STATE BOARD OF LAND COMMISSIONERS

August 18, 2026
Regular Agenda

Subject

Fiscal Year 2028 Beneficiary Distributions and Transfers

Question Presented

Shall the Land Board approve FY2028 beneficiary distributions of $132,532,800 and transfers to the Permanent Fund of $339,257,000?

Discussion

The Endowment Fund generated an investment return of 16.6% during fiscal year 2026, which equates to $585.4 million in net investment gains. Idaho Department of Lands generated $52.4 million in net revenue in fiscal year 2026 and $156.3 million of timber was presold as of June 30, 2026. Earnings Reserves exceeded target levels as of June 30, 2026.

Recommendation

The Endowment Fund Investment Board recommends that the State Board of Land Commissioners (Land Board) approve FY2028 beneficiary distributions of $132,532,800 and transfers to the Permanent Fund of $339,257,000. The transfers to the Permanent Fund will be added to the Gain Benchmark.

Board Action

Attachments

1. Proposed FY2028 Distributions and Transfers

C

Proposed Fiscal Year 2028 Beneficiary Distributions and Transfers

Land Board Meeting

August 18, 2026

IDAHO ENDOWMENT FUND
INVESTMENT BOARD

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

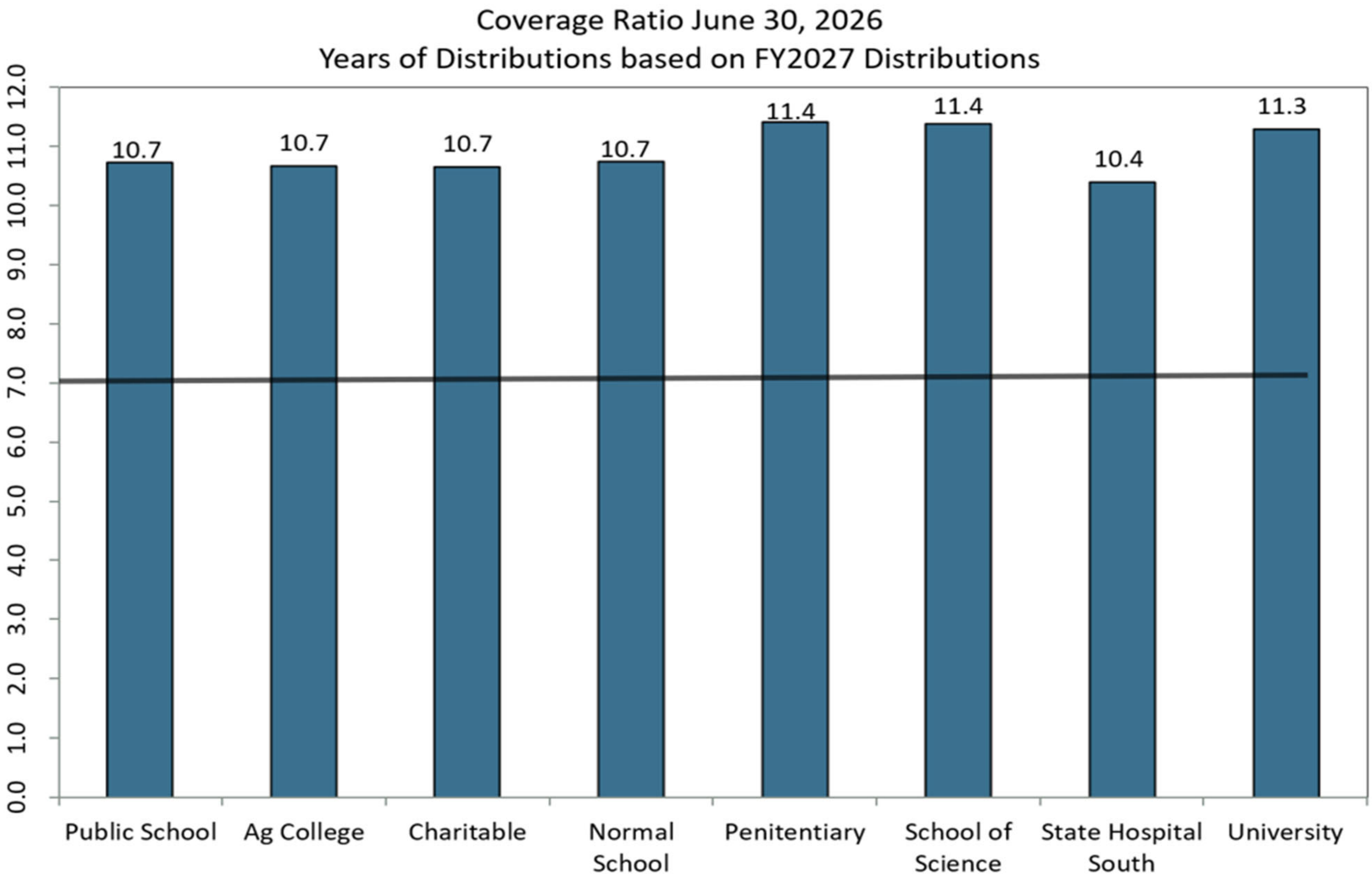
Current Situation

- The Endowment Fund generated an investment return of 16.6% (13.6% real return, net of 3.0% inflation) in FY 2026. This equates to $585.4 million in net investment gains.

- IDL generated $52.4 million in net revenue in FY 2026 and $156.3 million of timber was presold as of June 30, 2026.

- Earnings reserve levels exceeded target as of June 30, 2026.

- Recommend increasing beneficiary distributions in FY 2028.


Coverage Ratio June 30, 2026
Years of Distributions based on FY2027 Distributions
12.0
11.0
10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
10.7
10.7
10.7
10.7
11.4
11.4
10.4
11.3
Public School
Ag College
Charitable
Normal School
Penitentiary
School of Science
State Hospital South
University

RECOMMENDED ENDOWMENT DISTRIBUTIONS - FY 2028

(Based On June 30, 2026 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
FY 2028 Distribution	$ 132.5	$ 81.9	$ 2.6	$ 9.4	$ 9.8	$ 4.2	$ 8.5	$ 7.8	$ 8.5
% Change: 2028 vs. 2027 Distribution	13.0%	13.2%	14.9%	15.4%	14.9%	17.8%	14.1%	0.0%	16.5%
Earnings Reserves status (as of 6/30/26)									
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	9.6	9.5	9.3	9.2	9.4	9.7	10.0	10.4	9.7
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 Balances (6/30/26)	$ 1,267.0	$ 776.8	$ 23.7	$ 86.5	$ 91.3	$ 40.9	$ 85.0	$ 80.8	$ 82.0
Recommended Transfer to Perm Fund	$ 339.3	$ 203.6	$ 5.8	$ 21.0	$ 23.0	$ 11.4	$ 25.3	$ 26.4	$ 22.8
Earnings Reserve Balances After Transfer	$ 927.7	$ 573.2	$ 17.9	$ 65.6	$ 68.3	$ 29.6	$ 40.2	$ 54.4	$ 59.2
Permanent Fund Balances (6/30/26)	$ 2,780.4	$ 1,718.8	$ 54.4	$ 197.5	$ 204.0	$ 90.8	$ 178.9	$ 158.5	$ 177.5
Recommended Transfer to Perm Fund	$ 339.3	$ 203.6	$ 5.8	$ 21.0	$ 23.0	$ 11.4	$ 25.3	$ 26.4	$ 22.8
Earnings Reserve Balances After Transfer	$ 3,119.7	$ 1,922.4	$ 60.2	$ 218.4	$ 227.1	$ 102.2	$ 204.2	$ 184.9	$ 200.3

IDAHO ENDOWMENT FUND
INVESTMENT BOARD

Land Board Recommendation

- Approve FY 2028 beneficiary distributions of $132,532,800 and transfers to the Permanent Fund of $339,257,000. The transfers to the Permanent Fund will be added to the Gain Benchmark.

	Distributions To Beneficiaries				Transfer To
	Approved FY2027	Proposed FY2028	% Change	$ Change	Permanent Fund*
Public School	72,366,000	81,885,600	13.2%	9,519,600	203,616,000
Ag College	2,222,400	2,553,600	14.9%	331,200	5,825,000
Charitable Institution	8,113,200	9,364,800	15.4%	1,251,600	20,951,000
Normal School	8,494,800	9,757,200	14.9%	1,262,400	23,009,000
Penitentiary	3,585,600	4,224,000	17.8%	638,400	11,371,000
School of Science	7,465,200	8,517,600	14.1%	1,052,400	25,344,000
State Hosp. South	7,776,000	7,776,000	0.0%	-	26,359,000
University	7,255,200	8,454,000	16.5%	1,198,800	22,782,000
	117,278,400	132,532,800	13.0%	15,254,400	339,257,000

* Amount of Earnings Reserve in excess of what is deemed adequate relative to the 2028 distribution. The adequate reserve level for all endowments is set at seven years. The Transfer is to be added to the Gain Benchmark.

All calculations subject to adjustment pending final audit of fiscal year 2026 results.

IDAHO ENDOWMENT FUND
INVESTMENT BOARD