When I took over as the Idaho Department of Lands Director in October of 2018, one of the values that guides our decisions stood out to me: stewardship.

Of course, the other values the Idaho Department of Lands identifies as central to our work—service, accountability, and cohesiveness—are equally important, but stewardship is foundational to our mission. In the management of more than 2.4 million acres of endowment lands, Idaho entrusts the Land Board and the Idaho Department of Lands as its administrative arm to manage endowment lands to "secure the maximum long-term financial return" to public schools and other beneficiaries. It isn't an accident that the writers of Idaho's Constitution highlighted "long-term" in their direction on the management of these lands.

Stewardship means we manage endowment lands sustainably so they remain healthy, productive, and resilient and promise to generate returns for generations to come. Stewardship is fundamental to the many other duties we perform apart from the direct management of endowment lands. The Idaho Department of Lands assists forest landowners in the management of private lands, and we help the U.S. Forest Service and Bureau of Land Management in the management of federal lands through Good Neighbor Authority. Our regulatory programs help ensure clean air and clean water and help protect fish and wildlife habitat. We also carry out some federal programs in the state and we help prevent and fight wildfire, minimizing the environmental consequences of catastrophic wildfires.

An emphasis on stewardship helps us promote the health and resilience of Idaho’s natural resources in the administration of all these duties. We cannot accomplish our mission in isolation. We accomplish our mission through partnerships. We partner with Idaho’s natural resource industries so they can work the lands and enable us to generate financial returns. Our sister agencies in state and federal government, local communities, organizations, and Idaho citizens partner with us in being good stewards of Idaho’s endowment lands and our abundant natural resources.

As Director, I plan to continue pushing our focus on stewardship, sustainable practices, and partnerships to further our multifaceted mission.

DUSTIN T. MILLER | Director
**PHILOSOPHY**

The Idaho Department of Lands: Trusted stewards of Idaho’s resources, from main street to mountain top.

**OUR VISION**

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

**OUR MISSION**

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

**OUR VALUES**

The Idaho Department of Lands believes in:

- **Stewardship** by making decisions and taking actions that positively affect long-term financial returns for the trust beneficiaries and enhance the health and resilience of Idaho’s natural resources.
- **Cohesiveness** by working as a unified organization in which all employees participate in constructive communication to fully meet our mission.
- **Accountability** by investing in and having an organizational culture and framework that equips, entrusts, 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.
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**LAND OWNERSHIP**

**MAJOR LAND OWNERSHIP & BREAKDOWN**

<table>
<thead>
<tr>
<th>Ownership Category &amp; Area</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Service (38%)</td>
<td></td>
</tr>
<tr>
<td>Private (30%)</td>
<td></td>
</tr>
<tr>
<td>Federal Other (2.9%)</td>
<td></td>
</tr>
<tr>
<td>Tribal (1.7%)</td>
<td></td>
</tr>
<tr>
<td>BLM (22.1%)</td>
<td></td>
</tr>
<tr>
<td>State IDL Endowment Land (4.6%)</td>
<td></td>
</tr>
<tr>
<td>State Other (0.5%)</td>
<td></td>
</tr>
<tr>
<td>Total Acres in Idaho: 53,130,860</td>
<td></td>
</tr>
</tbody>
</table>

**OFFICE LOCATIONS**

- Boise Staff Office - Boise
- Coeur d’Alene Staff Office - Coeur d’Alene
- Priest Lake Supervisory Area - Cocolalla
- Pend Oreille Lake Supervisory Area - Sandpoint
- Eastern Valley Forest Protective District - Bonners Ferry (part of Pend Oreille Lake Supervisory Area)
- Missoula Supervisory Area - Missoula
- Cataldo Forest Protective District - Kingston (part of Missoula Supervisory Area)
- St. Joe Supervisory Area - St. Maries
- Ponderosa Supervisory Area - Deary
- Clearwater Supervisory Area - Orofino
- Maggie Creek Supervisory Area - Kamiah (part of Maggie Creek and Clearwater Supervisory Areas)
- Payette Lakes Supervisory Area - McCall
- Southwestern Supervisory Area - Boise
- Eastern Supervisory Area - Idaho Falls
- Jerome Field Office (part of Eastern Supervisory Area)

**SUPPORT SERVICES DIVISION**

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The Idaho State Board of Land Commissioners (Land Board) consists of Idaho’s Governor, Secretary of State, Attorney General, Superintendent of Public Instruction, and State Controller.

In 1890, Idaho became the forty-third state of the Union. At that time, Congress granted millions of acres of land to the new State of Idaho for the sole purpose of funding specified beneficiaries, primarily the state’s public schools.

The mandate was included in the Idaho Constitution, which states the lands will be managed “in such a manner as will secure the maximum long-term financial return” to the beneficiary institutions.

The Land Board members are the stewards of state endowment trust lands in Idaho and more than two billion dollars of endowment funds. These land and financial resources generate tens of millions of dollars annually for the trust beneficiaries.

The Idaho Department of Lands and Endowment Fund Investment Board carry out the executive directives of the Land Board to meet its constitutional trust mandate and other duties.

Under the direction of the Land Board, the Idaho Department of Lands also administers Idaho's public trust lands – the lands beneath the beds of Idaho's navigable lakes and rivers — for the benefit of all Idahoans; ensures protection of water quality and other resources by overseeing forest and mining practices, remediation abandoned mine lands, and provides service and assistance to Idahoans through forestry and fire management programs.

The Land Board oversees the Idaho Board of Scaling Practices, the Clearwater-Potlatch Timber Protective Association, and the Southern Idaho Timber Protective Association.

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 assists the EFIB in overseeing the fund and the outside investment managers who make the day-to-day investment decisions.

Members of the EFIB are appointed by the Governor and confirmed by the Senate.

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Members of the EFIB are appointed by the Governor and confirmed by the Senate.

In overseeing the $2.2 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.

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 land, and hold sufficient reserves of undistributed income to absorb predictable down cycles in endowment earnings. It is precisely by avoid reductions in distributions because most beneficiaries depend on them to fund ongoing operations.

POLICY FOR ENDOWMENT FUND INVESTMENTS AND BENEFICIARY DISTRIBUTIONS

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ENDOWMENT FUND ASSET MIX

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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 are:

- Public School Endowment Fund
- Agricultural College Fund (at the University of Idaho)
- Charitable Institutions Fund (benefiting Idaho State University, State Juvenile Corrections Center, State Hospital North, Idaho State Veterans Homes, and Idaho School for the Deaf and Blind)
- Normal School Fund (benefiting the Idaho State University Department of Education and Lewis-Clark State College)
- Capital Permanent Fund (Capital building – major maintenance)
- State Hospital South Fund
- University Fund (at the University of Idaho)
- Penitentiary Fund
- School of Science Fund (at the University of Idaho)
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SUPPORT FUNCTIONS

Vital to the smooth operation of the entire department – including the Land Board and the Oil and Gas Conservation Commission – are the dedicated people who perform functions that support all divisions and operations within the agency.

SUPPORT SERVICES

INFORMATION TECHNOLOGY: The information technology (IT) team supports agency operations by implementing and maintaining internal and public-facing enterprise systems. The IT team manages the agency’s computing infrastructure to maintain strong information 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.

PROCUREMENT: There are two administrative staff members who facilitate updates to the Statement of Policies for IDL. During FY18, the strategic planning documenting the strategies, priorities, and governance was revised, and leadership teams.

STRATEGIC PLANNING: The strategic planning manager coordinates the processes for developing and formally documenting the strategies, priorities, and governance policies for IDL. During FY18, the strategic planning manager facilitated updates to the Statement of Investment Policy, reaffirmed recommendations in the Strategic Plan, and supported other strategic initiatives for executive and leadership teams.

REAL ESTATE SERVICES

LAND TRANSACTIONS: Real estate specialists work to strengthen the endowment land portfolio to improve management efficiencies and financial performance through acquisitions, land exchanges, sales, and commercial ground leasing. The team also manages the process of disposing of surplus state land owned by state agencies other than IDL.

APPRAISAL: The appraiser coordinates and oversees contracts with third-party appraisers and review appraisers to evaluate and determine the market value of endowment lands as well as potential acquisition properties. The appraiser also prepares appraisal reports for properties when a third-party appraiser is not necessary.

RIGHT-OF-WAY: Right-of-way permits and easements to third parties that need to cross endowment lands to access private property. The appraiser coordinates and oversees contracts with third-party appraisers and review appraisers to evaluate and determine the market value of endowment lands as well as potential acquisition properties. The appraiser also prepares appraisal reports for properties when a third-party appraiser is not necessary.

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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.
Idaho’s endowment lands contain some of the most diverse landscapes in the country. They include lakes, mountains, high forests, desert lands, rugged breaklands, and river valleys. Thousands of people use endowment lands each year for hunting, fishing, off-highway vehicle use, and other recreational activities.

The Land Board adopted a new recreation policy that affirms its support of continued recreational access to endowment lands for the general public where those activities do not conflict with the Land Board’s fiduciary obligations.

MEMORANDUM OF AGREEMENT

In support of the Land Board recreation policy, a new memorandum of agreement with the Idaho Fish and Game Commission will provide a new revenue stream to help protect continued recreational access to endowment lands. The revenue will compensate the endowments for recreational use and help with the costs incurred by IDL for management of recreational uses. The new policy and agreement will provide the Land Board with options to consider when evaluating competing recreation-related uses in the future.

OHV FUND

One dollar from every off-highway vehicle (OHV) registration goes to IDL to provide OHV opportunities and repair impacts directly related to OHV use. During FY18, IDL spent more than $179,000 of the OHV Fund on projects for mitigation and recreation enhancements.

96% of endowment lands are accessible via one or more transportation methods, including vehicle, foot or watercraft.
The IDL manages 1,138 grazing leases that cover 1,772,452 acres of endowment land located primarily in the southern two-thirds of Idaho. Grazing leases contributed an estimated 258,428 animal unit months (AUM) of forage to livestock operations in 2018.

In addition, IDL administers a portfolio of farming and conservation leases and permits that total approximately 57,762 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.

### Grazing, Agriculture & Conservation Leasing

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#### Leases

- Grazing: 1,138
- Oil & Gas: 568
- Commercial: 246
- Recreational: 79
- Agriculture: 70
- Cottage Sites: 184
- Minerals: 176
- Geothermal: 165
- Mining: 79
- Exploration Location: 72
- Wind Energy: 170
- Conservation: 20
- Residential: 112
- Public Trust: 7

#### Land Use Permit Total

- Grazing: 121
- Commercial: 38
- Mineral: 7
- Agriculture: 2
- Conservation: 2
- Residential: 2
- Public Trust: 2

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Sheep grazing on endowment land in Valley County. Hikers, bikers, UTV and ATV users also use the land for recreation.

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Lease & LUP Total: 2,529
COTTAGE SITE LEASING

The State of Idaho owns hundreds of acres of 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 FY18, IDL leased 176 cottage sites for nearly $2.5 million. Cottage site revenue continues to be part of the leasing program; however, the Land Board will offer the Voluntary Auction for Donation program for those who wish to purchase this land. Disposition of cottage sites will continue through 2024.

END OF FY18

MINERAL LEASING AND OIL & GAS LEASING

The IDL manages 3.3 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.

COMMERCIAL LEASING & LAND USE PERMITS

300 commercial leasing and land use permits brought in more than $2.8 million. Uses include cell towers, billboards, wind, military, and recreational uses.

A line in Valley County. The business is under a Recreational Use lease on endowment land.
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 Idaho Surface Mining 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 1,540 active surface mines and 27 active dredge and placer operations. To regulate all 1,567 of the mining permits, IDL divides Idaho into five mineral zones based on staffing availability.

RECLAMATION FUND

The Idaho Surface Mining 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 bonding at a fraction of the cost of regular methods to small surface mine operations. The IDL is responsible for overseeing 1,540 active surface mines and 27 active dredge and placer operations. To regulate all 1,567 of the mining permits, IDL divides Idaho into five mineral zones based on staffing availability.

The Idaho Geological Survey estimates there are approximately 8,500 abandoned mines in Idaho. The Idaho Legislature created the Abandoned Mine Lands 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 dozens of AML inspections, performed 14 orphaned mine closures, and advanced the environmental characterization of two potential large environmental cleanup projects.
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.

PUBLIC TRUST LAND MANAGEMENT

FY18 HIGHLIGHTS

ENCROACHMENT PERMITS: 338 ISSUED, 11,546 ACTIVE

SUBMERGED LAND LEASES: 36 NEW, 180 ACTIVE

SUBMERGED LAND EASEMENTS: 3 NEW, 1,319 ACTIVE

RIVERBED MINERAL LEASES: 0 NEW, 2 ACTIVE

RIVERBED EXPLORATION LOCATIONS: 0 NEW, 3 ACTIVE

An encroachment permit and a submerged land lease are required for commercial marinas such as this one on Kootenai County.
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.

A separate annual report for the Oil and Gas Conservation Commission was created for 2018. Visit ogcc.idaho.gov to view the report.

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.

Board Members:

- Dustin Miller | Chairman
- Jack Buell | Vice Chairman
- H. Larry Stewart | Secretary
- Trevor Stone
- Brett Bennett
- Alan Harper

Executive Director:

Russell (Russ) Hogan

The Idaho Board of Scaling Practices

IDaho SPRING Scaling Examination Held at the PotlatchDeltic Mill in St. Maries, Idaho.
The IDL is working with the U.S. Forest Service and Bureau of Land Management to carry out more forest, rangeland, and watershed restoration projects on federal lands through the “Good Neighbor Authority” granted under the 2014 Farm Bill. The partnership is increasing the pace and scale of restoration on federal lands.

Revenues generated from GNA projects, including the sale of timber, will offset costs incurred by the state and fund additional management activities such as environmental planning, prescribed fires, habitat improvements, or road and trail maintenance.

A new Good Neighbor Bureau will provide the organizational structure needed to oversee restoration activities occurring under the Good Neighbor Authority. Eight new positions will help IDL keep pace with the expanding workload.

IDAHO GOOD NEIGHBOR AUTHORITY

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RESTORATION SERVICE CONTRACTS

Service contracts paid through GNA program funds are used to increase active management on federal land. In FY18, $1.1 million in contracts were awarded to the private sector for work that included:

- Project Planning/Design
- Project Monitoring
- Project Field Preparation
- Noxious Weeds Treatment
- Hazard Management
- Riparian Protection

In 2014, the governors in states with national forests were given the opportunity to request insect and disease area designations to address infestations. Initially 1.8 million acres in Idaho qualified for Insect & Disease Designation. Since then, 2.8 million more acres have been designated, with another half million acres pending.

IDAHO STATE ENDOWMENT LAND

NATIONAL FORESTS

BUREAU OF LAND MANAGEMENT

WILDLAND URBAN INTERFACE

PRIORITY INSECT & DISEASE DESIGNATION

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IDAHO STATE ENDOWMENT LAND

NATIONAL FORESTS

BUREAU OF LAND MANAGEMENT

WILDLAND URBAN INTERFACE

Proposed Good Neighbor Authority project on the Nez Perce-Clearwater National Forest.


**Forest Management**

- **FY18 Timber Harvest & Receipts**
  - 1,630,000 tree seedlings grown and planted on 5,200 acres
  - Timber harvested: 255.5 MMBF
  - 48,831 truckloads of forest products hauled
  - Revenue: $66.2 million

**Harvest + Reforestation**

- **Renewable Resource**
  - Benefits wildlife, promotes clean air and clean water, and ensures revenues for today’s students as well as future generations.

**Average Timber Prices**

<table>
<thead>
<tr>
<th>Product Type</th>
<th>FY18</th>
<th>FY17</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ponderosa</td>
<td>$297.56</td>
<td>$295.56</td>
<td>$293.56</td>
</tr>
<tr>
<td>St. Joe</td>
<td>$38.51</td>
<td>$36.25</td>
<td>$34.06</td>
</tr>
<tr>
<td>Mag Creek</td>
<td>$1,620.50</td>
<td>$1,630.00</td>
<td>$1,570.00</td>
</tr>
</tbody>
</table>

**Fire Forestry Land & Waterways**

- **Introduction**
  - Forest products were no longer sold by the lineal foot. Cedar poles were sold by board foot and factored into total sawlog MBBF totals. For FY18, a total of 20,259 poles were offered for sale on a board foot basis.

**Timber Harvested - FY18**

- Total harvested volume: 255,544 MBBF

**Timber Sold - FY18**

- Total sale volume: 264,000 MBBF

**Account Statements**
Insects and diseases can present major health problems for Idaho forests. Staff members provide technical assistance and training to forest landowners and managers to minimize risks and hazards from insects and diseases. Focus is on prevention, suppression, and restoration of forests before, during, and after an insect or disease outbreak.

60 training sessions conducted 4,129 participants

800 ACRES OF PRIVATE FORESTLAND IMPROVED

310 REQUESTS FOR LANDSCAPE SCALE RESTORATION GRANT PROJECTS

URBAN AND COMMUNITY FORESTRY

Enhancing Communities through the Promotion of Tree Canopy Benefits

In our communities, trees reduce air and noise pollution, conserve water, save energy, reduce soil erosion, beautify areas, enhance economic vitality, and improve human health. The IDL supports a wide range of activities to reduce wildfire impacts on communities. Activities include vegetation management, planning, and education.

FIRE MITIGATION PROJECTS BY COUNTY

- 30 projects completed in 2018
- 201 projects initiated 2018-2019
- $2,775,000 in federal grants
- 254 new or revised Forest Stewardship Plans for forest owners
- 1,271 acres of private forestland improved
- 600 students participated in Idaho Forest Service’s Forest Stewardship Program
- 25,000 acres restored beneath the Idaho Forest Practices Act (FPA), a law created in 1974 to encourage fire management and ensure the health of forest soil, water, vegetation, wildlife, and aquatic habitat is maintained during the growing and harvesting of forest trees in Idaho.

The Idaho Forest Legacy Program (IFLP), created in 1987, offers federal funding to provide on-ground forestland improvements for thousands of acres and dozens of communities in Idaho.

In 2018, 1,311 inspections conducted on 1,077 distinct operations.

Wildfire Mitigation

Building Fire Resiliency on Private Forestlands and in Communities

Fire risk not only applies to the vegetative components associated with the many landscapes found throughout Idaho, but also to the communities and individuals that call these same areas home. The IDL supports a wide range of activities to reduce wildfire impacts on communities. Activities include vegetation management, planning, and education.
2018 FIRE SEASON

259 FIRES
81% OF 20-YEAR AVERAGE

47,766 acres
63% OF 20-YEAR AVERAGE

AVG FIRE SIZE = .2 ACRE
MEDIAN FIRE SIZE = .00 ACRE

FOREST PROTECTIVE DISTRICTS
Wildfire response in Idaho is primarily organized by IDL, the U.S. Forest Service, and the Bureau of Land Management. Ten IDL forest protective districts and two forest protective associations have lead fire response duties on 6.3 million acres of land owned mostly by private entities and the State of Idaho. The districts and associations, with the support of the Fire Management Bureau, promote and carry out the work of the IDL fire management program. Federal land management agencies provide fire protection on the majority of their lands statewide.

IDL FIRES BY CAUSE

- Arson
- Smoking
- Lightning
- Equipment Use
- Campfire
- Equipment Use
- Fireworks
- CPTPA
- Other

IDL FIRES BY REGION / DISTRICT

- Southern
- Panhandle
- North Central
- Idaho
- Other

STATEWIDE ACRES BURNED: PROTECTION AGENCY*

- Federal
- State
- North Central
- Panhandle
- Other

STATEWIDE ACRES BURNED: OWNERSHIP*

- State
- Federal
- North Central
- Panhandle
- Other

FOREST PROTECTIVE DISTRICTS

- Existing
- Proposed
- Not Protected

EXISTING

- IDL
- Forest Service
- BLM
- NPS
- Other

PROPOSED

- CPTPA
- SITPA
- DEARY
- KOOTENAI VALLEY
- COOLIN
- CRAWFORD
- OROFINO
- EAST IDAHO
- KINGSTON
- MICA
- WEST ST. JOE
- BONNERS FERRY
- SOUTHWEST IDAHO
- MCCALL
- CPTPA
- SITPA
- OTHER

MEDIAN FIRE SIZE = .00 ACRE
AVERAGE FIRE COST = $55,250

FIRE MANAGEMENT

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 wildland fires on more than six million acres of state, private, and federal forest and rangeland 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 31, 2018, IDL issued 1,905 compliance related to this responsibility. Our duties also include issuing fire safety burn permits to individuals living on federal city limit loopholes in Idaho, who wish to legally burn for any reason—including crop residue burning and excluding recreational campfires—during closed fire season. In calendar year 2018, IDL issued more than 15,477 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 land by utilizing fire as a management tool while protecting local communities from wildfires by reducing fuels.

The IDL also supports and helps facilitate 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.

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 helps facilitate 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.

2018 FIRE SEASON COST

- $19,500,000
- $8,500,000
- $28,000,000
- $100,000
- $0

*Estimates as of October 24, 2018. Due to billing cycles across fire protection agencies, the true cost of a single fire season is not known for several years.

INTRODUCTION IDL - 2018 ANNUAL REPORT

ACCOUNT STATEMENTS

FORESTRY

FIRE

Lands & Waterways

INFORMATION RESOURCES

PROTECT RESOURCES

MINIMIZE SUPPRESSION COSTS

PUT OUT FIRES AS QUICKLY AS POSSIBLE

IDL firefighters assisting on a fire in Wyoming.
ACCOUNTANTS’ 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 2018.

DEBBIE BUCK
Financial Officer

ENDOWMENT FUNDS

PERMANENT FUND REVENUE BY ENDOWMENT CLASS

<table>
<thead>
<tr>
<th>Account Title</th>
<th>Public School</th>
<th>Agricultural College</th>
<th>Charitable Institutions</th>
<th>Farmland</th>
<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>1,079,174</td>
<td>1,464,234</td>
<td>41,919</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,079,174</td>
<td>1,464,234</td>
<td>41,919</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Sales</td>
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<td>1,464,234</td>
<td>41,919</td>
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<td></td>
</tr>
<tr>
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<td>1,464,234</td>
<td>41,919</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent Fund Revenue</td>
<td>1,079,174</td>
<td>1,464,234</td>
<td>41,919</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ENDOWMENT LAND STATUS

SURFACE ACRES BY ASSET CLASS

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Public School</th>
<th>Agricultural College</th>
<th>Charitable Institutions</th>
<th>Farmland</th>
<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres</td>
<td>1,241,194</td>
<td>1,316,410</td>
<td>1,350,576</td>
<td>11,900.99</td>
<td>1,426,748</td>
</tr>
<tr>
<td>FY18 Net Return</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farmland</td>
<td>1,241,194</td>
<td>1,316,410</td>
<td>1,350,576</td>
<td>11,900.99</td>
<td>1,426,748</td>
</tr>
<tr>
<td>Commercial</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Institutional</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Residential</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
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</table>

LAND BANK REVENUE BY ENDOWMENT

<table>
<thead>
<tr>
<th>Account Title</th>
<th>Public School</th>
<th>Agricultural College</th>
<th>Charitable Institutions</th>
<th>Farmland</th>
<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>253,350</td>
<td>1,000,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Subtotal</td>
<td>253,350</td>
<td>1,000,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>253,350</td>
<td>1,000,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Subtotal</td>
<td>253,350</td>
<td>1,000,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Permanent Fund Revenue</td>
<td>253,350</td>
<td>1,000,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

RANGELAND LAND FACTORS

SURFACE ACRES BY ASSET CLASS

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Public School</th>
<th>Agricultural College</th>
<th>Charitable Institutions</th>
<th>Farmland</th>
<th>Timberland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres</td>
<td>109,754</td>
<td>881</td>
<td>881</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY18 Net Return</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farmland</td>
<td>109,754</td>
<td>881</td>
<td>881</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Institutional</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Residential</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
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<tr>
<td>Total</td>
<td>129,754</td>
<td>108,1</td>
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<td>108,1</td>
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</tbody>
</table>
## ENDOWMENT TRUST LANDS

### INCOME STATEMENT

<table>
<thead>
<tr>
<th>Public School</th>
<th>Agricultural College</th>
<th>Charitable Institutions</th>
<th>Normal School</th>
<th>Pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>Total Revenue</strong></td>
<td><strong>Total Revenue</strong></td>
<td><strong>Total Revenue</strong></td>
<td><strong>Total Revenue</strong></td>
</tr>
<tr>
<td>Minerals Rentals and Bonuses</td>
<td>Oil and Gas Rentals and Bonuses</td>
<td>Commercial Real Estate</td>
<td>Timberland</td>
<td>Residential Real Estate</td>
</tr>
<tr>
<td>$24,858,713</td>
<td>$18,334,407</td>
<td>$43,193,119</td>
<td>($232,793)</td>
<td>$124,590</td>
</tr>
<tr>
<td>(232,793)</td>
<td>175,060</td>
<td>124,590</td>
<td>124,590</td>
<td>0</td>
</tr>
<tr>
<td>$24,625,920</td>
<td>$18,249,347</td>
<td>$43,317,619</td>
<td>($247,383)</td>
<td>0</td>
</tr>
</tbody>
</table>

### Total Revenue

<table>
<thead>
<tr>
<th>Total Revenue</th>
<th>Total Revenue</th>
<th>Total Revenue</th>
<th>Total Revenue</th>
<th>Total Revenue</th>
</tr>
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<tbody>
<tr>
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<td>$18,249,347</td>
<td>$43,317,619</td>
<td>($247,383)</td>
<td>0</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Public School</th>
<th>Agricultural College</th>
<th>Charitable Institutions</th>
<th>Normal School</th>
<th>Pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>Total Expense</strong></td>
<td><strong>Total Expense</strong></td>
<td><strong>Total Expense</strong></td>
<td><strong>Total Expense</strong></td>
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<tr>
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<td>Commercial Real Estate</td>
<td>Timberland</td>
<td>Residential Real Estate</td>
</tr>
<tr>
<td>($134,267)</td>
<td>(60,855)</td>
<td>356,321</td>
<td>(17,076)</td>
<td>11,323</td>
</tr>
<tr>
<td>(60,855)</td>
<td>356,321</td>
<td>(17,076)</td>
<td>11,323</td>
<td>0</td>
</tr>
<tr>
<td>($195,122)</td>
<td>285,176</td>
<td>339,297</td>
<td>92,407</td>
<td>0</td>
</tr>
</tbody>
</table>

### Total Expense

<table>
<thead>
<tr>
<th>Total Expense</th>
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<td>285,176</td>
<td>339,297</td>
<td>92,407</td>
<td>0</td>
</tr>
</tbody>
</table>

### Net Income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public School</td>
<td>Agricultural College</td>
<td>Charitable Institutions</td>
<td>Normal School</td>
<td>Pandemic</td>
</tr>
<tr>
<td>$23,491,755</td>
<td>$16,599,490</td>
<td>$42,055,326</td>
<td>($230,573)</td>
<td>0</td>
</tr>
</tbody>
</table>

### Total Net Income

<table>
<thead>
<tr>
<th>Total Net Income</th>
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<tr>
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<td>$16,599,490</td>
<td>$42,055,326</td>
<td>($230,573)</td>
<td>0</td>
</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.*
ENDOWMENT FUND

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.

The financial information below is excerpted from the audited financial statements located at edfs.idaho.gov.

**STATE OF IDAHO ENDOWMENT FUNDS – STATEMENT OF ACTIVITIES – FOR THE YEAR ENDED JUNE 30, 2018**

<table>
<thead>
<tr>
<th>Statement of Activities</th>
<th>For the Year Ended June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total NET POSITION</strong></td>
<td></td>
</tr>
<tr>
<td>Earnings Reserve Net Position</td>
<td>1,026,454,837</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Position</td>
<td>(92,083,000)</td>
</tr>
<tr>
<td>Transfer from Permanent Fund</td>
<td>2,260,836</td>
</tr>
<tr>
<td>Transfer to Permanent Fund</td>
<td>0</td>
</tr>
<tr>
<td>Net Program Revenue</td>
<td>146,096,949</td>
</tr>
<tr>
<td>Total Program Expenses</td>
<td>92,480,588</td>
</tr>
<tr>
<td>Increase (Decrease) in Permanent Net Position</td>
<td>92,083,000</td>
</tr>
<tr>
<td><strong>Earnings Reserve Net Position</strong></td>
<td>30,030,117</td>
</tr>
<tr>
<td><strong>Total NET POSITION</strong></td>
<td>1,056,584,950</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Program Revenues</strong></th>
<th>For the Year Ended June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>1,026,454,837</td>
</tr>
<tr>
<td>Crop Insurance</td>
<td>343,711,519</td>
</tr>
<tr>
<td>Forest Revenues</td>
<td>3,395,190</td>
</tr>
<tr>
<td>Hunting Fees</td>
<td>102,480,588</td>
</tr>
<tr>
<td>Non-Forest Revenues</td>
<td>92,083,000</td>
</tr>
<tr>
<td>Oil and Gas Royalties</td>
<td>2,260,836</td>
</tr>
<tr>
<td>Total Program Revenues</td>
<td>1,466,404,767</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total NET POSITION</strong></th>
<th>For the Year Ended June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings Reserve Net Position</td>
<td>30,030,117</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Program Expenses</strong></th>
<th>For the Year Ended June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>30,030,117</td>
</tr>
<tr>
<td>Crop Insurance</td>
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<td>Hunting Fees</td>
<td>92,083,000</td>
</tr>
<tr>
<td>Non-Forest Revenues</td>
<td>2,260,836</td>
</tr>
<tr>
<td>Oil and Gas Royalties</td>
<td>0</td>
</tr>
<tr>
<td>Total Program Expenses</td>
<td>1,466,404,767</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Program Expenses</strong></th>
<th>For the Year Ended June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>30,030,117</td>
</tr>
<tr>
<td>Crop Insurance</td>
<td>3,395,190</td>
</tr>
<tr>
<td>Forest Revenues</td>
<td>102,480,588</td>
</tr>
<tr>
<td>Hunting Fees</td>
<td>92,083,000</td>
</tr>
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</tbody>
</table>
STATE OF IDAHO ENDOWMENT FUNDS
GOVERNMENTAL BALANCE SHEET
AND STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES – JUNE 30, 2018

Current Assets:
- Cash with the State Treasurer
- Investments, at Fair Value
- Receivable for Unsettled Trades
- Receivable From Idaho Department of Lands
- Accrued Interest and Dividends Receivable
- Prepaid Expenses to the Department of Lands

Total Assets

Current Liabilities:
- Payable for Unsettled Trades
- Investment Manager Expenses Payable

Total Liabilities

Fund Balances:
- Nonspendable - Permanent Funds
- Restricted - Earnings Reserve

Total Fund Balances

Total Liabilities and Fund Balances

Statement of Net Position:
- Restricted for Permanent Trust - Nonexpendable
- Restricted for Permanent Trust - Expendable

Total Net Position - Governmental Activities