



## 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

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

Final Minutes  
State Board of Land Commissioners Regular Meeting  
August 15, 2023

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, August 15, 2023 at the State Capitol, Lincoln Auditorium WW02, Lower Level, West Wing, 700 West Jefferson St., Boise, Idaho, and via webinar. The meeting began at 9:00 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

For the record, Governor Little, Secretary of State McGrane, Attorney General Labrador, and Superintendent Critchfield attended at the physical location; Controller Woolf attended via Zoom webinar. Controller Woolf excused himself briefly to attend other state business.

*[Editor's note: the Discussion portions, if any, for agenda items may be written in first-person format. This is not a verbatim transcript.]*

**1. Department Report** – Presented by Dustin Miller, Director

**Trust Land Revenue**

A. Timber Sales – July 2023

**Discussion:** None.

B. Leases and Permits – July 2023

**Discussion:** Governor Little asked if the million dollar forecast for residential is adjusted to reflect cottage site sales. Director Miller replied that it is.

## Status Update

### C. Fire Season

**Discussion:** Governor Little commented that the Department is getting on fires early and putting them out, and trusts the team is staying safe out there. Secretary of State McGrane mentioned that he visited the Goldrun Fire to see the transition with the Incident Command team and Julia [Lauch] was amazing. Casper [Urbanek] and Julia showed him around, showed him the ropes. Secretary of State McGrane clarified that he did not get near any flames whatsoever; he had a firsthand experience eating dinner and talking with some of the hand crew from Moscow. Secretary of State McGrane remarked that it was great to listen and discuss some of the things that they were facing; he heard that recruitment is one of the challenges so talking to Julia and some of the other folks was a great opportunity for him. Governor Little said he was in north Idaho the week prior to the meeting and there were quite a few questions about several of the fires that are still under investigation. Governor Little asked if Director Miller has sufficient resources for arson investigations. Director Miller responded that the Department has a robust investigation process, with a program manager whose full-time job is to oversee that process. The Department has internal staff, works with partners in law enforcement and the Attorney General's office. The investigation team analyzes fires, determines if there was negligence and if there was negligence, the Department proceeds with cost recovery efforts to recover as much as possible from the guilty party. Director Miller thanked Governor Little and Secretary of State McGrane for their accolades for Department firefighters and teams. Director Miller expressed pride and appreciation for the firefighters and the work they do every year on these fires.

### D. Land Revenue Forecast

**Discussion:** Governor Little wondered why the Capitol Fund is losing money every year. Mr. Elbin replied that the Capitol Fund is quite small, and Department activities occur sparingly on those endowment parcels. The Capitol Fund will have expenditures due to timber sale activities and forecast for the next few years for planting and follow up treatment. Governor Little clarified that the maintenance expense of the parcels is more than the income estimate for the next four years. Mr. Elbin said yes.

For the record, Controller Woolf rejoined the meeting at approximately 9:20 a.m.

## Consent—Action Item(s)

- 2. Disclaimer of Interest Request DI800274-Ruth H Barker and Paul E. Barker Trustees In trust of the Ruth Barker Family IVRT, Bear Lake** – *Presented by Eric Wilson, Bureau Chief-Resource Protection and Assistance*

**Discussion:** Governor Little noted the \$300 application fee for disclaimers and inquired if the applicant is then billed for the actual cost to the Department or is the state losing money on this. Mr. Wilson confirmed the initial application fee of \$300 for all disclaimers. There is an additional minimum payment of \$300. If staff time and effort exceed that amount, the Department bills actual costs. Mr. Wilson indicated that in this case staff time did exceed that amount of effort, and the Department is asking for an additional payment of \$800. Governor Little questioned that all the work on this disclaimer was only worth \$1,100. Mr. Wilson stated that amount is correct. Governor Little commented that this is one slice of all the owners on the lake and asked if the

Department will come back before the Board over and over. Mr. Wilson acknowledged there are several dozen parcels around Bear Lake that fall into the same situation. The disclaimer process is on a landowner initiated basis; when landowners need to clear up title for insurance purposes or development or other reasons, they come to the Department with a request to clear up their title. Governor Little directed the question to Director Miller if the Land Board needs a policy for disclaimers on lakes, similar to the recent policy for disclaimers on streams. Director Miller offered to investigate that.

**Recommendation:** Direct the Department to issue a Disclaimer of Interest for one parcel totaling 0.4 acres of the former bed of Bear Lake, to Ruth H Barker and Paul E. Barker Trustees in trust of the Ruth Barker Family IVRT following their payment to the Department of the remaining processing fee of \$800.

### 3. Approval of Draft Minutes – July 18, 2023 Regular Meeting (Boise)

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

### Regular—Action Item(s)

#### 4. Endowment Fund Investment Board Report – *Presented by Chris Anton, EFIB Manager of Investments, and Janet Becker-Wold, Callan Senior Vice President and Manager*

- A. Manager's Report
- B. Investment Report

**Discussion:** Mr. Anton noted that his reports were the normal monthly investment performance report and a request for approval of the fiscal year 2025 beneficiary distributions. Beneficiary distributions are considered every August so those agencies can factor the distributions into their budgets. Mr. Anton added that Janet Becker-Wold from Callan is a guest for this meeting. Earlier this year there were some questions about transfers out of the Land Bank Fund and staff thought it might be helpful if the Land Board received an overview of the history of all the work that the Land Board has done over the last 10 years or so in considering the policies related to use of money in the Land Bank. Ms. Becker-Wold will provide an educational overview today.

Starting with the investment performance report, Mr. Anton stated that financial markets were very strong in July driven by some healthy macroeconomic trends. The portfolio was up 2.2%. The Federal Reserve and other central banks appear to be nearing the peak of interest rate hikes. Inflation continues to gradually moderate and economic growth and labor markets remain resilient. Mr. Anton noted the Federal Reserve raised interest rates 0.25% in July bringing its funds target range to 5.25 to 5.5%. Federal Reserve Chair Jerome Powell made it clear that the Federal Reserve is approaching the peak rate and any future increases would be moderate. Mr. Anton reported that headline inflation declined from 9.1% in June of 2022 to 3% in June [2023] and 3.2% in July [2023]. Core inflation remains elevated at 4.7% as demand for services remains healthy. Wage growth has yet to moderate significantly and shelter costs, because of the lag time in leases for rentals renewing, has yet to fully roll over and bring down the core inflation rate. The second quarter GDP reflected annualized growth of 2.4%, well above estimates of 1.8%. It seems to be this perfect combination of things: the Federal Reserve raised rates, inflation came

down, and yet the economy has remained very resilient in the markets. Mr. Anton commented that the portfolio gave back most of those gains and through yesterday [8/14] was close to break-even.

C. FY2025 Beneficiary Distributions and Transfers

**Recommendation:** The Endowment Fund Investment Board recommends that the Land Board approve FY2025 beneficiary distributions of \$103,221,600 and transfers to the Permanent Fund of \$28,070,000. The transfers to the Permanent Fund will not be included in the Gain Benchmark.

**Discussion:** Mr. Anton started with an overview of the Land Board's distribution policy, the first part of which is to distribute 5% of a 3-year average value for each permanent fund's balance with the exception of State Hospital South where 7% is used. The Land Board has discretion to adjust that formulated calculation if reserves are below target levels, if the permanent fund is below the gain benchmark, or if there are other relevant factors for example if Lands revenue was expected to decline dramatically. Mr. Anton mentioned the second part of the policy is to maintain earnings reserves at target levels based on years of beneficiary distributions. Current target levels are 7 years. The third part of the policy is to consider transferring excess reserves into the permanent fund, to the extent there are reserves above those target levels. That allows the distributions to grow again because distributions are based on the permanent fund balances. Mr. Anton indicated at the end of fiscal year 2023, the endowment fund generated a return of 10.9% and the calculated inflation rate was 6.3% which gave a net real return of 4.6%. Mr. Anton explained inflation is calculated as a 12 month average of the published CPI (Consumer Price Index). The permanent fund's 4.6% return moved into the earnings reserves at year-end and brought reserve levels up very close to target, or slightly above. Mr. Anton noted the Department was in a very healthy place as Director Miller indicated earlier, with a net revenue of \$52.3 million from Lands which covered slightly more than half of the beneficiary distributions. Fiscal year 2024 beneficiary distributions were \$100.3 million and \$52.3 million of those were funded by the Department of Lands. Earnings reserve levels, with the exception of Public School at 6.6 years and State Hospital South at 6.3 years, exceeded target levels, a very healthy place at the end of the year. Mr. Anton referred to the chart on page 5 of the attachment, which shows a history of distributions from fiscal year 2017 through current fiscal year 2024. Beneficiary distributions have grown from \$63.2 million per year to \$100.3 million per year. Mr. Anton recommended that the Land Board increase distributions to \$103.2 million in fiscal year 2025, a 2.9% increase, and in addition that earnings reserves above the 7 year target level, \$28.1 million, be moved back into the permanent fund. Page 6 of the report contains the detail of the recommendation: approve fiscal year 2025 beneficiary distributions of \$103,221,600 and transfer \$28,070,000 from the earnings reserves back into the permanent fund.

**Board Action:** A motion was made by Secretary of State McGrane that the Land Board direct the distribution of \$103,221,600 to the beneficiaries and transfer \$28,070,000 to the Permanent Fund. Attorney General Labrador seconded the motion. The motion carried on a vote of 5-0.

#### D. History of Endowment Reform and Callan's Work

**Discussion:** Secretary of State McGrane commented that going through the history, and the divestment of the cottage sites, it looks like it created less diversity among the portfolio. The Department has much more locked up in timberlands now than perhaps it ever had. Secretary of State McGrane recognized what the intent was, but the outcome appears to be different, and it seems like the Land Board is at a point of needing to reassess how this is working.

Ms. Becker-Wold noted that it was not that cottage sites were not a profitable investment, it was not the best use of the Department's expertise. Rather than considering it a loss of land assets, consider it a gain in the financial assets. Focus on the assets as a whole was the context.

Secretary of State McGrane pointed out that those real estate values skyrocketed over the last decade. Ms. Becker-Wold agreed and said the Land Board could have waited to sell, but back in 2016 they could not predict the market, and there were political issues as well. At the time, it was a prudent decision by the Land Board to sell cottage site parcels and reinvest in real estate in the endowment fund, and in other land acquisitions that could be accreted based on hurdle rates for lands. Secretary of State McGrane indicated an interest in learning more about the risk calculations on the land assets such as how the risk of fire is incorporated. There are risks from the home building market and economic factors that are considered; the State pays a lot of money to try to stop fires and when the Department is acquiring timberland there is a likelihood that the asset is going to burn. There is a probability that some land burns every year, it varies, but there is some threshold that can be calculated. Ms. Becker-Wold said that rather than trying to calculate it as a risk, it is captured by penalizing the return. It costs more to put money into lands than it costs to put money into the S&P 500; that is taken into consideration. There are fees on the financial side, but they are diminished compared to the cost to maintain the land, acquire the land, and then do the fire mitigation. There is a standard deviation that reflects the history of the land returns which would incorporate any kind of impact that fire might have had on the return.

#### 5. FY2025 Department of Lands Budget Enhancements – Presented by Dustin Miller, Director

**Recommendation:** Direct the Department to include the enhancement requests as outlined in Attachment 1 in the Fiscal Year 2025 budget proposal due on September 1, 2023.

##### **Discussion:**

**Secretary of State McGrane:** My experience in talking to Casper and meeting with fire crews, and Scott [Phillips] and his team highlighting recruitment challenges and retention challenges with some of the fire crews, in what ways are we doing anything related to that in the budget. I know that these are only the enhancements so there is the base budget. Is there anything in consideration?

**Director Miller:** Thank you, Governor and Secretary McGrane. That is a big concern, our pay structure for our firefighters: men and women on the fire line, rank and file folks who are permanent fire staff, from the engine captains all the way up to the warden positions. We are competing against the federal government continuously for firefighters. We offer a different kind of culture at IDL, how we fight fire, how we approach fire. We are safe in how we do things; we do things aggressively and we work hard to get these fires out because the public and our assessment-paying timberland owners expect that of us. We are looking at pay structures; we

are trying to get creative on how we can pay our folks more. It is a struggle for us. The concern for me is if we adjust pay at the entry level, then we are looking at compression issues all the way up through the fire ranks as well as other positions that are non-fire in those same job classes. We are mulling around ideas to assist in pay and assist in recruitment. We bumped our rookie firefighters up to a minimum of \$15 an hour which closed the gap a bit with the federal government, but incentive bonuses have been provided through the Infrastructure Act at the federal level that may be made permanent in some form, and we will continue to play catch up.

**Secretary of State McGrane:** Just to clarify, it is not just the entry level and getting those folks but really that retention. When I talked to the fire crews, they mentioned the incentives that the feds are paying are enticing. You are right, the culture aspect is there, but in terms of the initial recruitment even something as small as an allowance for boots; it is a \$500 expense for an 18-year-old kid just to join the team. Little things like that can go a long way in terms of the decision to join BLM or join IDL. A concern is what are we doing to retain the experienced people. It sounds like we are all training; there is not enough experienced firefighters returning. We are training them, the forest service hires them, and then BLM; we are just trading around the same people.

**Director Miller:** We do need to get creative in our retention strategies. I am glad you mentioned the boot policy because we are talking about that this month as an executive team, and also seasonal housing. We acquired a facility in Kamiah; that is a starting point. Michele Andersen, our Operations Division Administrator is presenting other options for continuing efforts to purchase seasonal housing to offset that cost to seasonal firefighters as well as timber staff. There is nothing in here right now about bumping pay up. We are having those conversations and welcome additional conversations with Land Board staff members about some of these ideas. Again, we need to look at compression issues; if we bump up one category, what does that mean to the upper level positions as well as the other types of positions in those same pay grades. We will be discussing this more with Land Board staff as well as the members as we progress.

**Controller Woolf:** One of the questions I have is on the fund types, for example the legislature is going to keep a close eye on the general fund and the percentage increase. We are also watching closely the earnings reserve fund and the dedicated fund and the impact there. How do you and your executive team look at your spending, what percentages and how you allocate the decision units. The Board just passed a \$103 million beneficiary distribution; how much does the Department coordinate and work with EFIB to reduce our expenses so our net can be increased. We have our gross but when we expend, we are just reducing our net. How do you build out your budget like this and determine what is general fund and what comes out of earnings reserve or the Lands' dedicated fund?

**Director Miller:** We are cognizant of all the fund sources, we want to be as clean as possible, but we recognize there are a lot more demands on the Department to provide services. Foremost to the endowments to continue to meet our mandate to increase revenue there as well as the services that are provided to the public. We evaluate all of this very carefully. You mentioned the earnings reserve fund, Mr. Controller, there is an impact there this year. Most of our revenue by far comes from timber; we continue to increase revenue on the timber side and that is increasing costs for us. Tree coolers are a big cost on the earnings reserve side, continuing to increase the cut as well as replant is taking more funding to continue to generate income for the

endowments. We want to be as cost-effective as possible to make sure distributions to the endowments continue to increase based on the work from Lands as well as the permanent fund.

**Board Action:** A motion was made by Superintendent Critchfield that the Land Board direct the Department to include the proposed budget enhancements as outlined, in the Fiscal Year 2025 budget proposal. Controller Woolf seconded the motion. For the record, Governor Little recused himself from this vote. The motion carried on a vote of 4-0.

**6. Negotiated Rulemaking for IDAPA 20.04.01, Rules Pertaining to Forest Fire Protection –**  
*Presented by Craig Foss, State Forester/Division Administrator-Forestry and Fire*

**Recommendation:** Authorize the Department to initiate negotiated rulemaking for IDAPA 20.04.01 *Rules Pertaining to Forest Fire Protection*.

**Discussion:** Governor Little asked if this is a fee rule. Mr. Foss replied it is not a fee rule; assessments are in statute.

**Board Action:** A motion was made by Superintendent Critchfield that the Land Board authorize the Department to move forward with negotiated rulemaking for IDAPA 20.04.01 as indicated. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

**7. Negotiated Rulemaking for IDAPA 20.04.02, Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Laws –**  
*Presented by Craig Foss, State Forester/Division Administrator-Forestry and Fire*

**Recommendation:** Authorize the Department to initiate negotiated rulemaking for IDAPA 20.04.02 *Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Law*.

**Discussion:** None.

**Board Action:** A motion was made by Attorney General Labrador that the Land Board authorize the Department to initiate negotiated rulemaking for IDAPA 20.04.02 *Rules Pertaining to the Idaho Forestry Act and Fire Hazard Reduction Law*. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

**8. Use of Land Bank Funds for Employee Housing –**  
*Presented by Michele Andersen, Division Administrator-Operations*

**Recommendation:** Authorize potential investment of Land Bank funds in residential real estate for employee housing subject to thorough analysis and Land Board approval prior to closing of transactions.

**Discussion:**

**Attorney General Labrador:** We are at a high market right now; we do not know what the real estate market is going to do, but it seems like an interesting time to be purchasing property right now. What analysis you have done on that and are you looking for housing for every employee.

**Ms. Andersen:** Governor, Attorney General, our recent acquisition in Kamiah is a good case study of how we are approaching this. In the Kamiah market, the property we looked for was something not very desirable for most buyers. It was unique, and the property had been on the

market for an extended time period. It was well-suited for us to take that building and build it out into dormitory style housing. We are not looking to buy a house in a subdivision in Meridian; we are looking for unique properties that differentiate us as a buyer. We are trying to target markets where there is a lack of housing; McCall is a good example. The Department struggles for housing there. SITPA, our protection association, struggles for housing there; other state agencies are in the same position. It is not for all of our staff, and it is really working at this recruiting and retention part. If we can get a rookie firefighter to come back for four to five seasons, we have them qualified now to compete and become that permanent resource boss. When they only work for us one or two years, and then move on to somewhere else because now they are qualified to earn more money, live in different markets, we believe that having housing available will entice them to continue to come back and work for us.

**Attorney General Labrador:** Your last point here in the memo, the different conditions, is all potential acquisitions shall be presented to the Land Board for approval prior to closing. My concern is that once you go through all the work, it is just a perfunctory thing for us to approve it or not. I wonder if that should be done at an earlier stage, because once you have identified the site, gone through everything, it seems like we are going to be hard pressed to say no.

**Ms. Andersen:** Our intent is that prior to making an offer, it is something that we would bring to Land Board staff; this is what we are looking at, this is what we think we can do with this, this is how we think we could increase revenues and meet the hurdle rate.

**Secretary of State McGrane:** Are you specifically thinking of housing seasonal employees versus permanent employees, and multi-unit housing, not single housing.

**Ms. Andersen:** Yes, we are thinking primarily seasonal housing. There are markets where we would consider using it as transitional housing for permanent staff for locations that take more time to find housing; we might consider having a housing agreement with them that they be able to use it for a limited duration until they are able to find their own housing.

**Secretary of State McGrane:** The scope of this is so broad that it is hard for us to weigh in, whereas the example you gave, I can definitely see with the seasonal employees, you need them based there for part of the year, and we need employees throughout all of the year for different purposes, whether it is timber, fire, other things, that maybe makes sense. We have this extra hurdle of ensuring that there is some clear benefit to the beneficiaries in providing this housing to offset whatever profit we are going to gain, or loss we are going to prevent. It would help to have more information of the scope, not just this broad authority that will then come back to us. Depending on what it is, it also creates a risk for us where we have upset neighbors or something else. We would rather collectively weigh in earlier in the process.

**Ms. Andersen:** That makes sense. It is property specific; our ideal situation is dormitory style housing. In our budget request last year, we asked for the funds to build something. We were given the funds to purchase existing real estate, and that worked out really well for us. It will be easier for us to modify an existing structure than to start something from the ground up; we already have some infrastructure in place that way. Perhaps it would address the Board's concern if, as we find properties that might be suitable, we bring those to you, make the case why we think that those would suit this purpose prior to making any offers.



**Superintendent Critchfield:** I am supportive of the concept, and we can work through details to find the right balance there. I want to add, for my fellow Board members, there is an interesting correlation in what you are talking about and what our school districts are dealing with in these exact same areas. We look at superintendents around the state who have to consider being landlords, Lake Pend Oreille, McCall, Blaine County, there are certain places around the state where teachers cannot afford to live and a way to get folks in is to subsidize or offer something for their teachers to live. I have an extra respect for the problem that you are trying to solve. I am supportive and understand and appreciate that there is a need there.

**Controller Woolf:** Is the intent just for Department of Lands employees or are there other state employees like Fish and Game, DEQ, others. Those agencies have the same dilemma; was the intent just for the Department of Lands?

**Ms. Andersen:** Governor and Controller, we have been in conversations with our sister agencies, specifically Fish and Game and Parks and Recreation; we want to approach this together to solve common needs. We have communicated regarding where their pinch points are, where they need housing, and where that overlaps with our needs as well; our intent is to meet our need and then be able to supplement other state agencies as well.

**Governor Little:** One of your conditions, the people of Idaho that amended the constitution for the Land Bank Fund did not think we were going to be buying houses for state employees. Before we spend a lot of money on this, we need a comprehensive statutory and constitutional look at it; we are basically picking up personnel costs. If it is not a flagrant violation, it skirts the intent of the Land Bank, and it is going around the appropriations process. As was stated, Fish and Game, State Police, it is a huge problem. I am sympathetic to the problem but using Land Bank funds is fraught with a violation of the intent of the amendment. My preference is that we address that first. The other part is we are competing against other employers up there. Joe's coffee shop wants to buy a place for his employee, and he is competing with the Land Bank.

**Ms. Andersen:** Thank you, Governor, and that is our first step, the legal analysis. We have already had initial conversations with counsel about that.

**Secretary of State McGrane:** There is a real challenge with seasonal jobs where someone is not going to buy a home, and the dormitory style for a fire group for example. The discussion of Fish and Game, all these other agencies, the potential comingling is going to make this even harder. There is a legal hurdle that the Governor pointed out, and the potential of mixing makes it worse. As you do the analysis there needs to be a tailoring of what is or is not acceptable; I will leave it to the AG's office to work with you, but I can see the concern that the Governor is mentioning.

**Attorney General Labrador:** Governor, I share your concern, and then we open Pandora's box because if we do it for this group then we have to do it for everybody else. As a policy it seems we have some issues. I understand the difficulty that you are having recruiting people, but I would tread very gingerly on this. Just initially, without doing any research, I have some questions about whether we could do this, but we will do the legal analysis.

**Board Action:** A motion was made by Secretary of State McGrane that the Land Board request legal analysis regarding legality of using Land Bank funds for acquisition of residential real estate for use as employee housing and present the legal finding to the Land Board before further consideration of this item. Attorney General Labrador seconded the motion. The motion passed unanimously.

## Information

**9. IT Consolidation** – Presented by Alberto Gonzalez, Administrator, Information Technology Services, and Mark McMinn, Chief Information Officer

**Discussion:** Superintendent Critchfield asked if the Department is moving forward on this. Governor Little noted it is not an action item at this time; he asked how many IT people are currently at the Department. Mr. McMinn said there are 16. Mr. Gonzalez explained it is still exploratory; ITS and the Department are proceeding with protocols and preparation and may bring a recommendation to the Board in October. Governor Little asked if this will exacerbate the LUMA adoption. Mr. Gonzalez replied that the consolidation is not involved with the LUMA effort and will have no impact; Mr. McMinn concurred. Attorney General Labrador asked if the consolidation is something the Department needs. Director Miller answered that the Department has a good IT team in place, supporting IT functions and pursuing new initiatives. If through the exploratory phase it is determined that some day-to-day help desk support functions would be better moved to ITS, the Department would bring a recommendation to the Land Board. Director Miller remarked that the Department would like to retain field support functions and application development staff. Mr. Gonzalez mentioned that ITS focuses on the commodities services that they are very good at, the network, the security, the infrastructure, and leave behind what is working at the agency such as the app development team. Controller Woolf clarified that this consolidation could be a portion of the Department's IT staff, key areas like network, security, general areas and the Department would keep the application development team and others, for the LIMS project, etc. Mr. Gonzalez said that is an accurate reflection of ITS's intent.

For the record, Controller Woolf left the meeting at approximately 11:04 a.m. to attend other business.

**10. Proposed Rule IDAPA 20.05.01, Rules Pertaining to the Recreational Use of Endowment Land** – Presented by Todd Wernex, Program Manager-Recreation

**Discussion:** None.

At 11:08 a.m., a motion was made by Attorney General Labrador to resolve into Executive Session. Secretary of State McGrane seconded the motion. *Roll Call Vote:* Aye: McGrane, Labrador, Critchfield, Little; Nay: None; Absent: Woolf.

