

MANAGING THE WEST

Wisconsin Arkansas Washington Nevada
North Dakota Utah Alaska Arizona
Wyoming Minnesota Missouri Kansas
Texas Oregon South Dakota Oklahoma
Montana Colorado New Mexico Idaho

Summer 2017

Volume 5 - Issue 2



Welcome to the late Summer 2017 issue of *Managing the West*...

It is an honor to have been chosen to serve as President of the Western States Land Commissioners Association for the ensuing year. I am anxious to work with WSLCA's Executive Committee, Executive Director Kathy Opp, and Washington Liaison Allen Freemyer as we continue to advocate for state trust lands and beneficiaries. I believe our organization's profile and reputation have never been better and that we are poised with unparalleled opportunities to influence thoughtful decision-making among Washington decision makers.

Our recent summer conference in Anchorage, Alaska was an outstanding success. Our working sessions demonstrated the professionalism and "best practices" among the member states. Hearing each state's successes, as well as struggles, revealed opportunities to become better stewards of our state assets for the benefit of public education.

We are planning a Washington, D.C. "Fly-In" on the dates of October 31-November 2, 2017. The purpose is to meet and interact with the new leaders of several key federal agencies which impact state trust land management. Meetings will be held with the leadership of the Environmental Protection Agency (EPA); Bureau of Land Management (BLM), The Fish and Wildlife Department; and the Department of the Interior. Attendees will also meet with members of Congress who represent WSLCA member states. I invite all of you to attend this event which provides an historic opportunity to impact critical issues that will affect prudent state trust land management nationally. [Click here](#) to learn more about where to stay.

Recently our respective member states and staff have had productive discussions with several Cabinet officials. In particular, EPA Administrator Pruitt, Interior Secretary Zinke have discoursed with and actively listened to state leaders from our states regarding policy matters, states' rights and the like. It is important to know the response of the new Administration to several key issues which have been targeted for administrative review or rejection that will impact the WSLCA states.

It appears that the time is ripe to use every opportunity to influence leaders of the national Administration regarding how the federal government and the respective states can best work together, in particular to connect the management of land and assets to education funding. We will continue to increase our visibility and influence as representatives of state owned land.

Throughout this year, I will urge you to remain engaged, be proactive and to help shape the future of the Western States Land Commissioners Association. My respect and thanks go out to all of you. I look forward to a great year!

Harry Birdwell (OK)
President, WSLCA

2018 WSLCA

Executive Committee

Harry Birdwell, President
Oklahoma
harry.birdwell@clo.ok.gov

Ryan Brunner, Vice President
South Dakota
ryan.burnner@state.sd.us

Linda Fisher, Secretary
North Dakota
llfisher@nd.gov

Lisa Schneider, Treasurer
Utah
lisaschneider@utah.gov

Kathy Opp, Executive Director
Idaho
kathyjopp@gmail.com

20 states

515+ million acres

\$3.9 billion in 2015
for public education

Learn more at
www.wslca.org

Summer conference wrap-up...

More than 60 state and affiliate delegates from 16 states, and Washington, D.C. met in Anchorage, Alaska in July for the annual summer conference meeting. The conference kicked off with a visit from Governor Bill Walker at the welcome reception. Governor Walker thanked Brent Goodrum for his outstanding service as President to the Western States Land Commissioners Association, as well as to the state of Alaska. Governor Walker commented on how positive it has been for he and his staff to work with WSLCA to build a coalition for issues facing western states.

State Roll Call Highlights

Roll call initiated a lively discussion amongst state members and was a productive learning tool on what different states have found successful and what areas they may be struggling with. Highlights included the Bureau of Land Management contracting with Idaho Department of State Lands staff to manage federal forest land because the state works more rapidly and efficiently. New Mexico created an expedited process for easement applications and it is producing three times more revenue in easement income than ever before and Montana produced their first solar lease on a commercial project. Colorado purchased its first drone this year to evaluate land across the state making land appraisals more timely and efficient. Additionally, South Dakota saw an increase in grazing revenue for the fourth straight year in a row.

General Session

Conference general session topics ranged from how one man succeeded in suing the federal government to uphold state's rights related to accessibility of public lands, exploring the evidence of climate change in western states, use of new technologies to be more efficient in land management practices and state sovereignty issues regarding navigable waterways. General session speakers were extremely knowledgeable in their areas of expertise and offered conference attendees a wealth of information to take back to their respective states and utilize to better manage state lands.

Focus on Committees

Committee sessions offered attendees the opportunity to dive into specific topics and set goals and strategic initiatives that align with the newly implemented strategic plan adopted at the conference. The mission of WSLCA is to create value for our beneficiaries through leadership, education and sound land management. A new vision focuses on Why we do what we do and strives to connect the management of land and assets to funding education in our states.

The communications committee discussed the need to develop tools that tell the big picture story of WSLCA and how influential we can be as a group. A "WSLCA 101" presentation will be created for all member states to use when speaking to different groups about the association. An association infographic will also be created for WSLCA members to distribute to key individuals they interact with such as members of state legislatures and members of Congress. Nikki Heck (AR), who served as chair of the communications committee for many years announced she will be stepping aside as committee chair and Jessica Grogis (OK) will be assuming chair of the committee effective immediately.

The Submerged Lands and Water Management committee regrouped with two new volunteer leaders - Andrew Smyth (ID) and Elyse Quick (NV). Twelve attendees, representing 6 states offered topics of interest from their states. Establishing ownership and title to state waters, generating sustainable revenue to cover program costs, leasing and licensing of improvements, and challenges associated with limited staffing and enforcement present as areas of common interest. The committee will be soliciting input from members to identify its best focus for the coming year.

The Data Sharing Initiative committee developed a communication strategy as well as an action plan in Anchorage. The six-month action plan below is necessary as WSLCA is still looking for many member states to populate the [ASU-WSLCA data sharing website](#). This six-month action plan focuses on a different subject area each month. We hope this will allow each state representative an opportunity to work with their staff to collect the information without feeling overwhelmed. The monthly subject areas are:

- August - HR documents including job descriptions and organizational charts
- September - Subsurface documents/forms
- October - Surface documents/forms
- November - Portfolio performance, governance and general resource management documents
- December - Fee schedules and best practices documents

The committee will regroup at the January conference, review results and data analytics, and create an action plan for the next six months. Look for an e-mail from Aaron Vande Linde (MN) or Jessica Grogis (OK) in the coming months requesting information from your state.

Delegates enjoyed the wonderful hospitality and beautiful scenery of Alaska, the last frontier. Please visit the [ASU Data Sharing](#) website to view the agenda and presentations from this conference.



Summer
2017
Anchorage,
Alaska



Strategic plan update...

A Significant Mindset

The association dedicated significant time prior to and during the 2017 annual Summer conference to develop a *NEW strategic plan*. Members contemplated how we define the value of WSLCA, as well as the value of state endowment trust lands and resources to a constantly changing social economic world. We took on the challenge to create a significant mindset by putting our identity first; the reason we exist as state trust land managers. By focusing first on who we are, we then get to influence what we do and the results we create. Our new vision as an organization is...

Helping States Fund Education

Through an intentional focus on exponentially growing awareness for *WHY* state trust lands exist - we choose to be significant.

Our focus for the coming year includes building stronger relationships between the states and beneficiaries, as well as, creating an Affiliate Advisory Council to work with the executive committee on identifying and funding baseline education material and information sessions about trust lands and key project initiatives. These relationships and strategic communications will establish a connection with others “from the inside out” [Sinek, the Golden Circle]. As States we appreciate the value of sharing quality information – therefore committees will continue to focus on developing best practices, delivering continuing professional education at conferences and through web events, and developing the members only data sharing website. And, we intend to strengthen our voice nationally by working with other organizations, affiliates and beneficiaries to communicate the trust lands story and the impact that current policies or contemplated rules have on our constitutional mandate to fund education and other institutions in our states. Land management is complex. Few people care about *How* we do our jobs or *What* we do as an organization – only that their version of a landscape is retained. To get people to listen to these details requires an appeal to the new social demographic in such way as to highlight the incredible value trust land management brings to their world. What we really do, and the sole purpose of our existence, is as simple as “Helping States Fund Education.” This is our message - this is our focus.

Over the next month, WSLCA committees will be finalizing strategic projects that target current issues, new best practice studies and enhanced communication materials and resources. Please volunteer, contribute and stay connected to your favorite initiatives and projects as committee leaders reach out to your organizations. A complete copy of the strategic plan is available on the WSLCA website. Click the link to access the plan and read more <http://www.glo.texas.gov/wslca/about/index.html>

Montana job opportunity...

The Montana Department of Natural Resources and Conservation is seeking a highly motivated individual to serve as the Marketing and Lease Development Specialist. Commercial leasing on State trust land is rapidly expanding and the Department seeks the right candidate to capture the momentum of the program and continue to enhance the program’s performance. The person in this position will collaborate with Department staff, other industry professionals, and local governments to prepare property for lease and proactively market property for development. To understand the properties and effectively collaborate and market, the person in this position has 20-50% travel time, including regular overnight stays. The position closes at midnight on September 1, 2017. Please see the full position listing and apply at: <https://mtstatejobs.taleo.net/careersection/200/jobdetail.ftl?job=17141231&tz=GMT-06%3A00>



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.

State news...

Colorado...

Winter 2018 conference

Save the date for the WSLCA winter 2018 conference: January 8-10, 2018, in Denver, CO!

The winter conference will focus on committee sessions. It will be a great time to dive deep into particular topics that matter to your job duties. In addition to the sessions, highlights of the conference in sunny yet snowy Colorado include a networking dinner at the National Western Stock Show and tours at the Colorado History Museum. Stay longer and head to the mountains for skiing!

Committee chairs: please start thinking about session topics. Stay tuned for requests from Kristin Kemp in Denver. More details to come. Updates will be posted on www.wslca.org.

Idaho...

Fiscal year ends with strong performances in endowment land and fund management

Managers of Idaho's land grant endowment assets closed out Fiscal Year 2017 (FY17) with strong performances, yielding more money to support Idaho's public school system, higher education, and other State of Idaho institutions.

The Idaho Department of Lands (IDL) reports that revenue generating activities on endowment lands coupled with proceeds from sales of residential cottage sites and commercial real estate properties during the fiscal year ending June 30, 2017, amounted to approximately \$125.8 million. FY17 gross land revenues were \$74,682,023, up slightly compared to FY16.

The Endowment Fund Investment Board (EFIB) manages the investment of land revenues. The Endowment Fund earned a 12.8 percent return in FY17, compared to a loss of 0.2 percent in FY16. Investment earnings are estimated at \$234 million, up from a loss of \$3 million in FY16. The balance in the Endowment Fund exceeds \$2 billion for the first time ever. The fund's average annual gross return has been 9.5 percent over the last five years and 6.4 percent over the last 10 years.

Distributions to endowment beneficiaries totaled \$63.2 million in FY17 and will rise 16 percent to \$73.5 million in FY18. The Land Board will begin considering the level of distributions for FY19 later this month.

More than 2.4 million acres of endowment lands in Idaho along with the funds they generate are overseen by the State Board of Land Commissioners (Land Board), comprised of Idaho's governor, secretary of state, attorney general, state controller, and superintendent of public instruction.

Endowment land management highlights in FY17

Forest Management

Timber harvested on endowment lands in FY17 totaled approximately 220.4 million board feet worth more than \$63.3 million. The FY17 timber harvest volume fell below recent years' totals because very wet fall and spring conditions prevented harvesting activity, but timber harvest receipts were still strong due to higher prices.

IDL foresters and private contractors planted approximately 2.7 million tree seedlings across 9,600 endowment acres in FY17.

Commercial Property Sales

The Land Board targeted 2016 and 2017 to sell most endowment commercial properties in order to take advantage of the strong local commercial real estate market. The decision was based on the recommendation of the Land Board's commercial real estate advisor, who also identified challenges and limitations IDL faced in efficiently owning and operating some commercial real estate properties.

In FY17, IDL auctioned seven commercial properties for \$17,265,000, which was \$4,475,000 above the appraised price of the properties.

An auction of additional commercial properties is slated for fall 2017.

Continued Cottage Site Sales

In FY17, IDL closed escrow on 75 residential cottage site lots at Priest Lake in northern Idaho and Payette Lake in west central Idaho. The lands are owned by the State of Idaho as endowment lands, and the cabins and other improvements on the lands are owned by leaseholders as personal property.

Since 2011, IDL has sold 276 cottage sites at Priest Lake and Payette Lake for \$120,183,109, which was \$3,163,696 above the appraised price of the properties. Less than 250 leased lots remain, and the Land Board authorized IDL to continue offering leased and un-leased lots for auction through the end of 2019. For currently leased lots, the leaseholders have the option to nominate the lot they lease for auction.

Strategic Reinvestment

The Land Board will consider purchases of timberland and farmland using proceeds from the sale of commercial properties and cottage sites, provided the lands to be acquired meet certain prudent investment criteria.

In FY17, the Land Board approved the purchase of 1,398 acres in Benewah County. The lands were owned by the Idaho Department of Fish and Game. Under IDL ownership, the lands will provide sustainable timber harvest and continued access for the public.

The Land Board also approved the purchase of a 2,374-acre block of timberland in Idaho County from a private holding company. The lands are adjacent to existing endowment timberlands. The purchase was supported locally and the public will be able to access the lands for recreation.

With input from a third party expert acquisition advisor, IDL continues to evaluate potential land purchases.

Other FY17 highlights

Good Neighbor Authority

The pace and scale of forest and watershed restoration activities on federal lands in Idaho is increasing under Good Neighbor Authority (GNA).

Through GNA, federal land management agencies can take advantage of support from the State of Idaho to execute more land management projects. Increased staff capacity and streamlined processes offered through IDL are supplementing the work of the U.S. Forest Service on national forests in Idaho.

In FY17, IDL auctioned two GNA timber sales on the Nez Perce-Clearwater National Forests, resulting in the treatment of hundreds more acres of federal forests. Several more GNA projects are planned on national forests throughout Idaho.

Oil and Gas

The Governor and 2017 Legislature approved the creation of a new Oil and Gas Division within IDL to support the Oil and Gas Conservation Commission (OGCC) and oil and gas regulatory program. They approved four new full time positions in Boise - a division administrator, an administrative assistant, an information technology position, and an oil and gas inspector. These four individuals join the oil and gas program manager in staffing the new Oil and Gas Division.

A host of other statutory changes related to the oil and gas regulatory program passed during the 2017 legislative session. One of the biggest legislative changes was the restructuring of the OGCC itself. The commission previously was made up of five individuals - two landowners (one with mineral rights and one without), and experts in water, geology, and oil and gas. The new commission now includes the IDL director, a county commissioner from a county where oil and gas production is happening, and three subject matter experts that must have a college degree in geosciences or engineering and at least ten years of experience in the oil and gas industry. The new commission took effect July 1, 2017.

Oklahoma...

Commissioners of the Land Office breaks record distribution again

During the 2017 fiscal year, which ended June 30, K-12 public schools received a total of \$103.4 million, which exceeds the 2016 fiscal year total by \$1.2 million. That surpassed last year's highest distribution in state history to set a new all-time annual high for the CLO.

Higher education beneficiaries received \$34 million in 2017, the second highest distribution to higher education in state history.

Total funds distributed to common and higher education beneficiaries by the CLO equaled \$137.4 million.

"I am pleased that the Land Office was able to increase distributions to public education in a year when state revenues were down," Birdwell said. "Thanks to the hard work and dedication of the agency staff, as well as the forward thinking of the Commissioners, we have been able to diversify our portfolio so that even in a year when other economic factors are working against us the CLO was able to increase distributions and set another record for K-12 distributions."

Commissioners of the Land Office preserves historic state records

Most governments are assigned the responsibility of historical record keeping. During 2017 the Oklahoma Commissioners of the Land Office began a long-term project to preserve, digitize, and restore historic records including historic minute books, ledger books and plat maps.



before...

The CLO is using not only technology but in some cases, the rare art of custom hand-binding to restore these significant historical records. This project not only preserves old records by providing for the digitization of paper records that are considered historic, ensuring historic records are electronically backed up and also are easier to access. These records not only reflect the history of the state, but also are the historic foundation for the business activities and decision-making concerning the state's school lands since statehood in 1907. Over time, paper records such as these are exposed to various environmental conditions and handling which can contribute to their deterioration.



...after

The CLO reached out to partner with various entities such as the Oklahoma Historical Society and well-known bookbinder Artur Bookbinding International in Fort Gibson, Okla. to assist with this important undertaking. Currently minute books and real estate ledger books are being digitized and indexed. Certain archival records were prioritized for restoration, such as the first 2 original minute books from 1894-1902 and 1903-1905. It is the goal of the CLO that the protection and preservation of these cultural properties will be prolonged for generations to come.

Washington D.C. update...

Allen Freemyer gave a Washington DC update at our recent WSLCA conference in Alaska. Included are a few highlights about the activities of the new Administration.

President Trump has been busy signing 37 executive orders with several of importance to the interests of WSLCA which promote energy independence, review the designation of national monuments, and review the WOTUS rule. He has also made progress in nominating new administration officials. Ryan Zinke, a former Congressman from Montana was nominated and confirmed as Secretary of the Interior. Former Oklahoma Attorney General Scott Pruitt is now the EPA administrator and Sonny Perdue is the Secretary of Agriculture. Within Interior, David Bernhardt was confirmed as Deputy Secretary and took office on Aug. 2nd, and Ryan Nelson was recently nominated as Interior Solicitor.

The new Secretary of the Interior has also been busy unraveling many of the actions taken by the Obama Administration. Zinke has issued orders to jump-start Alaskan energy, streamline onshore oil & gas permitting, review Sage Grouse conservation plans, reverse the moratorium on new coal leases, and reexamine the mitigation and climate change policies. Zinke also promised a rewrite of the BLM Methane and Flaring Rule but commented that the new rule will continue to prevent flaring. Following the direction of President Trump's executive order, Zinke is reviewing 27 national monuments for possible rescinding or reduction.

Congress exercised their right under the Congressional Review Act to undo administrative rules including the Stream Protection Rule and BLM Resource Management Planning 2.0. Congress had a restricted timeline to act and was unable to successfully rescind other rulemakings.

Many issues of interest to WSLCA members are in litigation. The Hydraulic Fracking Rule is stuck in the 10th Circuit Court where it is in the awkward position of being defended by an Administration that does not support the rule, but wants to preserve the authority to regulate fracking. The Ozone Rule has also been delayed indefinitely by the DC Court of Appeals while the EPA reviews its own Rule.

During the first seven months of this Administration we have witnessed immense change and there is more to come. Secretary Zinke will make his National Monument recommendations in a matter of weeks and numerous Presidential nominees remain unfilled.



Helping States Fund Education

Member State Leaders are invited to join the WSLCA Executive & Legislative Committees in meetings with Key Federal Agencies:

- EPA Administrator Pruitt & Staff [confirmed]
- Interior Secretary Zinke & Staff [invited]
- BLM Deputy Asst. Sec. for Land & Minerals, Kate McGregor [invited]
- Fish & Wildlife Service Deputy Sheehan [invited]
- Forest Service Chief Tidwell [invited]

WHERE TO STAY

Westin in Georgetown 888-627-8406
<http://www.westingeorgetown.com/>
 Rooms Available Oct 31 – Nov 3
 Reference "WSLCA" for \$259/night rate
 Block expires on Oct 1st



GET CONNECTED

Stay connected with meeting schedules using the event mobile app! Contact Jessica Grogis jessica.grogis@clo.ok.gov for details & the link.



Save the Date: Nov 1-2, 2017

Washington, D.C. Fly-in Event



CONNECTING THE MANAGEMENT OF TRUST LANDS
AND ASSETS TO FUNDING EDUCATION

Affiliate Member Spotlight...



Trimble works to connect both the physical and digital worlds that we live and work in. Their software, hardware and services are changing the areas of agriculture, construction, geospatial and transportation/logistics.

The Land Administration Solutions sector “automate and integrate land registries, cadastral mapping, and the permitting and licensing of land for surveyors, governments and businesses worldwide.” They have the knowledge, experience and commitment to supply land administration professionals with the tools needed to “promote secure land tenure and resource management.”

We are pleased to have Trimble as a WSLCA affiliate! To learn more visit <http://landadmin.trimble.com/>

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.

2017 Affiliate Members

- | | |
|----------------------------|----------------------------|
| Anadarko | Hein & Associates |
| Apex TITAN, Inc. | Holland & Hart |
| Bank of Oklahoma Financial | ITC |
| ConocoPhillips | Opportune |
| Devon Energy | PCC |
| DRZ Investment Advisors | QEP Resources |
| EOG Resources | RVKuhns & Associates, Inc. |
| EnergyNet | Trimble |
| Freeport-McMoran | USEcology |
| | Vanguard |

SAVE THE DATE
for the WSLCA winter 2018 conference!
January 8-10, 2018



Visit the Mile High City and join us in Denver, CO,
for the winter 2018 WSLCA committee conference.

Highlights:

- Networking with fellow WSLCA members
- Lots of helpful committee sessions
- Tours of the Colorado History Museum
- Guest passes to the National Western Stock Show

More details to come.

Updates will be posted on www.wslca.org
or call the Colorado office at 303-866-3454 x3306.



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COLORADO
State Land Board