



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
September 16, 2025

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, September 16, 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. The meeting began with a quorum consisting of Governor Little, Attorney General Labrador, Controller Woolf, and Superintendent Critchfield. Secretary of State McGrane arrived after the meeting started.

Reports

1. Department Reports—presented by Dustin Miller, Director
 - A. Timber Sales Revenue—August 2025
 - B. Leases/Permits Transactions and Revenue—August 2025
 - C. Fire Season Update

Discussion: Referring to the Fire Season Update report, Governor Little asked why the table on page 3 was labeled Fire Deficiency Warrant given that sufficient funds were available. Director Miller explained that the label reflects a traditional reporting format; since the fire account was prefunded, current spending is not truly a deficiency. He confirmed adequate cash on hand to cover costs and said figures should be refined by October. Director Miller praised firefighting crews for quickly containing the vast majority of roughly 360 fires through aggressive initial attack.

Controller Woolf commended the Department and asked about the timeline for final cost reconciliation. Director Miller said it can take months, with federal accounts often two to three years behind due to billing volume. Current figures remain estimates until all partner invoices are received. Governor Little asked whether the state ultimately owes or is owed funds by federal partners. Director Miller replied that it varies by incident and promised additional detail in a future update.

Superintendent Critchfield added appreciation for the Department's work, noting that despite more fires over the past five years, total acreage burned has decreased.

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

Discussion: Mr. Anton reported that the investment portfolio performed well in August, rising 2% for the month and 2.4% fiscal year-to-date, with gains increasing to 4.5% as of yesterday [9/15]. He attributed market strength primarily to strong corporate earnings—particularly in the technology sector—and significant investment in AI infrastructure. Mr. Anton noted Apple's announcement of a \$600 billion domestic investment plan and cited growth in chip stocks such as Micron as key contributors to GDP and corporate profitability. He added that market optimism was also driven by expectations that the Federal Reserve would announce an interest rate cut after nine months of holding rates steady, which would further support economic activity. Mr. Anton highlighted improved performance by investment manager Barrow Hanley, noting returns of 11% through August and 14.5% as of the previous day, a strong rebound from prior underperformance.

Governor Little asked whether the Investment Board planned to adjust its asset allocation between equities and fixed income in response to potential interest rate changes. Mr. Anton said the Investment Board is comfortable with the current portfolio structure but would rebalance as needed if fixed income pricing shifts following a rate change.

Consent—Action Item(s)

3. August 6, 2025 Live Auction, Grazing Lease G700347—presented by Addie Faust, Program Manager-Natural Resources Leasing

Recommendation: Direct the Department to award the new grazing lease, GR70000678, to Gerald Martens.

Discussion: None.

4. Approval of Draft Minutes—August 19, 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 seconded the motion. The motion carried on a vote of 4-0.

For the record, Secretary of State McGrane arrived at approximately 9:16 a.m., as the presentation of agenda item 5 began.

Regular—Action Item(s)

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

Recommendation: Approve the Department's FY2027 budget request as submitted to Division of Financial Management and Legislative Services Office on Friday, August 29, 2025.

Discussion: None.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Department's FY2027 budget proposal that was submitted on August 29, 2025 to LSO and DFM. Superintendent Critchfield seconded the motion. For the record, Governor Little abstained from voting. The motion carried on a vote of 4-0.

6. August 5, 2025 Live Auction and Approval of Solar Lease M600110—presented by Jason Laney, Section Manager-Leasing

Recommendation: Approve auction results for lease M600110, provide final approval of lease M600110, and direct the Department to award the lease to D.E. Shaw Renewable Investments.

Discussion: Governor Little asked if the applicant provides bonding; Mr. Laney confirmed they do. Secretary of State McGrane asked whether there was an existing grazing lease on the property and if the lessee had been notified about the potential change in land use. Mr. Laney confirmed that communication occurred multiple times—upon application, mid-negotiation, and again as the lease neared finalization—to inform the lessee of the proposed use change.

Controller Woolf requested an overview of the project timeline. Mr. Laney said development typically takes three to five years, followed by one to two years of construction before entering into production. When asked about the rent range of \$3-5 million with annual escalation, he explained that rent is based on the greater of a fixed per-acre rate or a percentage of power sales, with final amounts depending on production and the solar array footprint. Governor Little asked if a land use permit was required. Mr. Laney replied that no separate land use permit applies to this lease.

Attorney General Labrador inquired about the lease size, rent structure, and revenue estimates, questioning the \$3–5 million projection. Mr. Laney clarified that the negotiated production rent is \$1,000 per acre for approximately 5,233 acres, making the minimum payment roughly \$5.2 million annually once operational. Attorney General Labrador asked whether Ada County's planning process might affect the project. Mr. Laney said the developer will need to go through the county permitting process, and while county zoning updates could restrict future solar development on prime farmland, this site is not designated as such.

Superintendent Critchfield asked about the status of the existing grazing lease and how much would be affected. Mr. Laney said the current lease runs through 2032, with about 60% of its area—roughly 600 AUMs—impacted by the solar project.

Governor Little noted the large increase in per-acre value from grazing to solar use. Mr. Laney agreed, estimating the grazing lease at roughly \$1 per acre compared to \$750 to \$1,000 per acre under the solar lease.

Board Action: A motion was made by Controller Woolf that the Land Board approve the auction results for lease M600110, provide final approval of lease M600110, and direct the Department to award the lease to D.E. Shaw Renewable Investments. Governor Little seconded the motion. The motion carried on a vote of 4-1, with Attorney General Labrador voting in opposition.

7. Leasing: Minimum Annual Rent and Assignment Fee Increases—presented by Jim Elbin, Division Administrator-Trust Lands

Recommendation: Approve the increases in the minimum rent and lease assignment fees.

Discussion: Controller Woolf asked how administrative costs for leasing are currently covered when fees do not meet actual expenses and whether other programs, such as timber, have been subsidizing the shortfall. Mr. Elbin explained that larger leases essentially subsidize the leasing program, fund-for-fund. Smaller leases are not meeting actual minimum costs. Overall, the leasing program remains profitable.

Controller Woolf asked whether communication had been made with lessees potentially affected by the proposed fee adjustments. Mr. Elbin responded that, while no direct outreach has yet occurred, the Department plans to provide well over the required 180 days' notice before the next billing cycle and to address any concerns raised. Controller Woolf noted that approximately 166 grazing leases, 77 mineral leases, and 3 crop leases would be affected. Mr. Elbin confirmed those figures.

Governor Little asked if the change would require a fee rule. Mr. Elbin said it would not, as existing rules authorize the Land Board to set such fees administratively.

Board Action: No action was taken by the Land Board for lack of a motion.

8. Approval of FY2026 Timber Sales with Clearcut Harvest Units: Bald Larch, Found It 40, Builda Burma, Divided Cedar—presented by Jake Strohmeyer, Division Administrator-Operations

Recommendation: Approve the Bald Larch, Found It 40, Builda Burma, and Divided Cedar timber sales.

Discussion: None.

Board Action: A motion was made by Controller Woolf that the Land Board approve the Bald Larch, Found It 40, Builda Burma, and Divided Cedar timber sales. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

9. Saraceno Land Exchange—presented by Zane Lathin, Section Manager-Real Estate

Recommendation: Approve the exchange and direct the Department to complete and close the as-proposed Saraceno land exchange, including using Land Bank funds to offset the difference in values.

Discussion: Governor Little inquired if the Clearwater County Commissioners were notified and have they taken a position. Mr. Lathim responded the commissioners were notified and did not express objection.

Board Action: A motion was made by Controller Woolf that the Land Board approve the exchange and direct the Department to complete and close the as-proposed Saraceno land exchange, including using Land Bank funds to offset the difference in values. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

10. Adoption of Pending Rule IDAPA 20.03.08, Easements on State-Owned Lands—presented by Roger Hall, Bureau Chief-Real Estate

Recommendation: Adopt the pending rule for IDAPA 20.03.08 Easements on State Owned Land.

Discussion: Controller Woolf noticed the pending rule would delete the easement assignment fee of \$50 and the easement application fee of \$100. Mr. Hall replied yes, those fees will be rolled into the full consideration for the easement itself.

Board Action: A motion was made by Controller Woolf that the Land Board adopt the pending rule for IDAPA 20.03.08, Easements on State-Owned Land. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

Information

11. FY2025 Gross Revenue Record—presented by Jim Elbin, Division Administrator-Trust Lands

Discussion: None.

12. Cottage Site Leasing and Disposition Update—presented by Jim Elbin, Division Administrator-Trust Lands

Discussion: Secretary of State McGrane opened by revisiting concerns regarding the cottage site leasing program, noting that the Land Board has not formally reviewed or updated the 2022 decision that was intended to guide actions only through 2024. He emphasized that, now into 2025, the Land Board continues to operate under that plan and that the accompanying analysis appears to omit one critical factor—the appreciation of the underlying land. Secretary of State McGrane underscored that land value is among the endowment's greatest assets and should be incorporated into program evaluations, particularly for high-value properties at Payette Lake and Priest Lake.

Mr. Elbin acknowledged the point, explaining that under past lease structures, appreciation was not captured unless the land was sold. He said the only way to realize that value within a lease framework would be to incorporate regular reappraisals or to pursue disposition, noting that both approaches have historically been contentious. Previous efforts to balance the value of land versus improvements often led to disagreements among stakeholders over appraisals and fairness.

Secretary of State McGrane clarified that his intent was not to question past Land Board actions, including the 2014 decisions or subsequent litigation, but rather to highlight how market conditions and land values have changed dramatically over the past decade. He noted that the 2014 plan envisioned selling certain cottage sites and reinvesting proceeds through the Land Bank for future acquisitions. While some of that occurred, he observed that most proceeds were transferred to the Endowment Fund Investment Board (EFIB) rather than used to acquire new land, diverging from the Land Board's original intent.

He added that the strong appreciation of lakefront and high-value parcels underscores the need for a renewed look at how such assets are managed. Secretary of State McGrane urged the Land Board to consider options beyond the existing lease framework—whether through updated lease models, partial sales, or reappraisals—to ensure beneficiaries receive the full benefit of growing land values.

Mr. Elbin responded that his presentation was intended as an informational update rather than a policy justification and acknowledged the value of reexamining lease structures. He said the Department is open to continued discussion on how to better capture land appreciation and could bring forward new leasing proposals if directed by the Land Board.

Secretary of State McGrane encouraged the Department to examine future leasing opportunities through a broader lens, noting that political and public sensitivities surrounding cottage sites have evolved since 2014. He said that while the Land Board must remain cautious, it also has an obligation to pursue the best possible returns for beneficiaries, even if that entails taking some calculated risks.

Mr. Elbin closed by expressing appreciation for staff efforts to improve lease structures and confirmed that newer leases are beginning to account for appreciation. He said the Department has not yet extended such models to residential leases but continues to evaluate potential approaches, as few successful regional examples currently exist.

Executive Session

None

There being no further business before the Land Board, at 9:55 a.m. a motion to adjourn was made by Controller Woolf. Superintendent Critchfield seconded the motion. 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 November 18, 2025 Land Board meeting.