MESSAGE FROM THE DIRECTOR

Since taking over as Director of the Idaho Department of Lands (IDL) a year ago, I continue to be impressed by the passion and enthusiasm of our employees. The dedication they show for the mission of the agency, the endowment beneficiaries, and for the stewardship of the land is inspiring. We have embraced our vision of “Working Lands, Trusted Stewards,” and I am proud to be a part of this amazing team.

IDL’s endowment mission is unique and distinct, and our duties include:

- Generating revenue for public schools and other trust beneficiaries, while serving as stewards of our natural resources, to ensure endowment lands remain healthy and productive for decades to come.
- Regulating and providing assistance to uphold the protection of our natural resources through implementation of laws such as the Forest Practices Act, the Lake Protection Act, and the Abandoned Mine Reclamation Act.
- Providing fire protection on more than 6 million acres of private, state, and federal lands in Idaho.

These major emphasis areas form the bedrock for IDL’s success. Our mission and the work our employees do daily make a difference for the citizens of Idaho and the work our employees do daily make a difference for the citizens of Idaho and the success of what we do for the endowments and the success of GNA and the stewardship of the land is inspiring. We have embraced our mission of the agency, the endowment beneficiaries, and for the success of GNA and the stewardship of the land is inspiring. We have embraced our mission of the agency, the endowment beneficiaries, and for the stewardship of the land is inspiring. We have embraced our mission of the agency, the endowment beneficiaries, and for the stewardship of the land is inspiring. We have embraced our mission of the agency, the endowment beneficiaries, and for the stewardship of the land is inspiring. We have embraced our mission of the agency, the endowment beneficiaries, and for their critical support staff is what makes IDL a premier natural resource management agency.

As we move into another year together, we will remain focused on our great mission. This focus is essential to deliver change and improvement on the scale needed within our communities. I thank every employee for their dedication to the mission and for carrying out their duties with pride and professionalism. I am honored to be a part of this team, and I look forward to tackling more challenges and celebrating additional success in the coming year.
**PHILOSOPHY**

**OUR VISION**
The Idaho Department of Lands will be the premier organization for trust management and resources protection in the western United States.

**OUR VALUES**
The Idaho Department of Lands believes in:

- **Stewardship** by making decisions and taking actions that positively affect long-term financial returns to public schools and other trust beneficiaries and provide professional assistance to the citizens of Idaho to use, protect and sustain their natural resources.

- **Coherency** by working as a unified organization in which all employees participate in constructive communication to fully meet our mission.

- **Accountability** by being accountable and having an organizational culture and framework that expects, enforces, and expects employees to make decisions and get things done.

- **Service** by providing exemplary service and delivering programs with professionalism and integrity to both internal and external customers.

- **Cohesiveness** by working as a unified organization in which all employees participate in constructive communication to fully meet our mission.

- **Stewardship** by making decisions and taking actions that positively affect long-term financial returns to public schools and other trust beneficiaries and provide professional assistance to the citizens of Idaho to use, protect and sustain their natural resources.

**OUR MISSION**
To professionally and proactively manage Idaho’s endowment assets to maximize long-term financial returns to public schools and other trust beneficiaries, and provide professional assistance to the citizens of Idaho to use, protect and sustain their natural resources.

**OFFICE LOCATIONS**

- Boise Staff Office - Boise
- Coeur d’Alene Staff Office - Coeur d’Alene
- Priest Lake Supervisory Area - Culdesa
- Pend Oreille Lake Supervisory Area - Spirit Lake
- Kootenai Valley Forest Protective District - Bonners Ferry (part of Pend Oreille Lake Supervisory Area)
- Missoula Supervisory Area - Missoula
- Cataldo Forest Protective District - Poplar (part of Missoula Supervisory Area)
- St. Joe Supervisory Area - St. Maries
- Ponderosa Forest Protective District - Cocolalla
- Clearwater Supervisory Area - Orofino
- Maggie Creek Supervisory Area - Kamiah
- Craig Mountain Forest Protective District - Craigmont (part of Maggie Creek and Clearwater Supervisory Areas)
- Payette Lakes Supervisory Area - McCall
- Southwest Supervisory Area - Garden City
- Eastern Supervisory Area - Idaho Falls
- Jerome Field Office (part of Eastern Supervisory Area)

**MAJOR LAND OWNERSHIP & BREAKDOWN**

- **Forest Service**: 38.2%
- **Private**: 30%
- **Federal Other**: 2.9% **
- **Tribal**: 1.7% ***
- **Bureau of Land Management**: 22.1%
- **State IDL Endowment Land**: 4.6%
- **State Other**: 0.5% ****

**TOTAL ACRES IN IDAHO**: 53,130,860

*Percentages may differ compared to land ownership analyses conducted by other organizations because of differences in spatial projections and how ownership categories are defined. In this analysis, acreages are rounded to the nearest 100 for all categories except State-IDL. Lands located beneath lakes and streams are not included in this analysis. **Includes 11 other classifications of federal land. ***Includes lands managed by U.S. Bureau of Indian Affairs and lands within an Indian Reservation boundary that are managed by a Tribe. ****Includes lands managed by Idaho Department of Fish and Game, Idaho Department of Parks and Recreation, and other State ownership.*
ENDOWMENT FUND INVESTMENT BOARD

The nine-member Endowment Fund Investment Board (EFIB) manages, on behalf of the Land Board, the investment of a perpetual endowment fund whose original source is land sale proceeds and the reinvestment of income generated by Idaho endowment trust lands. A staff of four people in Boise oversees the fund and outside investment managers. Members of the EFIB are appointed by the Governor and confirmed by the Senate.

ENDOWMENT FUND ASSET MIX

- Domestic Equities: 36%
- International Equities: 9%
- Global Equities: 10.5%
- U.S. Commercial Real Estate: 26%
- Fixed Income: 10.5%

Relative to peer funds over the last 10 years, the Endowment Fund had a top 8% return as of June 30, 2019 with a total fund balance of $2,324,057,112.

POLICY FOR ENDOWMENT FUND INVESTMENTS AND BENEFICIARY DISTRIBUTIONS

In determining distributions, a trustee must balance the needs of current and future beneficiaries. It is the Land Board's policy to distribute a conservative estimate of long-term sustainable income, from both the fund and the endowment trust lands, and hold sufficient reserves of undistributed income to absorb predictable down cycles in endowment earnings.

In overseeing the $2.3 billion endowment fund, it is the policy of the EFIB to make long-term strategic allocations and avoid making tactical shifts. The strategic asset mix of the fund is 66% stocks, 26% bonds, and 8% U.S. commercial real estate. The expected long-term return of this asset mix, after inflation, is approximately 4% and historically market losses have occurred in one year out of three.

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## EXECUTIVE LEADERSHIP

- **Dustin Miller** - Director
- **David Groeschl** - State Forester, Deputy Director
- **Andrea Ryan** - Human Resource Officer
- **Bill Haagenson** - Operations
- **Craig Foss** - Forestry & Fire
- **Donna Caldwell** - Support Services
- **Diane French** - Lands & Waterways
- **Mick Thomas** - Oil & Gas

## Timber Harvested

<table>
<thead>
<tr>
<th>Year</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1,127</td>
</tr>
</tbody>
</table>

## endowment beneficiaries

- **Public School Endowment Fund** – K-12 Education
- **Agricultural College Fund** – University of Idaho
- **Charitable Institutions Fund** – Idaho State University, State Juvenile Corrections Center, State Hospital North, Idaho State Veterans Homes, and Idaho School for the Deaf and Blind
- **Pententiary Fund** – Idaho Department of Correction
- **School of Science Fund** – University of Idaho
- **State Hospital South Fund** – Psychiatric Inpatient Care
- **University of Idaho Fund** – Idaho’s Land Grant University
- **Normal School Fund** – Idaho State University Department of Education and Lewis-Clark State College
- **Capitol Permanent Fund** – Capitol building (major maintenance)

## Endowment beneficiaries:

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## ENDOWMENT TRUST LANDS

- Total acres: 2,477,613
- Active submerged land leases (e.g., marinas): 172
- Active encroachment permits (e.g., docks): 10,745
- Fire safety burn permits issued: 16,622
- Grazing leases: 1,127

## ENDOWMENT MINERAL

- Total acres: 3,370,077
- Conservation leases: 23
- Commercial leases: 203
- Residential leases: 128
- Alternative energy leases (15 geothermal, 1 wind): 16
- Oil and gas leases: 568
- Oil and gas wells producing on state endowment leases: 2
- Active submerged land leases: 239
- Active encroachment permits: 2,450
- Fire safety burn permits issued: 1,444
- Forestry inspections: 2,450
- Forest practices notifications: 1,149

## Total 2019 ENDOWMENT DISTRIBUTIONS

- Public School Endowment: $428 million
- Other Endowments: $141 million
- Total: $660 million

## Historic Total (millions)

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<tbody>
<tr>
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<td>$80</td>
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## Other Endowments

- University of Idaho Fund
- Idaho State University
- Idaho State Veterans Homes
- Idaho School for the Deaf and Blind
- Idaho Department of Education
- Lewis-Clark State College
- Idaho Department of Correction
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## Idaho’s public school system is the primary beneficiary of state endowment trust lands.

All constitutionally designated funds and their beneficiaries include:

- **Public School Endowment Fund** – K-12 Education
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## The Idaho Forest 2019 Snapshot

- Conservation leases: 23
- Commercial leases: 203
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DEPARTMENT SUPPORT FUNCTIONS

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PUBLIC INFORMATION: The public information officers manage the communication needs of the agency, helping to develop clear and transparent communication for the public and the media through news releases, social media, and the development of a more user- friendly website.

HUMAN RESOURCES: The human resources (HR) team delivers professional assistance to the agency in the areas of recruiting, employee development, benefits management, compensation analysis, employee relations, and safety. They ensure compliance with federal and state employment taxes and provide value-added services in the areas of recruiting, training, and job design. In FY19, the HR team implemented a new applicant tracking system, initiated a third cohort of the Leadership Development Program, and rolled out a new employee hiring process using electronic content management.

INFORMATION TECHNOLOGY: The information technology (IT) team supports agency operations by implementing and supporting cutting-edge internal and public-facing enterprise systems. The IT team manages the agency’s computing infrastructure and records management functions, while ensuring privacy and security of information.

FISCAL MANAGEMENT: The fiscal team provides oversight and policy direction for all accounting functions within the department, including accounts payable and receivable, payroll, and internal auditing. They work closely with the Endowment Fund Investment Board to ensure that all land assets are represented as part of the whole trust, ensuring transparent reporting to the Land Board.

PROCUREMENT: The procurement team is focused on both internal and external partners to ensure IDL meets the goal of consistently securing high-value contractors for the agency. In FY19, the team solicited and awarded 430 contracts for commodities and services totaling approximately $20 million. This total includes $1.5 million awarded to vendors for activities supporting IDL’s Good Neighbor Authority initiatives.

LAND RECORDS: Land records staff members maintain the property ownership databases and records including all deeds and encumbrances for all state lands.

GEOGRAPHIC INFORMATION SYSTEMS: A team of Geographic Information System (GIS) analysts design, develop, and implement GIS applications, geodatabases, and process- automation tools to provide IDL managers with working solutions to their spatial data collection, analysis, and reporting needs.

REMOTE SENSING: The remote sensing team is focused on the collection and analysis of data from airborne sensors. Utilizing a combination of satellites, aircraft, and unmanned aerial systems (UAS), they are developing cost- efficient methods for IDL to obtain needed land resource information. This includes a large-scale initiative to create a detailed 3D model of all Idaho endowment land using airborne light detection and ranging (LiDAR).

INTERDISCIPLINARY TEAM: The interdisciplinary team is the cadre of scientists with expertise in hydrology, water rights, fish biology, and geology that provide recommendations and technical assistance to endowment trust land managers across Idaho. They help ensure that management activities maintain wildlife habitats, protect ecological integrity, comply with water quality standards, and work in harmony with diverse geological settings.

ENDANGERED SPECIES: The IDL weighs in on any proposed federal listings of species in Idaho that will affect management of endowment lands. IDL is proactive in providing researched, science-based reviews and input to help ensure sustainable active management is supported on state endowment lands in compliance with needed habitat protections.

IDL scientists conduct fish monitoring on McBride Creek in Owyhee County.

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INTERDISCIPLINARY TEAM: The interdisciplinary team is the cadre of scientists with expertise in hydrology, water rights, fish biology, and geology that provide recommendations and technical assistance to endowment trust land managers across Idaho. They help ensure that management activities maintain wildlife habitats, protect ecological integrity, comply with water quality standards, and work in harmony with diverse geological settings.

ENDANGERED SPECIES: The IDL weighs in on any proposed federal listings of species in Idaho that will affect management of endowment lands. IDL is proactive in providing researched, science-based reviews and input to help ensure sustainable active management is supported on state endowment lands in compliance with needed habitat protections.

IDL scientists conduct fish monitoring on McBride Creek in Owyhee County.

Vital to any organization are the people who work behind the scenes helping the team achieve success. Some staff develop and monitor the strategic plan, establish pertinent policy, and develop and support legislative actions. Others receive and respond to hundreds of public records requests. The success of Land Board and Oil and Gas Conservation Commission meetings depends on those who coordinate the materials and meeting details.

PUBLIC INFORMATION: The public information officers manage the communication needs of the agency, helping to develop clear and transparent communication for the public and the media through news releases, social media, and the development of a more user-friendly website.

HUMAN RESOURCES: The human resources (HR) team delivers professional assistance to the agency in the areas of recruiting, employee development, benefits management, compensation analysis, employee relations, and safety. They ensure compliance with federal and state employment taxes and provide value-added services in the areas of recruiting, training, and job design. In FY19, the HR team implemented a new applicant tracking system, initiated a third cohort of the Leadership Development Program, and rolled out a new employee hiring process using electronic content management.

INFORMATION TECHNOLOGY: The information technology (IT) team supports agency operations by implementing and supporting cutting-edge internal and public-facing enterprise systems. The IT team manages the agency’s computing infrastructure and records management functions, while ensuring privacy and security of information.

FISCAL MANAGEMENT: The fiscal team provides oversight and policy direction for all accounting functions within the department, including accounts payable and receivable, payroll, and internal auditing. They work closely with the Endowment Fund Investment Board to make certain the land assets are represented as part of the whole trust, ensuring transparent reporting to the Land Board.
Mountains, prairies, and high deserts make up Idaho endowment lands, supporting diverse recreational opportunities. Thousands of visitors pursue quality recreation experiences each year on endowment lands. As part of management, IDL is working to produce a statewide GIS inventory layer showing recreation routes and camping locations. This baseline information will help guide the department as it manages trails, signage, and various recreational uses that must be compatible with the endowment mission.

With assistance from volunteers and cooperating state agencies, IDL is near completion on its first managed trail system. Located near Sandpoint, it will provide a multi-use trail system with a single-track recreation experience for both motorized and non-motorized recreationists. When completed, Bonner County will manage the recreation system, the parking lot, and toilet.

**IDFG MEMORANDUM OF AGREEMENT**

In FY19 the Land Board and the Idaho Department of Fish and Game completed an agreement for recreation access to endowment lands. The agreement provides for general recreation use on legally accessible endowment lands and resulted in over $295,000 in revenue along with law enforcement assistance during the first year.

**OHV FUND**

In 2009, the Idaho Legislature directed one dollar from every off-highway vehicle (OHV) registration to IDL to provide OHV opportunities and repair damage directly related to OHV use. During FY19, IDL spent more than $194,000 of the OHV Fund on repair projects and recreation enhancements for OHV users.

**REAL ESTATE BUREAU**

The Real Estate Bureau is responsible for the leasing, acquisition, exchange, and disposition of endowment lands, including the sale of endowment cottage sites and commercial properties. The bureau also oversees the reinvestment of money into new endowment lands such as timberland and road easements.

The Land Board approved auctioning cottage sites at Priest Lake and Payette Lake during 2020 and 2021. In FY19, IDL and SG Priest Lake cottage sites and 5 Payette Lake cottage sites bringing in total proceeds of more than $29 million. The money from the auctions were deposited into the land bank.

In FY19 a portion of the land bank funds were reinvested in timberlands in central and north Idaho. More than 10,000 acres of timberland were acquired, including 10,000 acres in north Idaho and 20,000 acres in central Idaho. The newly acquired timberland is open to the public for recreational activities including mountain biking, hunting, fishing, and camping. The acquisition creates larger blocks of ESA lands and provides access to other existing endowment lands. Future timber sales on these properties will provide funding to the endowment beneficiaries for future generations.

More than 39 miles of new road easements were purchased in FY19 for just over $369,000. The easements provide new legal and physical access to more than 6,600 acres of Public School and University of Idaho endowment timberlands. This new access allows for land and timber management, and increased opportunities to create revenue streams for the beneficiaries. It also allows access for increased public recreational opportunities on existing endowment lands.
The IDL manages 1,127 grazing leases that cover 1,758,213 acres of endowment land located primarily in the southern two-thirds of Idaho. Grazing leases contributed an estimated 258,315 animal unit months (AUM) of forage to livestock operations in 2019.

In addition, IDL administers a portfolio of farming and conservation leases and permits that total approximately 46,782 acres. Crops grown on endowment land include alfalfa hay, barley, beans, corn, potatoes, safflower, wheat, and organic crops. Some croplands are also managed within the USDA Conservation Reserve Program (CRP). Conservation leases have varied purposes including wildlife habitat in conjunction with Wildlife Management Areas (WMA), big game habitat, parks, and recreation.
COTTAGE SITE LEASING

The State of Idaho owns endowment land on the shores and uplands of two of Idaho’s most beautiful lakes – Priest Lake in northern Idaho and Payette Lake in west central Idaho. At the end of FY19, IDL leased and permitted 118 cottage sites for $1.6 million. Cottage site revenue continues to be part of the leasing program; however, the Land Board will continue to offer ownership through the use of the Voluntary Auction for Ownership option. Disposition of cottage sites will take place through 2024.

END OF FY19

342 commercial leasing and land use permits brought in more than $2.8 million. Commercial uses include cell towers, billboards, wind, military, and recreation.

MINERAL LEASING AND
OIL & GAS LEASING

The IDL manages 3.4 million acres of state-owned mineral rights and administers leases for production of primarily phosphate, aggregate (sand, gravel, stone, and cinders), precious metals, and oil and gas. Production and royalty revenue associated with the permanent extraction of commodities is immediately invested in the Permanent Fund managed by the Endowment Fund Investment Board, while rent and fee revenue is applied to the Earnings Reserve Fund. Revenue from leases administered on behalf of other state agencies is allocated back to the agencies.
MINING REGULATION & ASSISTANCE

Mining has played an important role in Idaho’s history. The discovery of gold resulted in the establishment of the Idaho territory in 1863. Mining in Idaho provides jobs and materials that are important to the economy. An important part of a beneficial mining community is to demonstrate that mining can be done correctly with sustainable mining practices.

To ensure responsible mining in Idaho, the Idaho Legislature created the Idaho Dredge and Placer Act in 1953 and the Mined Land Reclamation Act in 1971. The IDL is responsible for administering both laws. Regulatory oversight serves as the catalyst to promote effective, environmentally responsible mining. The IDL is responsible for overseeing 1,567 active mines and 28 active dredge and placer operations. To regulate all 1,595 mining permits, IDL divides Idaho into five mineral zones based on staffing availability.

RECLAMATION FUND

The Mined Land Reclamation Act requires all mines in Idaho to perform reclamation at the end of mining. Until final reclamation, the mining operators provide financial assurance to cover the costs of reclamation. The State of Idaho offers a Reclamation Fund administered by IDL that provides financial assurance at a fraction of the cost of regular methods to small mine operations. Of the 1,595 mining permits issued by IDL, 620 permits (nearly 39%) are assured through the State Reclamation Fund. This form of financial assurance allows operators to comply with regulatory requirements, promotes the effective and environmentally responsible use of Idaho’s lands, and promotes the success of small businesses.

ABANDONED MINE LANDS

The Idaho Geological Survey estimates there are approximately 8,500 abandoned mines in Idaho. The Idaho Legislature created the Abandoned Mine Reclamation Act in order to reclaim lands affected by mining in Idaho. The IDL Abandoned Mine Lands (AML) program promotes public safety by identifying and ranking dangerous conditions at mines that are no longer operating and by securing dangerous orphaned mine openings. To continue to mitigate public hazards, IDL performed 16 AML inspections/investigations and carried out 10 orphaned mine closures.
For more than 1,400 years, governments have recognized that certain natural resources, such as waterbodies, belong to the public. Lakes and rivers have played an important role in Idaho’s history by providing not only water but transportation, commerce, and recreation. In Idaho, the Land Board and IDL are responsible for protecting the public’s use of 61 navigable lakes covering 183,000 acres and 30 navigable rivers stretching 2,500 miles.

Under the Public Trust Doctrine, the State holds title to the beds of these navigable waterways in trust for the public and regulates the use and disposition of these lands to provide for their commercial, navigational, recreational, and other public purposes.

Waterfront property owners have the right to wharf out and maintain their adjacency to the water within the limits of the Public Trust Doctrine. In an attempt to balance competing interests on lakes, IDL administers encroachment permits and leases under several statutes and rules to assist individuals who want to encroach on these public lands. Encroachment permits provide most of the program’s workload and over 20% of the program’s operating income.

General Fund tax dollars are not used to support this work; it is completely funded by fees and rents collected from the permits, easements, and leases IDL administers on lakes and rivers. In addition, mineral royalties received from these lands are deposited into the Public School Permanent Fund to provide perpetual funding of Idaho’s public school system. Submerged land leases on community docks, marinas, and other commercial encroachments provide about 75% of the program’s operating income.
The Idaho Oil and Gas Conservation Commission regulates the exploration, drilling, and production of oil and gas resources to ensure the conservation of oil and gas and the protection of correlative rights and surface and groundwater.

Log scaling is a system of measuring logs immediately after they are harvested to determine their financial value. Most timber in the state is bought and sold based on log scale. The Idaho Board of Scaling Practices enforces log scaling (measurement) standards prescribed by statute and regulation to ensure professional quality log scaling for the benefit of Idaho timber interests.

The board tests and licenses log scaling practitioners and periodically subjects them to routine, unannounced check scales at their place of employment to assure proficiency. The board also administers log brand registrations and the disposition of prize (abandoned) logs.

An executive director and check scaler headquartered in the Idaho Department of Lands Coeur d’Alene Staff Office carry out the board’s directives. Funding for the board is derived from assessment fees levied on the scale of forest products harvested within the state and from licensing and registration fees.

Appointed by the governor, board members represent industry, logging, and private landowner interests.

For more information, please visit ogcc.idaho.gov

**FY19 OIL & GAS WELLS SNAPSHOT**

- 5 PRODUCING
- 1 DRILLED
- 13 SHUT IN GAS
- 7 PLUGGED & ABANDONED PERMITS APPROVED

As of June 30, 2019

**Idaho scalers participate in the Timber Measurement Society Intermountain Log Scaling School, Colville, Washington**
In December of 2018, the IDL and the USDA’s Northern and Intermountain Regions of the Forest Service further expanded interagency efforts to co-manage Idaho’s forests and rangelands by entering into the nation’s first Agreement for Shared Stewardship. Under this agreement, two priority landscapes were identified to align and focus collective resources based on extensive analysis of threats and potential benefits achieved through management activities.

The Good Neighbor Authority (DNA) and Forestry Assistance bureaus will work collaboratively with our national forest partners to define and implement cross-boundary projects that can best meet the goals of Idaho’s Shared Stewardship initiatives. Projects will focus on the use of prescribed fire, mastication, harvesting, and thinning treatments in this holistic approach to reduce threats of wildfires, and to improve the health of Idaho’s forests, rangelands, and watersheds. The governor established an advisory group composed of diverse stakeholders to provide strategic input and assist IDL in successfully implementing Shared Stewardship in Idaho.
The report outlines the following key points:

- **TIMBER HARVEST & RECEIPTS**
  - **FY19**
  - **TIMBER HARVESTED**
    - 247 MMBF over the next five years, increasing to 328 MMBF.
    - Pre-commercially thinned 3,760 overstocked acres.
    - 4,616 acres prepared for future regeneration efforts.
  - **FOREST REFORESTATION**
    - 3,786 acres pre-commercially thinned.
    - 5,100 acres planted with 5,498,988 seedlings.
  - **PULP**
    - 13,158 MBF harvested.
    - 1,030,498 acres of forested land.
  - **SAWLOGS**
    - 328,408 MBF harvested.
    - 14,924,870 MBF provided.
  - **Other Products**
    - 13,995 MBF harvested.

- **SALES**
  - 2019 Sales
    - Total sawlogs: 328,408 MBF
    - Total Other Products: 13,995 MBF

- **REVENUWARDFOR FORESTRY**
  - Revenue mostly supports public schools.
  - Endowment Lands Contributions to Idaho’s Economy: $77 million.

- **ACCOUNT STATEMENTS**
  - Total sawlogs: 328,408 MBF
  - Total Other Products: 13,995 MBF

- **TIMBER HARVESTED – FY19**
  - **Total Harvest Volume – All product types – 239,000 MBF**
  - **Total Sale Volume – All product types – 290,645 MBF**

- **END OF FY19**
  - 175 active timber sales.
  - 45,395 truckloads of forest products hauled.
  - 7,032 truckloads measured by IDL scalers.

- **RENEWABLE RESOURCE**
  - Benefits wildlife, promotes clean air and clean water, and ensures revenues for today’s students as well as future generations.
Staff members provide technical assistance and training to forest landowners and managers to minimize risks from insects and disease. In FY19, forest health specialists helped to monitor and mitigate an exceptionally destructive outbreak of the Douglas-fir tussock moth in southwest Idaho on private, federal, and state forestlands. The specialists monitored and mitigated an exceptionally destructive outbreak of the Douglas-fir tussock moth in southwest Idaho on private, federal, and state forestlands. In FY19, forest health specialists helped to monitor and mitigate an exceptionally destructive outbreak of the Douglas-fir tussock moth in southwest Idaho on private, federal, and state forestlands.

The Idaho Forest Legacy Program provides federal funds to purchase conservation easements on private forestlands that might otherwise be developed and lost as productive forests. The program helps to protect the state’s forested landscapes.

The Idaho Forest Practices Act (IDFPA) is a regulatory program that ensures harvesting operations on Idaho state and private forestlands are carried out in compliance with the water protection standards set forth by the Idaho Forest Practices Act. The regulatory program is designed to protect aquatic and terrestrial habitats, ensure water quality, and balance forest management with the protection of fish and wildlife. It is enforced by the Idaho Department of Lands (IDL) and administered by the Idaho Forest Practices Board.

The Idaho Forest Practices Board (IFPB) is an administrative body that oversees the implementation of the Idaho Forest Practices Act (IDFPA). The IFPB is composed of six members appointed by the Governor, with the advice and consent of the Senate. The Idaho Forest Practices Board is responsible for setting rules and guidelines to ensure that harvesting operations on Idaho’s forestlands meet the water protection standards established by the Idaho Forest Practices Act. The IFPB’s role is to balance the needs of the forest industry with the protection of the state’s natural resources.

The Idaho Forest Practices Act (IDFPA) establishes the regulatory framework for forest management in Idaho. The Act sets forth standards for the protection of forestland values, including water quality, fish and wildlife habitat, and cultural resources. The IDFPA is administered by the Idaho Forest Practices Board (IFPB), which oversees the implementation of the Act’s rules and guidelines.

The IFPB is responsible for ensuring that harvesting operations on Idaho’s forestlands are conducted in a manner that protects aquatic and terrestrial habitats, ensures water quality, and balances forest management with the protection of fish and wildlife. The IFPB’s role is to balance the needs of the forest industry with the protection of the state’s natural resources.

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2019 FIRE SEASON

239 FIRES
79% of 20-Year Average

10 acres
95% of

$11,500,000
General Fund net obligation
+ $2,100,000
Reimbursable expenses for assisting on fires managed by other agencies
79% OF 20-YEAR AVERAGE

TOTAL COSTS^

*Estimates as of October 10, 2019. Due to billing cycles across fire protection agencies, the true cost of a single fire season is not known for several years.

IDL FIRES BY CAUSE

SMOKING
LIGHTNING
CHILDREN
FIREWORKS
CAMPFIRE
RAILROAD
ARSON
HISTORIC FIRE PROGRAM COSTS

$90 MIL

IDL TOTAL OBLIGATION^

95% of 10 acres

$75 MIL

REIMBURSABLE COSTS**

PREPAREDNESS COSTS***

$60 MIL
$50 MIL
$40 MIL
$30 MIL
$20 MIL
$10 MIL
$0 MIL

STATEWIDE ACRES BURNED: PROTECTION AGENCY *

FEDERAL
 STATE
 NORTH CENTRAL
 SOUTHERN
 PONDEROSA FPD - MAGGIE CREEK FPD - KAMIAH
 KOOTENAI VALLEY FPD - DEARY
 PRIEST LAKE FPD - COOLIN
 COEUR D'ALENE
 BONNERS FERRY
 PEND OREILLE FPD - SANDPOINT
 SOUTHWEST IDAHO FPD - MCCALL
 CHIEF FOCUS OF IDL MANAGED FIRES IS INITIAL ATTACK

SITPA - CROAT MOUNTAIN FPD - CRIAGMONT
 MAGGIE CREEK FPD - OROFINO
 COALING FPD - KINGSTON
 SITPA - BRIDGEPORT
 SOUTHWEST IDAHO FPD - MCDONALD
 SITPA - KEMP
 SITPA - SAWTOOT
 SITPA - SOUTHWEST IDAHO FPD - McSULLEN

STATEWIDE ACRES BURNED: OWNERSHIP *

150,000
90,000
60,000
30,000

PANHANDLE DISTRICTS
NORTH CENTRAL DISTRICTS
SOUTHERN DISTRICTS

OTHER

FOREST PROTECTIVE DISTRICTS

EXISTING

TRIBE

BLM
IDL
NPS
DOE-INL
CPTPA
SITPA

PROPOSED

NOT PROTECTED

NARRATIVE BURNS BURNED OWNERSHIP^*

STATEWIDE ACRE BURNED OWNERSHIP^*

1,200 piles of juniper slash burned as part of cooperative project to improve sage grouse habitat

Fire management responsibilities are one of the most visible of our functions.

On a day-to-day basis, IDL establishes and implements policies to prevent, prepare for, and fight wildfires on more than six million acres of state, private, and federal forests and rangelands in Idaho.

These responsibilities include regulating the elimination of fire hazards caused by timber harvesting on state and private lands. Between January 1 and October 10, 2019, IDL issued 2,076 compliance reports related to this responsibility.

Our duties also include issuing fire safety burn permits to individuals living outside city limits anywhere in Idaho, who plan to burn for any reason—including crop residue burning and excluding prescribed burns—during closed fire season. In calendar year 2019, IDL issued more than 18,802 fire safety burn permits with the help of the online resource: BurnPermits.Idaho.gov

The IDL’s work in fire management helps protect and preserve important endowment timber assets as well as millions of acres of private forestland and some federal lands.

The IDL enhances forest and rangeland management on state endowment timber lands by utilizing fire as a management tool while protecting local communities from wildfires by reducing fuels.

The IDL also supports and facilitates the creation of rangeland fire protection associations in Idaho, made up of ranchers who are professionally trained and legally allowed to utilize interagency fire suppression resources.

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**ACCOUNTS AND FUNDING**

**Revenue and Expenditures by Fund Type FY19**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Revenue</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>34,609,131</td>
<td>20,930,317</td>
</tr>
<tr>
<td>Other Permanent Funds</td>
<td>87,262,625</td>
<td>47,917,672</td>
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<tr>
<td><strong>Total Endowment Funds</strong></td>
<td><strong>121,871,756</strong></td>
<td><strong>78,848,089</strong></td>
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<tr>
<td>Federated Land Funds</td>
<td>5,500,000</td>
<td>5,500,000</td>
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<tr>
<td>Federal Funds</td>
<td>12,306,000</td>
<td>12,306,000</td>
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<tr>
<td>Fire Management</td>
<td>709,760</td>
<td>709,760</td>
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<tr>
<td>Support Services</td>
<td>3,031,780</td>
<td>3,031,780</td>
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<tr>
<td><strong>Total Federated Funds</strong></td>
<td><strong>20,548,480</strong></td>
<td><strong>20,548,480</strong></td>
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<tr>
<td>Environment Funds</td>
<td>1,500,000</td>
<td>1,500,000</td>
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<tr>
<td><strong>Total Environment Funds</strong></td>
<td><strong>1,500,000</strong></td>
<td><strong>1,500,000</strong></td>
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<tr>
<td>Federated Surface Acres</td>
<td>79,995,011</td>
<td>79,995,011</td>
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<td><strong>Total Federated Fund</strong></td>
<td><strong>80,493,491</strong></td>
<td><strong>80,493,491</strong></td>
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**ENDOWMENT FUND**

**Permanent Fund Revenue by Endowment and Asset Class FY19**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Revenue</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural College</td>
<td>$2,909,020</td>
<td>$149,127</td>
</tr>
<tr>
<td>University of Idaho</td>
<td>$21,367</td>
<td>$21,182</td>
</tr>
<tr>
<td>State Hospital South</td>
<td>$759</td>
<td>$759</td>
</tr>
<tr>
<td>Normal School</td>
<td>$2,909,020</td>
<td>$149,127</td>
</tr>
<tr>
<td>Penitentiary</td>
<td>$759</td>
<td>$759</td>
</tr>
<tr>
<td>Charitable Institutions</td>
<td>$21,182</td>
<td>$21,182</td>
</tr>
<tr>
<td>Total by Asset Class</td>
<td>$35,812,714</td>
<td>$2,324,057,112</td>
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**ENDOWMENT LAND STATUS**

**Surface Acres by Asset Class**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Surface Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural</td>
<td>2,477,660</td>
</tr>
<tr>
<td>University of Idaho</td>
<td>2,477,659</td>
</tr>
<tr>
<td>State Hospital South</td>
<td>729</td>
</tr>
<tr>
<td>Normal School</td>
<td>55,091</td>
</tr>
<tr>
<td>Penitentiary</td>
<td>55,091</td>
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<tr>
<td>Charitable Institutions</td>
<td>55,091</td>
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<tr>
<td>Total</td>
<td>3,112,606</td>
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**LAND NET INCOME BY ASSET CLASS**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>FY19 Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural College</td>
<td>$1,924,067</td>
</tr>
<tr>
<td>University of Idaho</td>
<td>$21,367</td>
</tr>
<tr>
<td>State Hospital South</td>
<td>$759</td>
</tr>
<tr>
<td>Normal School</td>
<td>$2,909,020</td>
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<tr>
<td>Penitentiary</td>
<td>$759</td>
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<tr>
<td>Charitable Institutions</td>
<td>$21,182</td>
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<tr>
<td>Total</td>
<td>$43,678,235</td>
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**ENDOWMENT LANDS FUND - FY19 VALUES & NET RETURNS**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>FY19 Value</th>
<th>FY19 Net Return</th>
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<tbody>
<tr>
<td>Endowment Lands</td>
<td>$3,812,714,662</td>
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<tr>
<td>Endowment Fund</td>
<td>$129,060</td>
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<tr>
<td>Combined</td>
<td>$32,250.90</td>
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**RANGELAND DIVESTED HISTORY BY ASSET CLASS**

<table>
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<th>FY</th>
<th>32</th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>FY1920</td>
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**LAND BANK REVENUE BY ENDOWMENT**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>34,609,131</td>
</tr>
<tr>
<td>Other Permanent Funds</td>
<td>87,262,625</td>
</tr>
<tr>
<td><strong>Total Endowment Funds</strong></td>
<td><strong>121,871,756</strong></td>
</tr>
</tbody>
</table>

**ENDOWMENT FUND**

**Permanent Fund Revenue by Endowment and Asset Class FY19**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural College</td>
<td>$2,909,020</td>
</tr>
<tr>
<td>University of Idaho</td>
<td>$21,367</td>
</tr>
<tr>
<td>State Hospital South</td>
<td>$759</td>
</tr>
<tr>
<td>Normal School</td>
<td>$2,909,020</td>
</tr>
<tr>
<td>Penitentiary</td>
<td>$759</td>
</tr>
<tr>
<td>Charitable Institutions</td>
<td>$21,182</td>
</tr>
<tr>
<td>Total by Asset Class</td>
<td>$35,812,714</td>
</tr>
</tbody>
</table>

**ACCOUNTANT’S STATEMENT**

We have examined and prepared the data presented in this annual report in accordance with generally accepted accounting standards and affirm it is true and accurate and reflects the activity of the Idaho Department of Lands and the State Board of Land Commissioners during fiscal year 2019.
<table>
<thead>
<tr>
<th>Asset Class/Endowment Revenue</th>
<th>Total Revenue</th>
<th>Net Income</th>
<th>Total Expense</th>
<th>Less: Expenses</th>
<th>Total Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Rentals and Bonuses</td>
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</tr>
</tbody>
</table>

*Direct program revenue includes only Earnings Reserve funds. **Includes all expenses related to Permanent Fund proceeds. ***Unlike the other endowments, timber sale revenues accrue to the permanent fund rather than the reserve.
The financial information below is excerpted from the audited financial statements located at efib.idaho.gov. Idaho Department of Lands manages the land assets, the Endowment Fund Investment Board manages the invested funds.

Annual distributions to endowment beneficiaries come from land revenues and earnings on the investment of those revenues. While Idaho Department of Lands manages the land assets, the Endowment Fund Investment Board manages the invested funds.

STATE OF IDAHO ENDOWMENT FUND – STATEMENT OF ACTIVITIES – FOR THE YEAR ENDED JUNE 30, 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings Reserve Net Position, beginning of year</td>
<td>$30,030,117</td>
</tr>
<tr>
<td>Permanent Net Position</td>
<td>$156,043,753</td>
</tr>
<tr>
<td>Earnings Reserve Net Position, end of year</td>
<td>$119,315,621</td>
</tr>
<tr>
<td>Permanent Net Position, end of year</td>
<td>$101,133,968</td>
</tr>
</tbody>
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<table>
<thead>
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<tr>
<td>Increase (Decrease) in Net Position</td>
<td>$30,030,117</td>
</tr>
<tr>
<td>Transfer from Earnings Reserve</td>
<td>$43,192,301</td>
</tr>
<tr>
<td>Transfer to Earnings Reserve</td>
<td>$15,063,180</td>
</tr>
<tr>
<td>Total Program Revenue</td>
<td>$1,026,454,837</td>
</tr>
<tr>
<td>Permanent Net Position, beginning of year</td>
<td>$1,068,216,995</td>
</tr>
<tr>
<td>Earnings Reserve Net Position</td>
<td>$1,421,426,003</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Position</td>
<td>$11,158,803</td>
</tr>
<tr>
<td>Transfer to Permanent Fund</td>
<td>$2,495,523</td>
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<tr>
<td>Total Program Expenses</td>
<td>$331,570,000</td>
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<td>Increase (Decrease) in Net Position</td>
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The financial information below is excerpted from the audited financial statements located at efib.idaho.gov.
ENDOWMENT FUND

STATE OF IDAHO ENDOWMENT FUND
GOVERNMENTAL BALANCE SHEET
AND STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES - JUNE 30, 2019

Current Assets:
- Cash with the State Treasurer: $21,023,795,895
- Investments, at Fair Value: 195,971,013
- Receivables From Unsettled Trades: 3,367,438
- Receivables From Idaho Department of Lands: 7,505,090
- Accrued Interest and Dividends Receivable: 7,505,090
- Prepaid Expenses to the Department of Lands: 1,966,355

Total Assets: $2,379,990,639

Current Liabilities:
- Payable for Unsettled Trades: $54,287,704
- Investment Manager Expenses Payable: 1,645,823

Total Liabilities: $55,933,527

Fund Balances:
- Nonspendable - Permanent Funds: $1,719,504,105
- Restricted - Earnings Reserve: 604,553,007

Total Fund Balances: $2,324,057,112

Statement of Net Position:
- Restricted for Permanent Trust - Nonexpendable: $2,379,990,639
- Restricted for Permanent Trust - Expendable: 66%
- Total Net Position - Governmental Activities: $1,719,504,105

PERMANENT FUND (26% of Permanent Fund)
- 66% Equities
- 26% Fixed Income
- 8% Real Estate
- (EFIB)

LAND ASSETS (Department of Lands)
- Land Sales
- Mineral Royalties
- Cumulative Gain Above Inflation

ENDOWMENT FUND INVESTMENT BOARD

STORY OF IDAHO'S ENDOWMENT ASSETS

PERMANENT ASSETS (Never Spent)
- AVAILABLE RESERVE (Stabilization Fund)
- SPENDABLE FUNDS (Appropriation)

GOVERNMENTAL ACTIVITIES

GOVERNMENTAL BALANCE SHEET

STATEMENT OF NET POSITION

ENDOWMENT FUND

LAND BANK (Reinvest land sale proceeds within five years)

Statement of the Position
- Breakdown for Permanent Trust - Nonrecognizable: $3,735,589,128
- Breakdown for Permanent Trust - Recognizable: 66%

Total Net Position - Governmental Activities: $2,379,990,639

ENDOWMENT FUND

STATEMENT OF NET POSITION

ENDOWMENT FUND

STATEMENT OF NET POSITION

ENDOWMENT FUND