



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Phil McGrane, Secretary of State

Raúl R. Labrador, Attorney General

Brandon D Woolf, State Controller

Debbie Critchfield, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

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

Final Minutes

State Board of Land Commissioners Regular Meeting

December 19, 2023

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, December 19, 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 9:04 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

Honorable Governor Brad Little
Honorable Secretary of State Phil McGrane
Honorable Attorney General Raúl Labrador
Honorable State Controller Brandon Woolf
Honorable Superintendent of Public Instruction Debbie Critchfield

All Land Board members attended at the physical location.

Director Miller thanked Land Board members, staff, and others who listened to the Capital Singers high school choir perform in the 2nd floor rotunda prior to the meeting. Following the carols, a "big" check was presented to the students, representing the distribution to K-12 public schools for FY2024. Director Miller remarked that he was proud of the work by Department staff on the land management side, and by the Endowment Fund Investment Board and staff on the financial side, to generate \$61.5 million for the public school endowment.

Director Miller commented that the December meeting is typically when the Department shows a video highlighting certain initiatives of the Department of Lands throughout the year, as well as other activities. This year the focus was on forestry and forest management, as well as ensuring the stable supply of timber volume for customers.

Video Presentation – Department of Lands' Year in Review

1. Department Report – Presented by Dustin Miller, Director

Trust Land Revenue

- A. Timber Sales – November 2023
- B. Leases and Permits – November 2023

Discussion: None.

2. **Endowment Fund Investment Board** – *Presented by Chris Anton, Manager of Investments*

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

Discussion: Mr. Anton reported that after three challenging months, financial markets experienced a nice recovery during the month of November. The portfolio was up 7% during the month and slightly ahead of break even for the fiscal year, up 0.4%. That rally continued into December; through yesterday [12/18] the fund is up 3.7% year-to-date. The big question is what spurred the rally. Mr. Anton noted it was driven by the downward trajectory of inflation. Headline inflation dropped to 3.2% in the month of November, very close to the Federal Reserve's target of 2%, excluding housing inflation. The Federal Reserve met last week and indicated efforts to control inflation, to raise interest rates to fight inflation, have peaked and they anticipate interest rates will begin to drop next year. That spurred a market rally. The yield on 10-year treasuries dropped from 5% to 3.9%; the equity market liked that, knowing they could finance businesses at lower rates. Mr. Anton said it is nice to end the year in a positive note.

Consent—Action Item(s)

3. **Results of November 9, 2023 Mineral Lease Live Auction** – *Presented by Jason Laney, Section Manager-Leasing*

Recommendation: Direct the Department to award mineral lease E600119 to ASG Resources, the high bidder at the auction.

Discussion: None.

4. **Approval of Draft Minutes** – November 21, 2023 Regular Meeting (Boise)

Consent Agenda Board Action: A motion was made by Controller Woolf 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)

5. **Statement of Investment Policy Annual Review** – *Presented by Bill Haagenson, Deputy Director*

Recommendation: Approve the revised Statement of Investment Policy.

Discussion: Secretary of State McGrane expressed his appreciation that this item was deferred from last month, which allowed him to have constructive conversations with Mr. Haagenson, Director Miller, and Governor Little. Secretary of State McGrane stated he hopes for more informational sessions in the future and more opportunities for the Land Board to engage and provide direction to the Department for leasing and some of the challenging investment areas.

Board Action: A motion was made by Secretary of State McGrane that the Land Board approve the revised Statement of Investment Policy. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

6. Strategic Reinvestment Plan Review – Presented by Bill Haagenson, Deputy Director

Recommendation: Approve continued reinvestment of land bank principal and interest through acquisition of suitable and acceptable working timberland that exceeds the hurdle rate and proactive transfers of land bank funds to the permanent fund for investment in financial assets when timberland transactions are not available.

Discussion: None.

Board Action: A motion was made by Controller Woolf that the Land Board approve continued reinvestment of land bank principal and interest through acquisition of suitable and acceptable working timberland that exceeds the hurdle rate and proactive transfers of land bank funds to the permanent fund for investment in financial assets when timberland transactions are not available. Secretary of State McGrane seconded the motion. The motion carried on a vote of 5-0.

Information

7. Endowment Land Commercial Ground Leasing Policy – Presented by Jim Elbin, Division Administrator-Trust Lands Management

Discussion: None.

Executive Session

None

Director Miller recognized a member of the Department's executive team, Mick Thomas, who is departing Idaho for a new career opportunity with Utah Department of Natural Resources as Director of the Division of Oil, Gas and Mining. Director Miller acknowledged all that Mr. Thomas brought to the Department of Lands with his leadership and knowledge and wished him the best in his future endeavors.

There being no further business before the Land Board, at 9:43 a.m. a motion to adjourn was made by Controller Woolf. Superintendent Critchfield seconded the motion. The motion carried on a vote of 5-0.

Idaho State Board of Land Commissioners

/s/ Brad Little

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

/s/ Phil McGrane

Phil McGrane
Secretary of State

/s/ Dustin T. Miller

Dustin T. Miller
Director

<p>The above-listed final minutes were approved by the State Board of Land Commissioners at the January 16, 2024 Land Board meeting.</p>
