

MANAGING THE WEST

Wisconsin Arkansas Washington Nevada
North Dakota Utah Nebraska Arizona
Wyoming *...serving the future*
Texas Oregon South Dakota Oklahoma
Montana Colorado New Mexico Idaho

Summer 2016

Volume 4 - Issue 3



2016 WSLCA

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23 states

400+ million acres

\$3.8 billion in 2012
for public education

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www.wslca.org

Welcome to the late Summer 2016 issue of *Managing the West*...

A recent report by The World Economic Forum predicted that by 2020 the most prized workforce skills will be superior human relationship ability. The list includes cognitive flexibility, negotiation skills, emotional intelligence, creativity, complex problem solving and an ability to motivate and develop people. While there is an expectation that computing and information is delivered on demand, it is also clear people still crave and need interaction. The prized workers of the future will be those who can draw on a diverse background of knowledge and networks to solve complex business problems. As the WSLCA enters its fourth year of strategic plan implementation, it is my honor to be elected to serve for another year as association president and to continue to expand on the value proposition of information and knowledge sharing that is aligned with the future and serves as a hallmark of our organization.

The recent annual summer conference in Idaho highlighted the many ways that our association committees are advancing outreach, education and information sharing. Specifically, the ASU Docusharing Committee and Communications Committee kicked off a review of the new knowledge sharing website; the Surface & Land Tenure Committee examined current issues in recreation management on trust lands; the Subsurface Lands & Royalty Working Group reviewed progress on understanding the potential for developing a west-wide standardized data set for oil and gas royalty reporting; and the Asset Management committee wrapped up its trust portfolio management research project that resulted in the WSLCA's first Best Management Practice endorsement, the Principles of State Trust Portfolio Management. In case you missed your favorite committee meeting or one of the general sessions, a number of conference presentations are available on the WSLCA website.

Now we must prepare for the challenges of a new federal administration. We know cultural values are changing as more people move to cities and the importance of rural America grows a mystery and seemingly insignificant. That is why passage of a comprehensive suite of resolutions at the annual summer conference is a significant event. These will be prominently displayed on the WSLCA website and our staff will use these concise statements to open a dialog with prospective transition teams. I encourage each state to share these resolutions with your delegation and state representatives. We must redouble our efforts to get out in front of educating the public and our nation's leaders regarding western issues. All aspects of water and natural resource management present abundant opportunities and challenges. Casting a broad net of collaboration is essential to our continued existence.

Finally, I look forward to hearing from you and coming together for our January 2017 conference scheduled in Rogers, Arkansas. Commissioner Thurston and his team are planning our first ever abbreviated winter conference focused on our strategic initiatives and the work of our committees. We won't have a general session per se. Two working days will be devoted to guest trainers, productive dialog, nuts and bolts workshop style learning. Some of the professional training to be offered includes a boot camp for enrolling lands in various mitigation banks, current issues in mineral

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leasing and auditing, and Strategic Doing - a new strategy process that is lean, agile and fast (read more about the success of the Strategic Doing discipline at [PurdueUniversityStrategic-doing](#)). Conference registration and information is available now on the association website.

Please feel free to contact me or any member of the executive staff and committee leaders. Our contact information is shown on the Officials and Committees tab of the website. We want to hear from you, showcase your success and connect you to the resources you need. In closing, I wish for you a safe and speedy wrap up to the wildland fire season.

Brent Goodrum (AK)
President, WSLCA

Large Landowner Forum set as part of the ULI Fall meeting

The Urban Land Institute (ULI) is an independent global nonprofit supported by members representing the entire spectrum of real estate development and land use disciplines. Held in conjunction with the larger ULI meeting is the ULI Large Landowners Forum. This event represents an opportunity to dialog with private real estate owners and trust managers who face similar challenges to the WSLCA members when it comes to long-term asset management and eventual conversion to higher and better uses. If WSLCA members are interested in attending please click the following link or contact the Forum co-chair, Vanessa Hickman at (602-403-1272), for further details.

ULI Large Landowner Forum

Please save the date for the Large Landowners Forum as part of the ULI Fall Meeting in Dallas, TX.

Save the Date

Tuesday, October 25

11am - 4pm

Location TBA

Dallas, TX

Reception to follow

[Click here to register](#) to attend the Large Landowners Forum in Dallas. Detailed agenda to follow.



State news...

Wisconsin...

BCPL - State Trust Fund Loan Program

By: Jonathan Barry, Executive Secretary, Board of Commissioners of Public Lands

The Wisconsin Board of Commissioners of Public Lands (BCPL) is the state's oldest agency, created in 1848 in Article 10 of the Wisconsin Constitution. At that time, BCPL's mission was to receive Federal Land grants on behalf of the state and sell those lands to further infrastructure development of the new State of Wisconsin and use the proceeds of these land sales to create a trust fund to support both common schools (K-12 schools) and 'academies and normal schools' (now the University of Wisconsin System).



"BCPL has been the primary lender for the City of Menasha for many years. We love the creativity and flexibility at BCPL, as well as the assistance received from the professional staff, and our citizens benefit from favorable interest rates with no fees. Because Menasha is aggressively paying down outstanding debt, the available prepayment option of the Trust Fund Loan Program is very important to us and has been used to save interest costs."

– Peggy Steno, Director of Administrative Services,
City of Menasha

Today, this small agency has only 10 employees and, without a single taxpayer dollar, generates all of the state's financial aid to public elementary, middle and high school libraries. The source of this income comes from the agency's management and investment of over \$1 billion in financial assets, together with the gains derived from 77,000 acres of remaining State Trust Lands that are managed for sustainable timber harvests.

A major part of BCPL's investment income comes from the State Trust Fund Loan Program, started in 1871 and continuing to this day. This loan program was specifically created to help local municipal governments and school

districts finance public purpose projects, including those for economic development, road and sewer projects, building construction, repairs and renovations, and capital equipment purchases. Today, BCPL provides over \$125 million each year in funding for community projects throughout the state, and currently has nearly \$400 million of such loans outstanding. These loan investments in our communities and school districts had an annual yield of 3.85% during the second quarter of 2016 with an average weighted maturity of the loans of 6 ½ years.

These loans provide the Trust Funds with a very good rate of return at a very low risk. Local governments have been great customers, and the Board has not experienced a single loan default in the history of this program. Importantly, because of the low overhead at BCPL, nearly 97% of the interest earnings from these loans goes right back to Wisconsin communities to support public school libraries and the UW System.

Our interest rates are competitive with the bond market and other financial institutions. Our application process is extremely simple and borrowers pay no application fees, prepayment penalties, or any other fees.

Finance managers from around the state will attest that BCPL State Trust Fund loans play an important role in their financing strategy.

WSLCA members are welcome to contact us to learn more detail on how this loan program operates and just how our statutes empower BCPL to offer these loans. More information may be accessed at our website at <http://bcpl.wisconsin.gov> and at the link below

<http://bcpl.wisconsin.gov/section.asp?linkid=1438&locid=145>

Feel free to contact me, Deputy Secretary Tom German, or our Chief Investment Officer, Rich Sneider, at 608-266-1370.

This edited article was first published in "The Municipality" by the League of Wisconsin Municipalities, July 2016.

Member News

If you have news to share in our next newsletter or on the website, please email Nikki Heck (AR) at nheck@cosl.org.

New Mexico...

Commissioner Dunn Pitches New Idea for Funding Early Childhood Education in New Mexico

Santa Fe, NM (August 3, 2016) – New Mexico State Land Commissioner Aubrey Dunn today proposed the “Early Childhood Education Land Grant Act,” a draft bill for consideration during the 2017 legislative session that would create the Early Childhood Education Land Grant Permanent Fund and the Early Childhood Education Land Grant Income Fund. A copy of the legislation is attached.

The federal government currently holds a vast amount of unleased federal subsurface mineral acreage beneath private land within New Mexico – at least 5.3 million acres and potentially upwards of 6.5 million acres (acreage is still being identified by the State Land Office). Any and all unleased subsurface mineral acreage beneath private land that is transferred by Congress from the federal government to the state after the effective date of the Early Childhood Education Land Grant Act would then be leased out by the State Land Office for the purposes of revenue generation, with all funds earned to be deposited to the Early Childhood Education Land Grant Permanent Fund.

“We have a unique opportunity to ‘grow the pie’ for education funding by asking the federal government to transfer their unleased subsurface mineral acreage beneath private land within New Mexico to the State Land Office, which can then be leased out to generate revenue for the benefit of early childhood education,” said Commissioner Dunn.

In FY 16, the State Land Office earned an average of \$32.29 per acre from mining, oil and gas extraction activities across its 13 million subsurface acres. Once transferred from the federal government to the state and leased out by the State Land Office, the approximately 5.3 million to 6.5 million acres currently under consideration for transfer could potentially generate a range of \$171 million to \$210 million in annual royalties to the Early Childhood Education Land Grant Permanent Fund – based on average SLO subsurface earnings of \$32.29 per acre.

Annual distributions equal to the interest, dividends and capital gains of the Early Childhood Education Land Grant Permanent Fund would be transferred to the Early Childhood Education Land Grant Income Fund. Ninety-

five percent of the Income Fund would be appropriated annually by the State Legislature for early childhood education programs as provided by law. Five percent of the Income Fund would be appropriated annually by the State Legislature to the State Land Office to provide for the costs incurred in generating revenue from the management, care, custody, control and disposition of the subsurface mineral acreage transferred from the federal government to the state for the purpose of funding early childhood education.

In addition to the passage of this legislation at the state level, New Mexico's federal congressional delegation in Washington, DC, would need to spearhead the effort to transfer the unleased federal subsurface mineral acreage beneath private land to the state. Land access would not be an issue since private landowners already manage the surface above these minerals.

"Addressing the issue of early childhood education would help to reduce both the federal and state need to allocate resources in the future to remediate the effects of challenges facing New Mexico's children," said Commissioner Dunn. "As opposed to being a 'quick fix' solution, the Early Childhood Education Land Grant Permanent Fund would grow over time and provide a long-term, sustainable endowment and funding stream for early childhood education in New Mexico."

ACE legislation update

On July 13th, Rep. Jason Chaffetz (R-UT) and Rep. Jared Polis (D-CO) teamed up to sponsor bipartisan legislation aimed at resolving state trust land parcels locked inside designated wilderness and other federal conservation areas. The WSLCA has worked for several years to educate about the need for a tool other than land exchange to solve this issue. The Advancing Conservation and Education (ACE) Act helps equalize funding for education in public land states by enhancing the revenue-generating capacity of lands designated for the purpose of funding education.

"Western states are at a considerable disadvantage in funding public education," said Chaffetz. "State trust lands were intended to help equalize the imbalance between public land states and non-public land states, but too many parcels can no longer be used for their intended purpose. Creating a mechanism to enable land exchanges is an important step toward giving children in Western states the same resources available to kids who live east of the Mississippi."

"Our beautiful public lands are the splendor of Colorado

and the West. We need to make sure that states can use public land trusts as efficiently as possible to reap the maximum benefits for school children while protecting the beautiful landscapes of the West. This bill is a win-win. It supports our schools and maintains land conservation efforts," said Polis.

A summary about this new legislation is available on the WSLCA website ([ACE-summary](#)). Both the IOGCC ([IOGCC resolution](#)) and the WGA ([WGA Resolution](#)) express support for the ACE bill in recent resolutions. Currently, Congressman Chaffetz has requested a hearing date for the Legislation on the House side. We anticipate moving forward very soon.

Summer conference in Idaho...

The Summer 2016 WSLCA conference was held in beautiful Sandpoint, Idaho at the Schweitzer Mountain Resort. It was a fantastic venue for our summer meeting and we very much appreciate the work that Director Tom Schultz and the Idaho Department of Lands put into making it a success.

Our conference opened with a strategic planning session on Sunday. This gave our Executive Director, Kathy Opp, the opportunity to update attendees on what the committees have accomplished since the last meeting. Each of the committees had also submitted their future plans for the coming year. (The new action plans will be on the WSLCA website soon, be on the lookout!) During this session Education Outreach Consultant Allen Freemyer also went over the pending WSLCA resolutions to be discussed over the course of the conference.

The next day kicked off with the roll call of states and an update from Washington D.C. We were honored to have Idaho Attorney General Lawrence Wasden with us for lunch and ended the day with committee meetings.

On Tuesday more committees met prior to sessions on wildfire and forest land management. We embarked on a field trip that afternoon to the Chilco Lumber Mill and learned about the inner-workings of the lumber industry. What an incredible place it was! Technology has really enhanced this profession that has been an economic staple for many for years. From there we visited Farragut State Park and ended the evening at Lake Coeur d'Alene.

Our final day began with a panel on Portfolio Management complete with presentations from Colorado and Idaho. Next was a discussion on oil and gas followed by one on business systems. The business meeting capped

the day off. We adopted 7 new resolutions and recapped committee business.

Again, we thank Idaho for their hospitality! Please visit the WSLCA website for the conference agenda and presentations along with the resolutions that were passed.

2017 WSLCA officers: Vice President, Harry Birdwell (OK), Treasurer, Lisa Schneider (UT), President, Brent Goodrum (AK), Secretary, Linda Fisher (ND) & Executive Director, Kathy Opp



Join us in Rogers, Arkansas!

WSLCA 2017 WINTER CONFERENCE

JANUARY 9-12, 2017

EMBASSY SUITES NWA

We are introducing an exciting new format for our Winter conference. The conference is shortened to just two working days and focused on extended committee meetings and educational sessions. Engaging guest speakers are planned for joint lunch and dinner events. The focus of the conference, however, will be to accomplish more of our strategic initiatives by giving our core committees (that's you!) time to work together. Below you will find a draft agenda:

MONDAY, JAN. 9

1:00 to 6:00 pm Registration

3:00 to 5:00 pm Hospitality Suite

3:30 to 5:00 pm Executive Committee Meeting

6:00 to 8:00 pm Reception

8:00 to 11:00 pm Hospitality Suite

2:00 to 5:00 pm

Committee reports & Business meeting

6:00 to 9:00 pm

Dinner –

Crystal Bridges Museum of American Art

8:00 to 11:00 pm

Hospitality Suite

TUESDAY, JAN. 10

7:00 to 8:00 am Breakfast

8:15 to 8:30 am Welcome & President's Address

8:30 am. to 12:00pm Concurrent Committee meetings

10:00 to 10:15 am Break

12:15 to 1:30 pm Lunch - Guest Speaker: TBA

1:45 pm to 5:00 pm Concurrent Committee meetings

3:30 to 3:45 pm Break

Evening Dinner on your own

8 to 11 pm Hospitality Suite

THURSDAY, JAN. 12

7:00 to 9:00 am.

Breakfast

WEDNESDAY, JAN. 11

7:00 to 8:00 am Breakfast

8:15 am. to 12:00 pm Concurrent Committee meetings

10:00 to 10:15 am Break

12:00 to 1:30 pm Lunch - Guest Speaker: TBA

Embassy Suites Northwest Arkansas Hotel, Spa and Convention Center is the host hotel.

Reserve your room before December 18, 2016. Rates are from \$89.

479-254-8400
Group Code - WSL

Rogers, Arkansas is served by the Northwest Arkansas Regional Airport (XNA)

Affiliate Member Spotlight...



ITC Holdings Corp. invests in the electricity transmission grid to improve reliability, expand access to markets, lower the costs of delivered energy, and allow new generating resources to interconnect to its transmission systems.

Established in 2003 and headquartered in Novi, Michigan, ITC is the largest independent electricity transmission company in the country. It operates in Michigan's Lower Peninsula and portions of Iowa, Minnesota, Illinois, Missouri, Kansas and Oklahoma. The company serves a combined peak load exceeding 26,000 megawatts along approximately 15,700 circuit miles of transmission line.

ITC's grid development focus includes growth through regulated infrastructure investment as well as domestic and international expansion through merchant and other commercial development opportunities.

WSLCA is proud to have ITC Holdings as an affiliate member!



www.wslca.org

Check out our website for information on:
Member states, affiliate members,
upcoming conferences and past
conference materials, adopted resolutions,
committee contacts and more.

Affiliate Memberships...

WSLCA has adopted an Affiliate Membership program in order to provide public and private entities and individuals who share common interests in the WSLCA's objectives with an opportunity to formally communicate and cooperate with WSLCA members. The program allows Affiliate Members the opportunity to participate in the WSLCA's biannual conferences and to talk directly with other members on issues important to both. Applicants must be a corporation, non-profit entity, or an individual that has been recommended by a member state, approved by the WSLCA Executive Committee and paid at least one year of annual dues. Please see the affiliate page of the WSLCA 'Affiliate Members' web page for more information.

2016 Affiliate Members

- Anadarko
- Alta Mesa Holdings, LP
- American Petroleum Institute
- Anschutz
- Apex TITAN, Inc.
- Bank of Oklahoma Financial
- ConocoPhillips
- Devon Energy
- DMB
- DRZ Investment Advisors
- EOG Resources
- EnergyNet
- First Solar
- Freeport-McMoran
- Grant Thornton
- Hein & Associates
- Holland & Hart
- ITC
- Kelley Drye & Warren LLP
- Land Advisors
- Opportune
- OXY
- RioTinto
- RVKuhns & Associates, Inc.
- Sonoran Institute
- Torch Renewable Energy
- Trendwell Energy Corporation
- USEcology
- Vanguard