

STATE BOARD OF LAND COMMISSIONERS

August 19, 2025

Regular Agenda

Subject

Fiscal Year 2027 Beneficiary Distributions and Transfers

Question Presented

Shall the Land Board approve FY2027 beneficiary distributions of \$117,278,400 and transfers to the Permanent Fund of \$206,370,000?

Discussion

The Endowment Fund generated investment returns of 11.7% during fiscal year 2025. Idaho Department of Lands generated \$61.6 million in net revenue in fiscal year 2025 and \$142 million of timber was presold as of June 30, 2025. Earnings Reserves exceed target levels as of June 30, 2025.

Recommendation

The Endowment Fund Investment Board recommends that the State Board of Land Commissioners (Land Board) approve FY2027 beneficiary distributions of \$117,278,400 and transfers to the Permanent Fund of \$206,370,000. The transfers to the Permanent Fund will not be included in the Gain Benchmark.

Board Action

Attachments

1. Proposed FY2027 Distributions and Transfers

Proposed Fiscal Year 2027 Distributions and Transfers

Land Board Meeting
August 19, 2025



Current Situation

- The Endowment Fund generated investment returns of 11.7% and 12.0% in FY 2025 and FY 2024 representing net investment gains of \$362.6 million and \$344.5 million, respectively.
- IDL generated net revenue of \$61.6 million and \$60.8 million in FY 2025 and FY 2024, respectively. \$142 million of timber was presold as of June 30, 2025.
- Earnings reserve levels exceed target levels as of June 30, 2025.

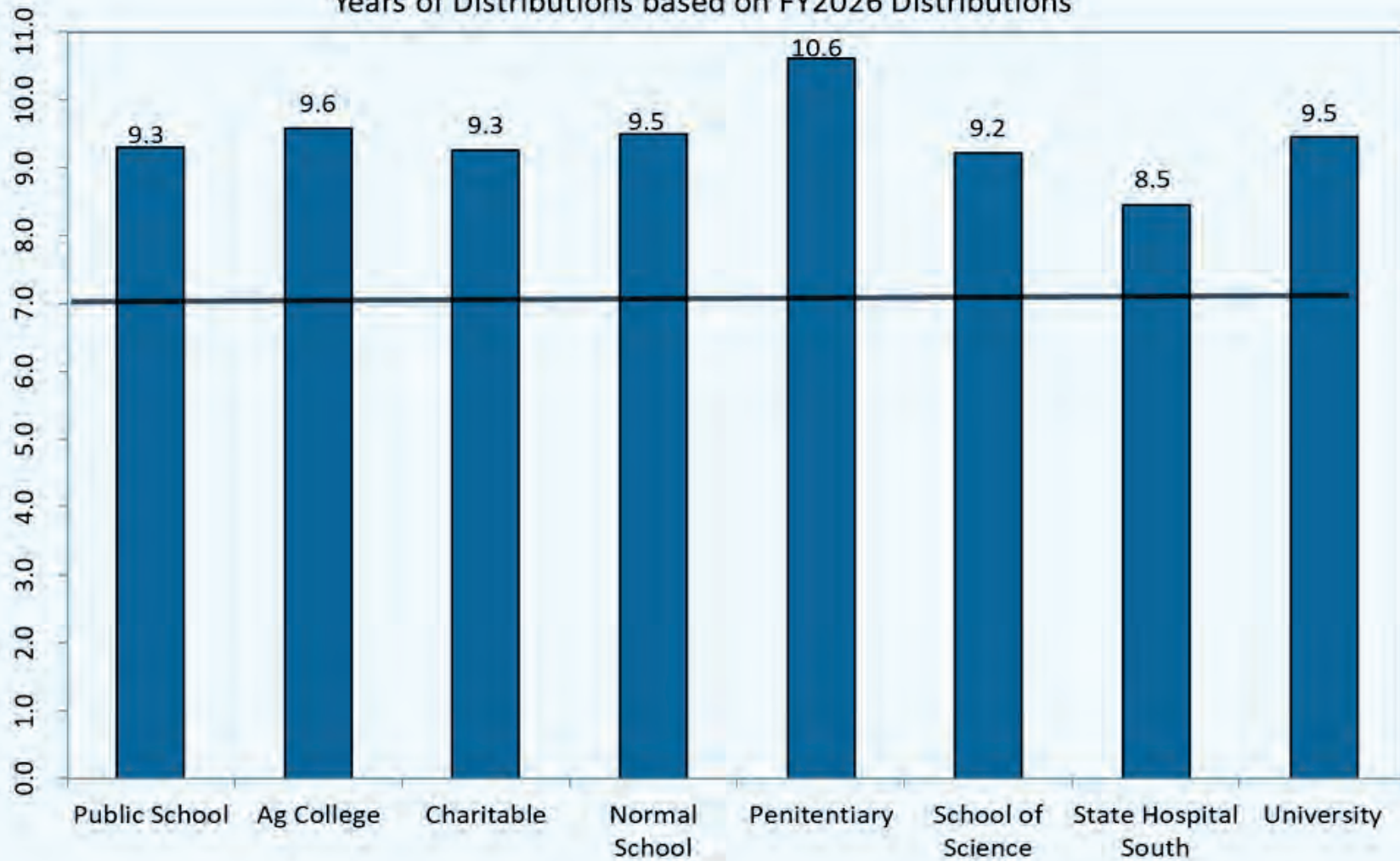
Distribution Policy Summary

The Land Board has adopted the following principles:

- Distribute 5% of the 3-year average value of each Permanent Fund annually
 - Adjusted for reserves, transfers and any other relevant factors
- Maintain Earnings Reserves at target levels based on years of beneficiary distributions
- Consider transferring any excess Earnings Reserves back to the Permanent Fund

Source: Land Board Investment Policy

Coverage Ratio June 30, 2025
Years of Distributions based on FY2026 Distributions



RECOMMENDED ENDOWMENT DISTRIBUTIONS - FY 2027

(Based On June 30, 2025 Balances - \$ Millions)

	Total	Public School	Ag College	Charitable	Normal Schools	Penitentiary	School of Science	State Hospital South	University
FY 2021 Distribution	\$ 84.5	\$ 52.6	\$ 1.6	\$ 6.0	\$ 5.3	\$ 2.5	\$ 5.4	\$ 6.4	\$ 4.8
FY 2022 Distribution	\$ 88.1	\$ 54.8	\$ 1.7	\$ 6.2	\$ 5.5	\$ 2.7	\$ 5.7	\$ 6.4	\$ 5.1
FY 2023 Distribution	\$ 100.3	\$ 61.5	\$ 1.9	\$ 7.0	\$ 6.6	\$ 3.1	\$ 6.7	\$ 7.6	\$ 5.9
FY 2024 Distribution	\$ 100.3	\$ 61.5	\$ 1.9	\$ 7.0	\$ 6.6	\$ 3.1	\$ 6.7	\$ 7.6	\$ 5.9
FY 2025 Distribution	\$ 103.2	\$ 63.0	\$ 2.0	\$ 7.1	\$ 7.3	\$ 3.2	\$ 6.7	\$ 7.8	\$ 6.1
FY 2026 Distribution	\$ 110.4	\$ 68.2	\$ 2.1	\$ 7.5	\$ 7.8	\$ 3.3	\$ 7.1	\$ 7.8	\$ 6.6
FY 2027 Distribution	\$ 117.3	\$ 72.4	\$ 2.2	\$ 8.1	\$ 8.5	\$ 3.6	\$ 7.5	\$ 7.8	\$ 7.3
% Change: 2027 vs. 2026 Distribution	6.3%	6.1%	5.7%	8.1%	9.1%	7.9%	5.4%	0.0%	10.3%

Earnings Reserves status (as of 6/30/25)

Earnings Reserve Policy Target (in years)	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Years of reserves, before transfer	8.8	8.8	9.1	8.6	8.7	9.8	8.8	8.5	8.6
Years of reserves, after transfer	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0

Earnings Reserve Balance (6/30/25)	\$ 1,027.3	\$ 635.3	\$ 20.2	\$ 69.5	\$ 73.8	\$ 35.3	\$ 65.4	\$ 65.7	\$ 62.2
Recommended Transfer to Perm Fund	\$ 206.4	\$ 128.7	\$ 4.6	\$ 12.7	\$ 14.4	\$ 10.2	\$ 13.1	\$ 11.3	\$ 11.4
Earnings Reserve Balance After Transfer	\$ 820.9	\$ 506.6	\$ 15.6	\$ 56.8	\$ 59.5	\$ 25.1	\$ 40.2	\$ 54.4	\$ 50.8

Land Board Recommendation

- Approve FY2027 beneficiary distributions of \$117,278,400 and transfers to the Permanent Fund of \$206,370,000. The transfers to the Permanent Fund will not be included in the Gain Benchmark.

	<i>Distributions To Beneficiaries</i>				<i>Transfer To Permanent Fund*</i>
	<i>Approved FY2026</i>	<i>Proposed FY2027</i>	<i>% Change</i>	<i>\$ Change</i>	
Public School	68,224,800	72,366,000	6.1%	4,141,200	128,700,000
Ag College	2,102,400	2,222,400	5.7%	120,000	4,608,000
Charitable Institution	7,502,400	8,113,200	8.1%	610,800	12,694,000
Normal School	7,783,200	8,494,800	9.1%	711,600	14,362,000
Penitentiary	3,322,800	3,585,600	7.9%	262,800	10,176,000
School of Science	7,084,800	7,465,200	5.4%	380,400	13,148,000
State Hosp. South	7,776,000	7,776,000	0.0%	-	11,282,000
University	6,574,800	7,255,200	10.3%	680,400	11,400,000
	<u>110,371,200</u>	<u>117,278,400</u>	<u>6.3%</u>	<u>6,907,200</u>	<u>206,370,000</u>

* Amount of Earnings Reserve in excess of what is deemed adequate relative to the 2027 distribution. The adequate reserve level for all endowments is set at seven years.

** The Transfer is not to be added to the Gain Benchmark.

All calculations subject to adjustment pending final audit of fiscal year 2025 results.