

STATE BOARD OF LAND COMMISSIONERS

August 18, 2026
Information Agenda

Subject

Endowment Land Management Notification Policy

Background

Notification and advertising of endowment land management and leasing has evolved in recent years. In March 2019 the Board directed that the Department, "...in association with the Office of the Attorney General (OAG), examine current auction and leasing processes and determine how they could be improved, and in fulfilling the Board's fiduciary duty."

In September 2019 the Board approved the Department's revised lease advertising and auction process (Attachment 1) intended to facilitate greater public awareness regarding lease auction opportunities and provide increased opportunities for alternative proposals and competitive bidding. While ensuring continued adherence to requirements in statute and rule related to leasing processes, the revised leasing process required the following:

- Leases to be advertised in the newspaper of record for the appropriate county for at least four weeks
- Lease advertisements posted in the Supervisory Area Office
- Expiring leases and lease advertisements posted on the Department's website with detailed information
- Certain leases or lease types advertised in industry-appropriate media
- Properties being promoted for lease application may have signs posted on the property

The Department may provide additional notification, such as to neighboring landowners, though that is not done for every land management or leasing project.

Discussion

At the July 2026 meeting the Board indicated desire for a stronger, more comprehensive notification process. The Board also recognized the need to provide the Department with clear direction.

In response, the Department has drafted an Endowment Land Management Notification Policy for Board consideration (Attachment 2). The draft policy is intended to provide the Department with the Board's clear intent. The

Department would then develop the internal procedures necessary to ensure the Board's intent is followed.

The draft Board policy includes:

- Background information about endowment land management, the Board's responsibilities, and the Board's support for transparency
- Guiding principles
- A tiered notification system for three tiers of land management actions
- Notification timeframes for each tier of actions
- Scope and limitations for the policy
- Direction for the Department to develop and maintain procedures

The Department seeks Board input on the draft policy. If the policy aligns with the Board's vision, or can be modified to align, then the Department would return to a future Board meeting with an action item for approval of the policy.

Attachments

1. 2019 Land Board Approval of Lease Advertising and Auction
2. Draft Endowment Land Management Notification Policy

STATE BOARD OF LAND COMMISSIONERS

October 17, 2019

Regular Agenda

Subject

Endowment Leasing Update and Auction Process Approval

Question Presented

Shall the Board approve the Department's proposed lease auction process.

Background

At the March 19, 2019 State Board of Land Commissioners' (Land Board) regular meeting, Attorney General Wasden made a motion that the Idaho Department of Lands (Department), in association with the Office of the Attorney General (OAG), examine current endowment auction and leasing processes and determine how they could be improved, and in fulfilling the Board's fiduciary duty.

As part of the examination, the Department evaluated its auction advertising and public awareness process and determined a need for improvement. With the assistance of the OAG, the Department prepared a new advertising and public awareness process for leasing opportunities and auctions.

On July 16, 2019, the Department provided the Land Board with an update to the lease auction advertising process and the status of certain leases. In that presentation, the Department demonstrated an example of the website and online mapping tool to be used for endowment leasing opportunities.

At the September 13, 2019 Land Board meeting, the Department presented its new lease auction advertising process, including the new online leasing page discussed at the July Land Board meeting. The presentation included a demonstration of the current website, online map, and proposed timeline for certain leases. At the September 13th meeting, the Land Board tabled the matter until October so that further legal questions could be addressed.

Discussion

The Department has implemented a new advertising process that facilitates greater public awareness regarding lease auction opportunities, and provides increased opportunities for alternative proposals and competitive bidding. Advertising that is robust and encourages competitive bidding generates the maximum long-term financial return to endowment beneficiaries, and fulfill the Department's and the Land Board's fiduciary obligations.

The Department will begin the auction process by advertising leases available for application for auction in the newspaper of record for the county where the land is situated, for at least four weeks.¹ Those advertisements will be posted in the Department's area offices (either on a bulletin board, or on an electronic reader). The Department will also advertise leases that are expiring or otherwise available for application and auction on its website. The website provides readily accessible information, including a detailed description of the property, allowing users to better identify the location and property available for lease application and auction. Certain leases or lease types may be advertised in industry appropriate media, for example, commercial real estate websites. Additionally, properties the Department is promoting for application may have signs placed on the property to foster interest.

The Department temporarily suspended offering certain new leases for auction while it examined its leasing process. As a result, there will be a revised schedule and process to issue the 2020 leases. Generally, the Department will re-start the auction process for leases that have not been executed, auctioned, or conflicted beginning with re-advertisement for application.

This means that the previous advertising and applications of leases for 2020 will go through the new auction advertising process. Potential lessees who have already submitted an application may choose to have their previous application processed, or to withdraw their application for an application fee refund.

The following process will be followed for 2020 lease applications for crop, grazing, conservation and residential leases:²

- Land Board approval – October 17, 2019
- Week of October 21, 2019 – Department begins the auction process by advertising the open application period for crop, grazing, conservation, and residential
- Advertising for application period – 30 days (example: October 21 – November 20)
- Scenario 1
 - If only one application is received by the application deadline, the auction is deemed complete, with the sole applicant deemed the successful bidder
 - Lease and document preparation (example: November 21 – December 20)
 - Lease review (OAG) (example: November 21 – December 20)
 - Lease issued and executed (example: as reviewed by OAG – January 31, 2020)

¹ Weekly newspaper advertising in the county where the property is located is consistent with Idaho Code § 58-313.

² Certain lease types, such as some commercial leases, will require additional evaluation or review due to their unique nature.

- Scenario 2
 - If two or more applications are received by the application deadline, a live auction (sometimes referred to as a "conflict auction") must be held
 - TBD – the timing depends on the number of applications for a particular lease, as well as other factors. For example, weather may be a factor for grazing leases for which there are two or more applicants, because the Department must value the improvements prior to live auction.

The Department and Land Board have previously promulgated the *Rules Governing Grazing, Farming, Conservation, Noncommercial Recreation, and Communication Site Leases* (IDAPA 20.03.14.000 *et seq*). The Department will continue to adhere to the processes and standards set forth in those rules, including the auction application process (IDAPA 20.03.14.020) and the requirement to hold a live auction only if there is more than one application (Idaho Code § 58-310 and IDAPA 20.03.14.105). If there is only one application for auction, the auction will be deemed complete as of the application deadline. The Department will also adhere to other rules concerning leasing activities, including the *Administration of Cottage Site Leases on State Lands* (IDAPA 20.03.13.000), *Rules Governing Geothermal Leasing on Idaho State Lands* (IDAPA 20.03.15.000), and *Rules Governing Oil and Gas Leasing on Idaho State Lands* (IDAPA 20.03.16.000). The Department will continue working with the Office of the Attorney General regarding leases for which there are no applicable administrative rules, such as most commercial leases.

The Department will send letters to auction applicants and certain stakeholders explaining the proposed process, and schedule.

Recommendation

Approve the Department's proposed lease advertising and auction process.

Board Action

A motion was made by Attorney General Wasden that the Board adopt the Department recommendation to approve the Department's proposed lease advertising and auction process. Controller Woolf asked if there was any public comment regarding this matter. Secretary of State Denney noted that no one signed up to provide public testimony. Controller Woolf seconded the motion. For the record, Governor Little recused himself from discussion and from this vote. The motion carried on a vote of 3-0.





Endowment Land Management Notification Policy - DRAFT

This guidance document is not a new law. This is an interpretation of existing law, except as authorized by Idaho Code or incorporated into a contract.

1. Agency Contact

Director

2. Purpose

This policy directs a consistent, transparent, and impact-based process for providing reasonable advanced notice of endowment land management activities.

3. Background and Intent

The State of Idaho holds approximately 2.5 million acres of endowment land in trust for the support public schools and other designated public institutions. Under the Idaho Constitution, the Idaho State Board of Land Commissioners serves as trustee of the endowment trust and is directed to manage these lands to "secure the maximum long-term financial return" to the beneficiaries. As trustee, the Land Board must manage endowment lands in a manner consistent with its fiduciary obligations to the beneficiaries as well as the specific terms of the trust as outlined in the Idaho Admissions Act and Idaho Constitution.

To that end, the Land Board manages the trust solely in the interest of the designated beneficiaries and is precluded from consideration of outside interests when such interests conflict with the trust's purpose. Under this trust framework, revenue generating activities on endowment lands and earnings invested funds provide millions of dollars annually in support of Idaho's public school system and numerous other state of Idaho institutions.

While only the beneficiaries hold legal rights within this trust structure, the Land Board recognizes that specific management activities on endowment land may impact adjacent landowners, local governments, and stakeholders or may otherwise attract interest from members of the public.

The Land Board supports a general policy of transparency in endowment land management and, while these individuals or groups may not hold legal rights within the endowment trust framework, they may nonetheless have practical, informational, or situational interests in upcoming management activities.

To acknowledge these important interests and advance transparency in endowment management, this policy provides standard processes for advance notification of certain management activities on endowment lands in a manner consistent with the Land Board's constitutional and fiduciary obligations.

4. Associated Policies

TBD

5. Definitions

None

6. Policy

a. Guiding Principles

- *Transparency* – Notifications provide clear and accurate information regarding endowment land management actions.
- *Consistency* – Notifications provide similar information across varied actions and locations.
- *Timeliness* – Ensure notifications occur with sufficient time in advance of Land Board action.
- *Proportionality* – The level of notification aligns with the significance of the action.
- *Operational Efficiency* – Notification practices support efficient implementation of endowment land management actions.
- *Mission Alignment* – Notification practices remain consistent with the Idaho constitutional mandate to manage endowment lands in a manner to secure maximum long-term financial returns to the endowment beneficiaries and with the fiduciary obligations of the Land Board as trustees of the endowment.

b. Tiered Notification System

Tier 1 – Routine Actions

Examples include timber sales, leasing consistent with past use, and acquisition/grants of access.

Notifications shall include website posting and adjacent landowner notification.

Tier 2 – Change of Use

Examples include leasing that differs from past use, new developed recreation projects, projects affecting access to or across endowment land, and projects expected to be of local interest.

Notifications shall include website posting, site signage, GovDelivery email, adjacent landowner notification, and where appropriate or required, notifications to local officials and stakeholder groups.

Tier 3 – High Interest Actions

Examples include land exchanges, land dispositions, proposals including significant development, projects within communities, and other actions expected to receive substantial public interest.

Notifications shall include website posting, GovDelivery email, site signage, adjacent landowner notification, press release, social media, stakeholder notifications, local government outreach, and public meetings when appropriate.

c. Notification Timeframes

Tier 1 - Routine Actions

Notice when advertised.

Tier 2 - Change of Use

Notice when the new activity is advertised and prior to Land Board action (if required).

Tier 3 - High Interest Actions

Notification timeframe must be flexible based on the specific action; notification shall always allow the Land Board to be informed of the notification actions taken and any feedback received prior to a Land Board agenda item requiring action.

d. Scope and Limitations

This policy is intended to promote transparency and provide advance information regarding endowment management activities to potentially interested or affected parties. In accordance with trust principles and fiduciary obligations of the Land Board, the notice described in this policy is informational only and does not create any right to comment, negotiate, consent, influence, or otherwise participate in Land Board or

Idaho Department of Lands endowment management decisions, all of which must remain firmly directed toward fulfilling the trust's duty to the beneficiaries.

Failure to receive notice of any endowment land management activity will not be independently sufficient grounds for delay, reconsideration, alteration, or invalidation of endowment land management decisions or activities.

7. Procedures

The Department shall develop and maintain procedures sufficient to ensure that endowment land management actions are appropriately and consistently noticed.

8. Revision History (Board Action)