificent Seven experiencing an average loss of 6.5%. International stocks outperformed domestic stocks during the month and quarter-to-date. Treasury yields declined and provided a 2.3% boost to fixed income returns.

INVESTMENT REPORT

FYTD Manager Returns*



Manager Relative Returns Fiscal YTD and 3-Yr Ave*



** Westfield Started 7/19/24, Dodge & Cox 2/1/25

^ Most recent valuation. * I-T-D if no FYTD or 3-yr. history

STATE BOARD OF LAND COMMISSIONERS

March 18, 2025

Consent Agenda

Subject

Timber License Plate Fund Projects

Question Presented

Shall the Land Board direct the Department to proceed with the recommended educational projects developed with the Idaho Forest Products Commission?

Background

Idaho's timber license plate is established in Idaho Code § 49-417A and has been available since 1997. Twenty-five dollars of each initial fee and fifteen dollars of each renewal fee are deposited in the Idaho Department of Lands fund for reforestation activities or for education. Educational efforts must help build public understanding of reforestation or the management and conservation of forest resources on public and private lands in Idaho. Such funds are to be expended as agreed by the State Board of Land Commissioners (Land Board) upon recommendations developed jointly by the Idaho Department of Lands (Department) and the Idaho Forest Products Commission (IFPC).

Discussion

In calendar year 2024, there were 4,477 timber plates sold, transferred, or renewed, an increase of 11% over the prior year. As of February 13, 2025, there is \$117,268.15 of unobligated funds in this account. The Department and IFPC have jointly agreed on a plan to expend \$100,500 on educational efforts for calendar year 2025 (Attachments 1 and 2). Fees from new and renewal license plates continue to accrue monthly in the fund. The Department and Idaho Forest Products Commission will only expend money from the fund if available.

Recommendation

Direct the Department to proceed with the recommended educational projects developed jointly with the Idaho Forest Products Commission.

Board Action

Attachments

1. Arbor Day Funding Request
2. IFPC Project Recommendations



Coeur d'Alene Staff Headquarters
3284 W. Industrial Loop, Coeur d'Alene, ID 83815
Telephone: Matthew Perkins- (208) 626-1779
Fax No. (208) 334-3698

Memorandum

TO: Dustin T. Miller, Director, IDL
Jennifer Okerlund, Director, IFPC

FROM: Matthew Perkins, Urban & Community Forestry Program Manager

SUBJECT: Arbor Day Funding Request

DATE: January 30, 2025

CC: Julia Lauch, State Forester/Forestry & Fire Division Administrator and Archie Gray,
Chief, Forestry Assistance Bureau

I am writing to request \$2,000 from the Idaho Timber Special License Plates program to assist Idaho Department of Lands area offices in promoting tree planting on public and private lands in and around Idaho communities. This funding request is for FY 2025, as Timber license plate funds are available.

The Department of Lands will use the \$2,000 to encourage IDL area field offices to help communities plan and conduct local Arbor Day celebrations. Similar projects conducted in past years received outstanding support from IDL field offices and the communities they assisted. Funds were used to purchase trees, Arbor Day T-shirts, and other educational materials for communities throughout Idaho.

The Arbor Day project provides many opportunities for partnerships between urban and rural forestry interests. IDL foresters work with local governments, schools, service clubs, businesses, USFS offices, and forest products companies to plan and conduct local celebrations.

Thank you for your consideration of this request. I will be glad to provide additional information as needed, and look forward to your response.

Sincerely,

Matthew Perkins
Urban & Community Forestry Program Manager
208-626-1779
mperkins@idl.idaho.gov



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 Boise, Idaho 83701
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 Edu. (208) 863-1512
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 email: ifpc@idahoforests.org
 plt@idahoforests.org
 www.idahoforests.org

**IDAHO FOREST
 PRODUCTS
 COMMISSION**

TO: State Board of Land Commissioners

FROM: Jennifer Okerlund Frederickson–Director, Idaho Forest Products Commission
 Dustin Miller–Director, Idaho Department of Lands

David Gabrielsen
 District 1 - (208) 660-3701

Bob Danielson
 District 2 - (208) 245-5818

Jesse D. Short
 District 3 - (208) 848-2301

Erika Sussi
 District 4 - (208) 271-6591

Trevor Stone
 At-Large - (208) 748-2038

Jennifer Okerlund Frederickson
 Director

Haven Davis - Martinez
 Education Coordinator

RE: Timber License Plate Fee Recommendations

Idaho’s Timber License Plate has been available since 1997. In the year 2024, a total of 4,477 timber plates were sold, transferred, or renewed. Twenty-five dollars of each initial fee and fifteen dollars of each renewal fee are available for educational efforts or reforestation activities. As of February 13, 2025, **\$117,268.15** remained unobligated within this account.

The following list of educational projects is recommended by the Idaho Forest Products Commission and the Idaho Department of Lands to be supported by Timber License Plate fees as authorized in Section 49-417A, Idaho Code:

1. Arbor Day Billboard Campaign

Background: Arbor Day is a special day set aside to appreciate and plant trees. This project would provide an educational statewide billboard campaign in conjunction with the state Arbor Day celebration. The billboards would target the general public with a positive message about Idaho forests and reforestation. This campaign would be part of a statewide Arbor Day 2025 project.

Amount Requested from Timber Plate Fees:	<u>\$ 17,000</u>
Total Project Estimated Costs:	\$ 25,000

2. Seedlings

Background: This project would provide 20,000 seedlings for the Arbor Day 2025 celebration and events statewide. The seedlings are grown at the University of Idaho and packaged with information about reforestation. The seedlings would be available throughout the state at various points of distribution.

Amount Requested from Timber Plate Fees:	<u>\$ 8,000</u>
Total Project Estimated Costs:	\$ 18,500

3. Arbor Day 2025

Background: Each year, the last Friday in April is designated as Arbor Day, a special holiday celebrating trees. The Arbor Day 2025 project includes promotional materials, brochures and posters with information about Idaho’s forests and reforestation, a seedling give-away, digital and radio public service announcements, social media postings, a special Arbor Day T-shirt and event at the state historic museum on Arbor Day. There will also be programs for Idaho educators focusing on the many things renewable trees bring to our lives and need for good forest stewardship, management and reforestation.

Amount Requested from Timber Plate Fees: \$ 3,000
Total Project Estimated Costs: \$ 12,000

4. Arbor Day Photo Contest

Background: In 2011, IFPC began a statewide photo contest providing an opportunity for Idaho students to engage in Arbor Day and consider the role trees as a renewable resource play in their daily lives. The project has been a true success with hundreds of 5th to 12th grade students participating each year. The contest was developed with input from the Idaho Department of Education and asks students to show what they see when they “Look to the Forest” through a photograph and to describe their work in an artist statement. Cash prizes are awarded to the winners of three age categories. One grand prize is honored at the state Arbor Day Celebration. Winning photos are used to promote Arbor Day and forest education in Idaho.

Amount Requested from Timber Plate Fees: \$ 500
Total Project Estimated Costs: \$ 1,000

5. Sustainable Forest Tour for Idaho Educators

Background: This project provides dozens of educators with an immersive opportunity to learn about sustainable forest management and the forest products industry during a forest tour. Its goal is to provide an opportunity for educators to talk directly with the people that grow, manage, harvest and process trees into useful wood products as well as the managers who care for the air, water, soil, fish and wildlife. The 2025 Sustainable Forest Tour is scheduled for the week of June 23-27 and will be held in Moscow, Idaho, in conjunction with the University of Idaho College of Natural Resources.

Amount Requested from Timber Plate Fees: \$ 15,000
Total Project Estimated Costs: \$ 40,000

6. Forest Tour for Thought Leaders

Background: This project provides an on-the-ground educational opportunity for Idaho thought leaders to learn about the forests of Idaho and gain a first-hand understanding of forest management. In the past, Miracle at Work Forest Tours have been conducted in central and north Idaho and feature private, state and federal forest managers and resource professionals.

Amount Requested from Timber Plate Fees: \$ 10,000
Total Project Estimated Costs: \$ 24,000

7. Project Learning Tree

Background: Project Learning Tree (PLT) is a nation-wide, award winning environmental education program. PLT is based on the principles of teaching youth how to think, not what to think, preparing students to make wise decisions about resource use and conservation. Since 1994, over 15,000 teachers have participated in PLT workshops and programs with the potential to reach thousands of Idaho students each year.

Amount Requested from Timber Plate Fees: \$ 25,000
Total Project Estimated Costs: \$ 165,000

8. Education and Workforce Outreach

Background: IFPC is working in partnership with the Associated Logging Contractors of Idaho (ALC) to create an organized approach to workforce outreach. This project includes the development and implementation of Forest Products curriculum for high schools and development and implementation of a Forest Products CTE program, with expanded student and educator outreach relating to careers within Idaho's Forest Products Industry.

Amount Requested from Timber Plate Fees: \$ 20,000
Total Project Estimated Costs: \$ 150,000

Total License Fee Appropriation Request \$ 98,500



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

Be it remembered that the following proceedings were had and done by the State Board of Land Commissioners of the State of Idaho, created by Section Seven (7) of Article Nine (IX) of the Constitution.

Draft Minutes

State Board of Land Commissioners Regular Meeting
February 18, 2025

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, February 18, 2025 at the Boise City Council Chambers, Boise City Hall, 3rd Floor, 150 N. Capitol Blvd., Boise, Idaho, and via webinar. The meeting began at 9:31 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

Honorable Governor Brad Little
Honorable Secretary of State Phil McGrane
Honorable Attorney General Raúl Labrador
Honorable State Controller Brandon Woolf
Honorable Superintendent of Public Instruction Debbie Critchfield

All Land Board members were present at the physical location.

Director Miller recognized two members of his executive leadership team: Michele Andersen promoted to Deputy Director-Policy and Administration. Julia Lauch promoted to Division Administrator-Forestry and Fire and State Forester. Director Miller said he is excited to have them in their new positions on the team.

Reports

1. Department Reports—presented by Dustin Miller, Director
 - A. Timber Sales Revenue—January 2025
 - B. Leases/Permits Transactions and Revenue—January 2025

Discussion: Controller Woolf mentioned one endowment sale did not sale, Big Creek, and asked if the Department has a good understanding of why and what is next with that sale. Director Miller replied that industry representatives told Department staff that the sale was not big enough given the road developments needed, that development credits were not sufficient. Logging costs were low due to those developments needed to harvest the sale. The Department believes the prices and the logging costs were adequate; staff continue to have conversations with potential

purchasers. Next steps, staff will evaluate the composition of the sale; it may be included in a future sale, expand a particular sale to include this one, or there may be an option to do a non-competitive direct sale. Attorney General Labrador asked about parameters of a non-competitive sale. Jim Elbin, Trust Lands Division Administration, clarified that a sale the size of Big Creek would not be sold by non-competitive sale. The Department might, if there are disease problems on the timber, hold a salvage sale and go to lower minimums, but the Department will invite competition at the auction. Controller Woolf noticed the Monthly Stumpage Price graph [p. 3] used to include the Inland Composite lumber price, and wondered why the green lumber price line was removed. Director Miller explained that staff discussed this; it was an expensive subscription to get that data. The Department decided it was not necessary to renew the high-priced subscription; staff will continue to get that data in other ways. Superintendent Critchfield inquired, on the same graph, why is the fluctuation so much on the IDL Stumpage Price Trend. Director Miller answered fluctuations are based on complexity of a particular sale, logging operations, distance to market, composition of the sale, and other market factors.

C. Land Bank Aging

Discussion: Secretary of State McGrane asked about projects in the queue. Specifically, \$8 million is set to expire in about a year from now. Are there projects the Department is evaluating to use that \$8 million? Mr. Elbin responded potential projects are timberland properties. The Department does not have any 100% agreements in place and those are protected by non-disclosure agreements; specifics cannot be shared here.

D. Legislative Summary

E. Resource Protection & Assistance Report

Discussion: Governor Little observed the Abandoned Mine Land Fund (AML Fund) is almost headed upside down [chart, p. 8], and wondered what the solution is. Mr. Chollett replied that House Bill 226 was proposed and will be reviewed by the legislature; that will likely start several conversations. The Department is currently working on solutions with Idaho Geologic Survey to shore up this fund. Governor Little asked who pays the cost if the fund goes underwater. Mr. Chollett stated the Department would not be able to perform any more abandoned mine land projects; there would be a hiatus for whatever term the fund was underwater. Director Miller added, regarding the bill Mr. Chollett mentioned, the Idaho Mining Association is working on a solution to help with this particular program where, based on draft language, more money would come to the Abandoned Mine Land Fund for the reclamation projects. There are nearly 9,000 abandoned mines that the Department is required to close. The bill would provide more money into that Abandoned Mine Land Fund and also set up a structure for prioritization for those mine closures. Director Miller said he appreciates the industry being at the forefront of this. Attorney General Labrador inquired where that money will come from; is it taken from another fund or is it new revenue. Director Miller replied that his understanding of the language is that a larger percentage of the mine license tax would go into the Abandoned Mine Land Fund. Governor Little commented that it would be General Fund. Mr. Chollett indicated the mine license tax is currently set at 66% to the General Fund and 34% to the Abandoned Mine Land Reclamation Fund. The proposal

is 50% to the General Fund and 50% to the AML Fund. Superintendent Critchfield remarked there are many changes coming from the federal government which has a part in many of the operations regarding mining, and asked if any of those changes are expected to immediately impact the mining business on the state level. Governor Little stated the short answer is yes; the new Interior Secretary is interested in increasing the speed at which mines are permitted.

2. Endowment Fund Investment Board—presented by Chris Anton, EFIB Manager of Investments
 - A. Manager's Report
 - B. Investment Report

Discussion:

Mr. Anton recalled that last month the portfolio was down close to 3% as the Federal Reserve indicated that progress with inflation had stalled out at about 3%, and the goal is 2%. While the Federal Reserve cut interest rates by 0.25% in December, just the message that rates are on hold spooked the markets. The focus now has shifted towards fiscal policy and trying to understand the policies being put in place by President Trump and Secretary of Treasury Bessent. Those policies are more pro-growth, and there was positive momentum in the market. The portfolio rebounded, up 3% during the month, up 6.3% fiscal year-to-date, and through Friday up 7.5%; a good start in the first half of the fiscal year. There were moments of significant volatility in the market. The first was when President Trump indicated he was imposing tariffs, and the initial plan was 25% with Canada and Mexico and 60% with China. However, the tariffs with Canada and Mexico were postponed as negotiations took place over immigration and stopping the illegal flow of drugs; China's tariffs were set at 10% and the market rebounded right back. The other area was the Chinese company DeepSeek; it is an artificial intelligence (AI) company. DeepSeek became the most downloaded AI app, exceeded the downloads for Chat GPT, and showed that DeepSeek could perform as well or better on certain metrics using older generation NVIDIA chips. The U.S. government restricted the flow of high-end chips to China and there was concern that NVIDIA sales would slow, that there would be a slowdown in building huge data centers to support AI; however, things have come back. If the cost of these AI apps came down, that will help the market, help adoption, help grow demand on the AI side. It is yet to be determined how that will work out, but there has been some recovery in the tech stocks. Mr. Anton remarked that the portfolio is in a good place for the fiscal year; reserves are well-funded. EFIB completed the transition from Western Asset Management to Dodge & Cox on the fixed income side. The Investment Board at its meeting last week approved hiring Clearwater Advisors for a portion of the State Insurance Fund portfolio. Clearwater Advisors will not be used in the Endowment Fund at this time, merely in the State Insurance Fund portfolio. The Investment Board welcomed two new members: Senator Jim Woodward and Representative James Petzke; those nominations by the Governor are appreciated, and both were able to attend their first Investment Board meeting last week.

Consent—Action Item(s)

3. December 18, 2024 Live Auction, Mineral Lease E700065—presented by Jason Laney, Section Manager-Leasing

Recommendation: Direct the Department to award mineral lease E700065 to North Side Canal Company, the high bidder at the auction.

Discussion: None.

4. Approval of Draft Minutes—December 17, 2024 Regular Meeting

Consent Agenda Board Action: A motion was made by Controller Woolf that the Land Board approve and adopt the Consent Agenda. Superintendent Critchfield and Secretary of State McGrane both seconded the motion. The motion carried on a vote of 5-0.

Regular—Action Item(s)

5. Land Acquisition for Idaho Division of Veterans Services (IDVS)—presented by Mark Tschampl, Chief Administrator, IDVS

Recommendation: As land trustee, approve the land acquisition on behalf of the Idaho Division of Veterans Services.

Discussion: Attorney General Labrador asked where the parcel is located. Mr. Tschampl answered it is on the lower level, approximately east of the current cemetery. The upper levels are too hilly and do not meet federal requirements.

Board Action: A motion was made by Controller Woolf that the Land Board adopt and approve this recommendation to approve the land acquisition on behalf of the Idaho Division of Veterans Services. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

6. Land Board Support Letter to JFAC—Funding Fire Suppression Deficiency Fund

Discussion: Attorney General Labrador inquired how much it cost last year for fire suppression. Director Miller responded that numbers are roughly \$55 million for suppression costs. That does not include all of the cost shares with federal partners yet to be determined; those are getting reconciled right now. It takes several months post fire season to dial that in, but at a minimum \$55 million was the price tag for the State last year. Attorney General Labrador noted that cost included some federal lands as well. Director Miller replied yes, lands were protected under the offset agreement with the federal government. Attorney General Labrador mentioned a news article which quoted Director Miller as saying that if Idaho took over federal lands, the State could not afford it, but right now in state lands and even some responsibilities with federal lands, the State is able to afford it at the same time that the Department is making profit off of endowment lands. Attorney General Labrador asked the Director to explain the difference. Director Miller communicated that he heard the price tag for the Forest Service alone to fight fires in Idaho was about \$300 million. The Forest Service has a large estate to manage and fight fire, and there were significant fire costs this summer. The southern part of the state saw most of the lightning activity; a lot of that occurred on federal land. The Department can

continue to work with federal partners to get a more detailed number, but about \$300 million is what it cost the Forest Service to fight fires this last summer. Director Miller stated the way the Department manages is to focus on forest health and timber production on endowment lands. It generally costs less to fight fires in those areas because they are well managed, there is less fuel loading, better roads, the firefighters can get in there and be aggressive on those fires and get them out. It is different for the federal government given rules and regulations that they need to operate under. Again, the Department focuses on managed timberlands under its protection; staff fight fire, fight those fires aggressively, and really work to minimize costs. Director Miller did not know what the price tag would be for the State to fight those fires, but to hear that the Forest Service spent about \$300 million this last summer on fire suppression was staggering. Attorney General Labrador summarized his understanding that under State management practices the cost would be less because the lands are better managed, and the Department would make profits off of endowment lands, so it is not known what the ultimate cost is and what the benefit would be to the State. Director Miller said yes, if those lands came to the State, they would be managed by the Department just as it does on endowment lands for maximizing revenue for the endowment beneficiaries. The timber stands would be managed for production, minimize fuels, ensure access into those places to take care of insects and disease issues, access for fire suppression, and that could yield more revenue through timber sales and other activities for the endowments.

Controller Woolf inquired what the current balance is in the fire suppression account fund. Director Miller remarked about \$35-36 million is the current balance in the suppression account. The Department has outstanding obligations, a good portion of the money is obligated, and without prefunding the account it looks to be somewhere between \$12-13 million for next fiscal year, FY26, which is not a lot of money. Even though the Department does things inexpensively, fire suppression is costly, and that does not leave much money in the account for suppression. The Department wants to avoid similar situations like what occurred in Oregon; the Oregon Department of Forestry ran out of money part way through fire season, and they could not pay their contractors. They had to seek funds from their emergency board and the Governor called a special session to bring the legislature together to appropriate additional funds. Prefunding the suppression account has been a great thing for the Department knowing that the money is there; contractors can be paid, and firefighters can do what they do best, fight fires aggressively, keep them small, and minimize costs.

Governor Little pondered, when all bills are paid and accrual accounting is done, if it is fair to say that the amount left will not pay the fixed costs for next fire season. A couple of years ago the state had a very light fire year; the Department's fixed costs were almost \$20 million with hardly any fires. Director Miller acknowledged the Department does have a lot of fixed costs, upfront costs, that are paid out of that suppression account, particularly contracted resources; aviation contracts are big contracts which are very necessary pieces of equipment that must be kept at the ready. The Department would be put in a challenging situation to have to pay those fixed costs, and have little left in the account for suppression.

Controller Woolf noted there is an estimated \$34-35 million in the fund now; the proposal from the Department of Lands and the Governor's recommendation for their budget was to supplement \$60 million into this current FY25 and then \$40 million ongoing. Is that correct? Director Miller answered yes.

Board Action: A motion was made by Controller Woolf that the Land Board support the Department's budget recommendation and send this letter to JFAC [Joint Finance-Appropriations Committee]. Superintendent Critchfield seconded the motion. Controller Woolf spoke to his motion, saying he appreciates the opportunity to support this and, seeing what is taking place in neighboring states, this is great insurance and wise to go forward. The motion carried on a vote of 5-0.

Information

7. Modernizing Wildland Fire Operations Facilities—presented by Michele Andersen, Deputy Director-Policy and Administration

Discussion: Governor Little presumed a concurrent resolution would not happen this year, so the Department will be doing all the things listed on that last slide, it will come back to the Board, then it will go to the legislature, and the Department will work with Wayne Meuleman and the Idaho State Building Authority; is that the anticipated course. Ms. Andersen replied that process is correct, and remarked it is possible the Department could seek a concurrent resolution in the current legislative session although that would be extremely ambitious. Governor Little asserted the issue is the long-term cash flow. The Department builds \$5 million worth of buildings, what is the cash flow, because these bonds will be 15 years? 10 years? Mr. Meuleman indicated the bonds will be anywhere from 20-30 years, depending on who bankrolls the funds. Governor Little commented that it would be nice if the buildings lasted as long as the debt and stated the cash flow will have to be examined.

Executive Session

None

There being no further business before the Land Board, at 10:30 a.m. a motion to adjourn was made by Controller Woolf. The motion carried on a vote of 5-0.

STATE BOARD OF LAND COMMISSIONERS

March 18, 2025

Regular Agenda

Subject

Modernizing Wildland Fire Operations Facilities: Seek Concurrent Resolution

Question Presented

Shall the Land Board authorize the Department to seek a Concurrent Resolution to enter into site-specific project agreements with the Idaho State Building Authority (ISBA) to provide financing to construct or upgrade fire operations facilities at select locations across the state?

Background

The Idaho Department of Lands (Department) has identified a need to modernize fire operations facilities in every region of Idaho. Three options for funding the project were identified and evaluated: Idaho Permanent Building Funds capital improvement project, line-item enhancement budget appropriation, and the ISBA. The Department recommends partnering with the ISBA to develop fire operations facilities.

In February, the Department presented to the State Board of Land Commissioners (Land Board) a proposal to investigate the feasibility of partnering with the ISBA to modernize fire operations facilities. An updated proposal is included as Attachment 1.

Discussion

The Department is proposing to partner with the ISBA to develop site-specific agreements to make significant upgrades to fire operations facilities at nine locations strategically located in every region of Idaho. None of the proposed developments will be on Endowment ownership.

Based on currently available information, the cost estimate is approximately \$45,000,000-\$50,000,000 including hard and soft costs (\$42,000,000), 15% contingency, and financing procurement. The project will be split into two phases. Construction of the first phase of the project is estimated to cost \$28,000,000. Construction of the second phase of the project, which includes the development of facilities in Idaho Falls and upgrades to the Coeur d'Alene Fire Cache, is estimated to cost \$14,000,000. The total cost of the project, including financing and related lease payments, is difficult to predict with any certainty because of the variation in bond rates that are available at the time the bonds are offered.

Costs for construction (hard costs, including labor, equipment, and materials) were derived using the bid price for the St. Joe Fire Operations Center currently under construction and adjusted for inflation (inflation assumed to be 3.72% annually based on the Turner Cost Index) on a per square foot basis with an assumed construction date of 2027 for Phase I of the project and 2031 for Phase II. Soft costs (e.g. survey, testing, soil reports, commissioning, design contingency, advertising, plan review, etc.) were assumed to be 40% of the adjusted construction cost.

Planned developments range in size from 5,120 square feet (multiple locations) to 7,600 square feet (Ponderosa Forest Protective District) and are based on needs identified in the Department's strategic fire planning process that will be reviewed at the April 2025 Land Board meeting.

The Department's general counsel reviewed this proposal and identified no legal issues with seeking a concurrent resolution from the Legislature to authorize the Department to work with ISBA to identify suitable project locations and develop site-specific project agreements, with the understanding that additional legal analysis will be conducted on the specific terms of each respective site-specific agreement prior to execution.

A concurrent resolution by the Legislature is required pursuant to Idaho Code § 67-6410 to allow a state agency to work with the ISBA to develop site-specific agreements for ISBA to finance and construct facilities. Additionally, ISBA must find that the development will be of public use and will provide a public benefit. Once a final site-specific agreement is approved and executed, the ISBA will issue tax-free bonds to finance the project. As developments are completed, the ISBA will lease the facilities to the Department upon occupancy of the facilities. The lease will be paid from Department appropriated funds. No land bank funds will be utilized for the lease payments. Once the bonds are satisfied, ownership of the facilities reverts to the State.

The proposed concurrent resolution does not commit the Department to any expenditures, rather it provides an opportunity for the Department to work with the ISBA to develop site specific proposals, timelines, and improved cost estimates that will then be presented to the Land Board for approval. Only after Land Board review and approval will the Department move forward with incorporating the necessary ongoing line item budget enhancement request to satisfy payments associated with the lease obligation. If time allows the Department will seek to attain the concurrent resolution this 2025 legislative session to be able to present the Land Board with the option of moving forward with the proposed developments prior to seeking Land Board approval of the Department's proposed FY 2027 budget request.

The Department believes that partnering with the ISBA to finance and develop fire operations facilities is a strategically sound decision. It supports the Department's mission to protect lives, property, and natural resources while addressing the urgent need for enhanced wildland firefighting infrastructure.

Recommendation

Authorize the Department to seek a Concurrent Resolution from the Legislature allowing the Department to work with the ISBA to develop site-specific agreements with the ISBA to provide financing to construct or upgrade fire operations facilities at select locations across the state.

Board Action

Attachments

1. Proposal: Modernizing Wildland Fire Operations Facilities

Modernizing Wildland Fire Operations Infrastructure: A Proposal to Support Idaho's Fire Management Program



Michele Andersen
Deputy Director
Department of Lands

Derrick Reeves
Facilities Manager
Department of Lands

Initial Planning
Process-
Presented 3
Options in
February

Alternative 1:

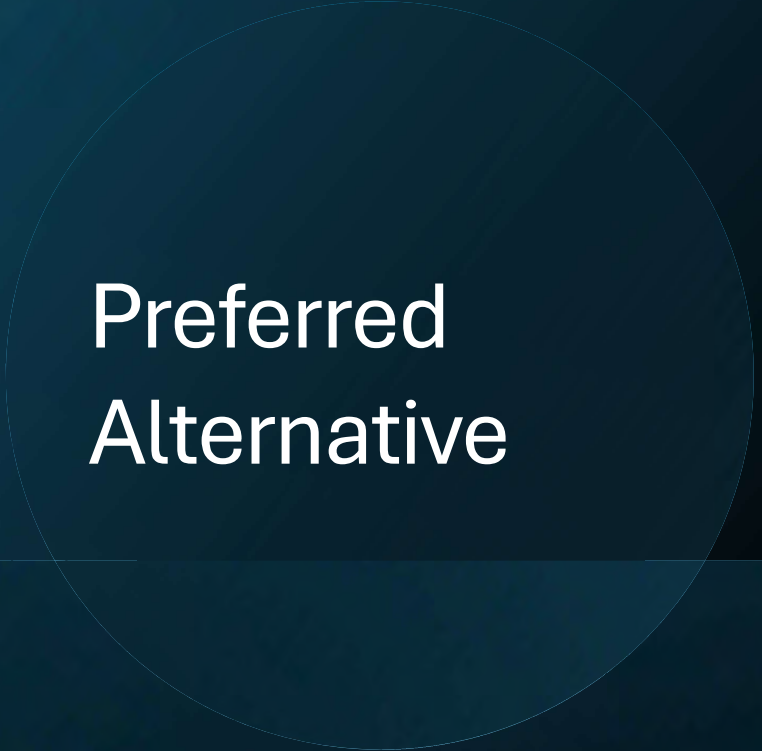
Continue present course
(apply for PBFAC funding).

Alternative 2:

Seek appropriation for
facilities construction.

Alternative 3:

ISBA partnership.

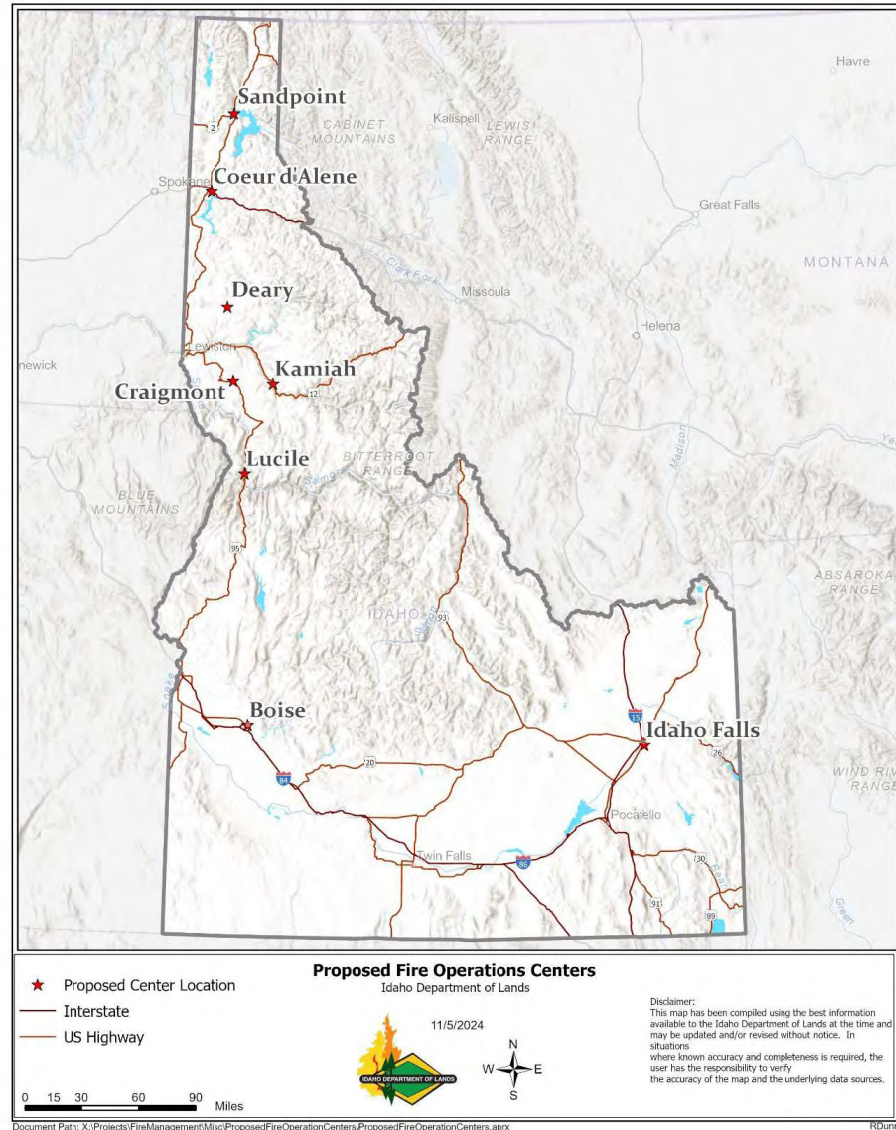


Preferred Alternative

Partner with the Idaho State Building Authority to develop fire facilities in each region of Idaho. None of the planned facilities would be located on Endowment ownership.

Protection Districts with Highest Need

- Eastern Idaho*
- Remote Station (SRC)
- Ponderosa
- Southwest
- Craig Mountain
- Heli-tack
- Maggie Creek
- Pend Oreille Lake
- CDA Cache
- *Eastern Idaho will be second phase due to Hwy. 26 reroute





Estimated Cost

- \$42 million
- Includes hard and soft costs
- Construction to be completed in 2031
- Lease payments begin upon occupancy
- Lease to be paid from Agency appropriation

Next Steps

March 2025	Request Land Board Approval to Pursue CR
↓	
April 2025	Concurrent Resolution Passed
↓	
Q2/3 2025	Develop Action Plan and Financials w/ ISBA
↓	
Q3 2025	Include Ongoing Enhancement Request Line Item for Lease Payment in FY27 Budget
↓	
August 2025	Update Land Board on ISBA / Project Status
↓	
August 2025	FY27 Budget to Land Board for Approval
↓	
Q1 2026	Legislative Approval of FY27 Budget
↓	
Q2 2026	Select Construction Manager / General Contractor
↓	
Q2 2026	Project Initiation

Summary

- The Department has identified its immediate facilities needs across Idaho to meet current fire management responsibilities
- All new facilities will be located on non-endowment land
- The Department recommends partnering with ISBA to develop fire operations facilities
- Project has an estimated cost of \$42 million to be financed by issuing tax-free bonds
- Lease will be paid by annually appropriated Department funds
- Department is seeking authorization to pursue a Concurrent Resolution to partner with the ISBA

Thank you