



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.

Final Minutes

State Board of Land Commissioners Regular Meeting

August 19, 2025

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, August 19, 2025 at the State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise, Idaho, and via webinar. The meeting began at 8:59 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.

Reports

1. Department Reports—presented by Dustin Miller, Director
 - A. Timber Sales Revenue—July 2025
 - B. Leases/Permits Transactions and Revenue—July 2025
 - C. Fire Season Update
 - D. Land Revenue Forecast
 - E. Resource Protection and Assistance Report

Discussion: Governor Little asked which two sales did not sell, as referenced in the Timber Sales Revenue report. Jim Elbin, Division Administrator-Trust Lands, said he would provide those names following the meeting.

Regarding the Land Revenue Forecast, Controller Woolf commended the Department's strong performance and suggested reviewing expenditures alongside revenues to identify efficiencies and cost savings. Director Miller responded that efficiency is a priority in both timber and land leasing operations and is central to strategic planning. He affirmed the Department's commitment to minimizing costs while maximizing returns for the endowments.

Consent—Action Item(s)

2. July 2, 2025 Live Auction, Mineral Lease E600126—presented by Jason Laney, Section Manager-Leasing

Recommendation: Direct the Department to award mineral lease E600126 to Desert View, LLC, the high bidder at the auction.

Discussion: Governor Little opened the discussion by asking whether county-level hearings are held on gravel lease auctions. Mr. Laney responded that none are typically held but offered to verify. The Governor then asked about public notification, noting that beyond the mailing list of 30–40 people, few may be aware. Mr. Laney explained that auctions are posted on the Department's website, advertised in the county newspaper, and circulated to mineral developers. Governor Little directed staff to begin posting the advertisements on Townhall Idaho. Mr. Laney agreed.

Attorney General Labrador then sought clarification on the highest bid, that it was \$1,000. He asked how such bids compare with private lease arrangements and whether the state is undervaluing its resources. Mr. Laney replied that private leases are usually negotiated confidentially, making direct comparisons difficult, but noted that limited auction activity generally indicates state rates are aligned with market. Attorney General Labrador requested that Mr. Laney gather information on private lease rates and clarify what the \$1.05 per short ton royalty typically yields. Mr. Laney said this depends on the quality and size of the resource, often unknown before extraction, but committed to provide additional information. Attorney General Labrador expressed surprise at the low figures and reiterated his request for further detail.

Director Miller asked whether lease payments could be adjusted by the Board. Mr. Laney indicated that lease rates are reviewed annually by staff and may be adjusted to reflect market conditions. Governor Little pressed further, questioning whether changes could occur after bids are accepted, and asked what criteria govern such adjustments. Mr. Laney stated that leases contain provisions allowing adjustments and that bidders accept these risks when entering into contracts, with rates generally informed by local area staff's knowledge of market conditions. The Governor expressed concern that this uncertainty could discourage competitive bidding and noted the annual lease fee appeared low compared to the potential value of the property.

Governor Little also asked whether this policy of post-bid adjustments has been longstanding, which Mr. Laney confirmed. The Governor noted that any change in approach would require deliberate action by the Board. Mr. Laney added that while some smaller leases draw minimal bids, recent auctions for larger resources have attracted significant offers, including two leases that reached over half a million dollars each. Governor Little closed by aligning with the Attorney General's concern, stressing the importance of comparing state lease rates with federal and private benchmarks.

3. Updated Strategic Plan FY2026-FY2029—presented by Dustin Miller, Director

Recommendation: Direct the Department to submit its FY2026-FY2029 Strategic Plan as updated to the Division of Financial Management by August 29, 2025.

Discussion: Controller Woolf recommended that future strategic plan appendices include an additional column showing how the Department performed against its stated goals, objectives, benchmarks, and performance measures, to provide clearer accountability and review. Director Miller agreed, noting that annual performance reporting to the legislature already captures this information. He committed to incorporating such results into the strategic plan so the Board can readily see how prior-year targets were met.

4. Approval of Draft Minutes—July 15, 2025 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 each seconded the motion. The motion carried on a vote of 5-0.

Regular—Action Item(s)

5. Endowment Fund Investment Board—presented by Chris Anton, EFIB Manager of Investments
- A. Manager's Report
 - B. Investment Report
 - C. FY2027 Beneficiary Distributions and Transfers

Recommendation: The Endowment Fund Investment Board recommends that the State Board of Land Commissioners (Land Board) approve FY2027 beneficiary distributions of \$117,278,400 and transfers to the Permanent Fund of \$206,370,000. The transfers to the Permanent Fund will not be included in the Gain Benchmark.

Discussion: Chris Anton presented two items to the Land Board: the standard investment performance report and a recommendation for fiscal year 2027 beneficiary distributions and transfers. He reported that the portfolio was up 0.3% for the month and 1.9% fiscal year-to-date, noting a strong start to the year. Market improvements were attributed to solid corporate earnings and optimism around U.S. trade policy. Technology stocks, particularly semiconductor companies such as NVIDIA, TSMC, and Micron, continued to drive gains for the third consecutive quarter, supported by demand in artificial intelligence and cloud computing. On trade, the U.S. secured agreements with the EU, UK, and Japan, and extended negotiations with China without significant retaliation or inflationary impact. Labor markets remained strong, with unemployment at 4.2%. The Federal Reserve held interest rates steady despite pressure to cut, with expectations of a possible rate reduction in September. Mr. Anton concluded that the fund was off to a positive start for the fiscal year.

Governor Little asked about underperforming sectors, particularly international equities, and whether the Investment Board or its consultant, Callan, was considering changes. Mr. Anton replied that managers are monitored regularly and noted that active managers faced challenges last year as speculative sectors such as AI startups and crypto companies rallied. He explained that while these firms are included in

indices, the Investment Board's managers typically focus on more financially sound companies, creating a drag relative to benchmarks.

Mr. Anton highlighted that international managers overall had strong long-term records. He cited WCM, which had a weak start to the current year but last year outperformed its benchmark by 8% and delivered over 20% returns, adding roughly \$300 million in value since inception. He emphasized that while managers go in and out of favor, the Investment Board takes a long-term view and monitors closely.

Governor Little pointed out that Dodge & Cox and PineStone had underperformed for three consecutive years. Mr. Anton acknowledged this was correct and assured that those managers were being closely watched.

Board Action: A motion was made by Secretary of State McGrane that the Land Board increase the distribution to the beneficiaries to \$117,278,400 as recommended by the Endowment Fund Investment Board. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

A separate motion was made by Secretary of State McGrane that the Land Board approve the transfer of the \$206,370,000 to the Permanent Fund as recommended by the Endowment Fund Investment Board. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

6. FY2027 Department of Lands Budget Enhancements—presented by Dustin Miller, Director

Recommendation: Direct the Department to include the enhancement requests as outlined in Attachment 1 in the Fiscal Year 2027 budget proposal due on August 29, 2025.

Discussion: Governor Little asked about the pay difference between state firefighters and those employed by timber protection districts. Director Miller responded that the rates are nearly the same, with only minimal difference. Controller Woolf then inquired whether TPA funding had always come from the General Fund. Director Miller explained it had not; the current General Fund allocation was a placeholder to move the item forward.

Superintendent Critchfield asked about deferred maintenance and whether the presented items represented only new needs. Director Miller clarified that the discussion pertained to the maintenance budget, which for the next fiscal year includes the 1% CEC placeholder, health insurance increases, variable benefits, contract inflation, and replacement items. He noted a detailed replacement list is available and confirmed those costs are built into the base budget.

Board Action: A motion was made by Controller Woolf that the Land Board direct the Department to include the enhancement requests as outlined in Attachment 1 in the Fiscal Year 2027 budget proposal due on August 29, 2025. Superintendent Critchfield seconded the motion. For the record, Governor Little abstained from voting. The motion carried on a vote of 4-0.

Information

7. Proposed Rule IDAPA 20.03.02, Rules Governing Mined Land Reclamation—presented by Andy Mork, Program Manager-Minerals Regulatory

Executive Session

None

At the close of the meeting agenda, Director Miller requested a brief moment to share a historical reflection. This week marked the 115th anniversary of the Great Fires of 1910, which burned 3 million acres across northwestern Montana, the Idaho Panhandle, and eastern Washington, and claimed 87 lives, many of them firefighters and civilians. Director Miller emphasized the fires' role in shaping modern fire suppression policy and the foundation of today's wildland firefighting practices. He cited excerpts from the 1910 annual report of the State Land Board and State Land Department, which recorded that the State spent more than \$50,000 on fire protection and lost \$75,000 worth of timber, significant sums at the time. The report credited the efforts of state fire wardens and cooperation with Timber Protective Associations for preventing even greater losses.

Director Miller went on to recount the story of Ed Pulaski, a newly appointed U.S. Forest Service ranger, who led his men into a mining tunnel during the fire, forcing them to stay inside under threat to save their lives. Most survived, though many suffered lasting injuries. Director Miller described a recent visit with State Forester Julia Lauch and the Cataldo fire crew to the Pulaski Trail near Wallace, Idaho, calling it a meaningful experience and an important site of reflection for the firefighting community. He emphasized the importance of remembering lessons from the past, supporting Idaho's wildland fire program, and modernizing training and tools to meet the challenges of a changing fire regime.

Governor Little acknowledged his past criticism of federal firefighting agencies but commended the marked improvement in strong initial attack and coordination among the State, BLM, and Forest Service. The Governor stressed the importance of shared stewardship, particularly active forest management on roaded lands, to sustain constitutionally required revenue. He complimented the efforts of Director Miller's team.

There being no further business before the Land Board, at 10:00 a.m. a motion to adjourn was made by Controller Woolf. The motion carried on a vote of 5-0.

Idaho State Board of Land Commissioners

/s/ Brad Little

Brad Little
President, State Board of Land Commissioners and
Governor of the State of Idaho

/s/ Phil McGrane

Phil McGrane
Secretary of State

/s/ Dustin T. Miller

Dustin T. Miller
Director

The above-listed final minutes were approved by the State Board of
Land Commissioners at the September 16, 2025 Land Board meeting.