

# THE WYOMING OFFICE OF STATE LANDS AND INVESTMENTS



JENIFER E. SCOGGIN  
DIRECTOR

JASON CROWDER  
DEPUTY DIRECTOR

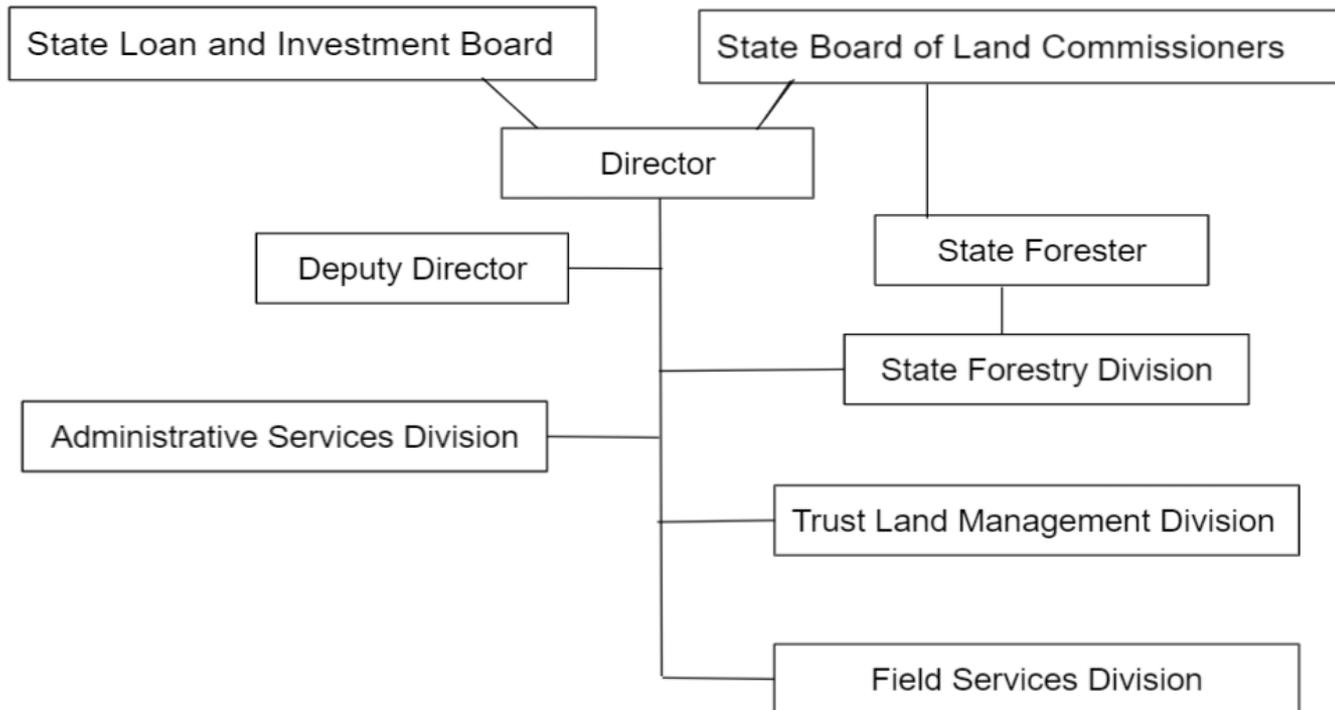


# MISSION STATEMENT

EFFECTIVELY MANAGING NATURAL RESOURCES AND FUNDS FOR CURRENT AND FUTURE GENERATIONS

# OSLI Organizational Chart

Office of State Lands and Investments Organizational Chart



# Constitutional Framework

## **Wyoming Constitution, Article 18, Section 1:**

- ❑ The State of Wyoming accepts the grants of lands made by the United States to the state, for educational purposes, for public buildings and institutions and for other objects

## **Wyoming Constitution, Article 18, Section 3:**

- ❑ Board of Land Commissioners shall have direction, control, disposition and care of all lands granted to the state

State Trust Land is owned by the State and held in a Trust for the benefit of public education in the State and other state institutions. The Board of Land Commissioners is the trustee of trust lands. The Office of State Lands and Investments is the administrative arm of the Board of Land Commissioners.

# BOARD OF LAND COMMISSIONERS

The Board of Land Commissioners is composed of the Governor, Secretary of State, State Auditor, State Treasurer, and Superintendent of Public Instruction.

The Board is constitutionally charged with optimizing revenue from state trust lands to support public education and beneficiary institutions, while concurrently striving to protect, conserve, and maintain the lands so they may be used by future generations.

## **Wyo. Stat. § 36-2-107(a);**

“The board shall have the power and authority to promulgate and adopt rules and regulations not inconsistent with the laws of the state, as it may from time to time deem necessary in the direction, control, disposition and care of all state lands, and to preserve the value of the land and to recognize the fiduciary duties of the state land office.”

# Statutory Principles:

- State land trust shall be managed under a total asset management policy.
- State land trust is intergenerational and must be managed with a focus on protecting the corpus for the long term.
- Trust land should remain a substantial component of the trust portfolio.
- All leases shall provide a fair market value return, considering the lessees' management practices and risk.
- Investment policies must protect permanent land fund from effects of inflation.

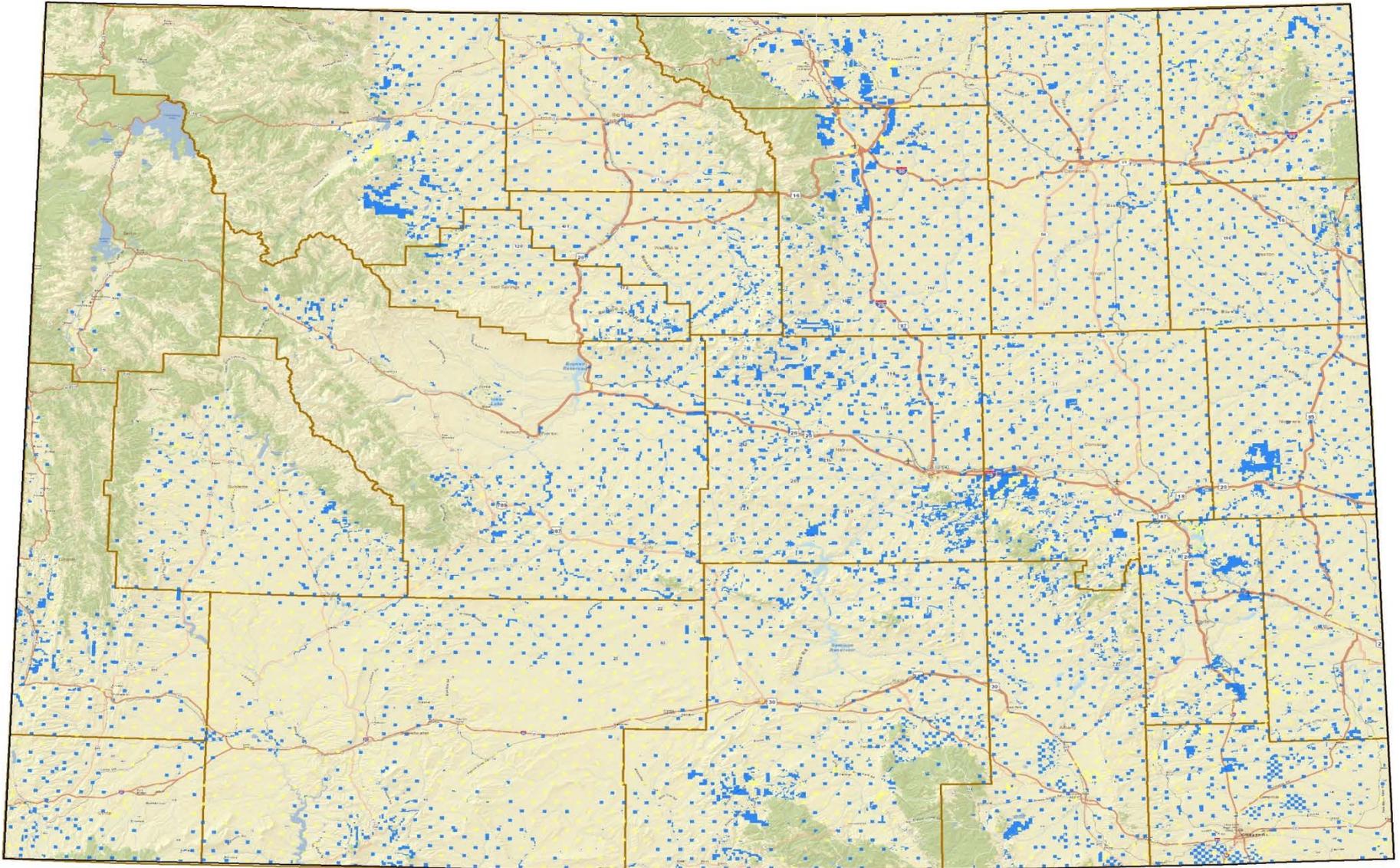
# History and Nature of Trust Land

When Wyoming was admitted to the Union in 1890, it was granted certain lands to support public education and other state institutions like the University of Wyoming, the Veteran's Home and State Hospital. State Trust Land in Wyoming amounts to a surface area bigger than the entire state of Connecticut.

The State was granted sections 16 and 36 in every township in the State for support of the common schools.

6	5	4	3	2	1	6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12	7	8	9	10	11	12
18	17	16	15	14	13	18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36	31	32	33	34	35	36

# Wyoming State Trust Lands



# The Trust Assets

- Trust Land
  - ▣ 3.4 million surface acres
- Trust Minerals
  - ▣ 3.9 million mineral acres
- State Permanent Land Fund
  - ▣ Over \$4 billion

# State Trust Land Beneficiaries

<b>Land Grant/Fund</b>	<b>Beneficiary</b>
Common School	Wyoming Public Schools K-12
University Land	University of Wyoming
Fish Hatchery	Wyoming Game & Fish
Agricultural College	University of Wyoming
Deaf, Dumb & Blind	School for Deaf
Poor Farm	Wyoming Life Resource Center
Penitentiary	Penitentiary
Public Buildings at the Capitol	Public Buildings in Capitol Complex
Penal, Reform or Education Institutions	Retirement Center, Honor Farm, Women's Center, Conservation Camp, Youth Treatment Center, Girls School, Boys School
Insane Asylum	Wyoming State Hospital
Miner's Hospital	Minor's Hospital Board
Soldiers & Sailors Home	Veteran's Home
State Law Library	State Law Library
State Library	State Library
Omnibus (SCEP&R Grant Lands - State Charitable, Education, Penal & Reform Institutions)	Department of Health, Department of Corrections, Department of Family Services

# Trust Land Management Objectives

- When we are evaluating courses of action with State Trust Land we follow what are known as our Trust Land Management objectives.
  - ▣ A proposal need not meet all objectives.
  - ▣ The objectives are listed in order of decreasing priority (highest to lowest).

# Trust Land Management Objectives

1. Better meet the beneficiaries' short and/or long term objectives:
  - ▣ Revenue-
    - Improve income generating potential
    - Alone or in combination with other state lands
    - Single or multiple uses
  - ▣ Investment Value-
    - Improve returns
    - Improve portfolio diversification
    - Improve appreciation potential
    - Improve intrinsic natural resource values (i.e. habitat, water)

# Trust Land Management Objectives

2. Improve the manageability of the land asset:
  - ▣ Consolidate ownership patterns
  - ▣ Leverage management resources of other agencies/entities
  
3. Meet a specific school and/or community need:
  - ▣ Improve stability
  - ▣ Provide growth opportunity
  - ▣ Improve access/recreational opportunity

# How OSLI Achieves Management Objectives

- Grazing and Agricultural Leasing
- Easements
- Temporary Use Permits
- Special Use Leasing
- Land Sales, Exchanges, and Acquisitions
- Acquired Institutional Land Management
- Renewable Leasing
- Mineral Leasing
- Forest Product Sales
- Trust Land Preservation and Enhancement Account
- Records Management

# Trust Land Earnings

- 86% of State Trust Lands are classified as “Common School Trust Lands,” more commonly referred to as “State School Sections” and support K-12 education
- 14% of State Trust Lands generate revenues to support other state institutions such as UW and the Veteran’s Home
- Grazing is the most prevalent use on State Trust Lands with 3,981 grazing leases covering over 90% of State Trust Land surface acreage. We rely on our grazing lessees to help us manage our surface acres.
- Mineral development generates the most income for the State Trust Land beneficiaries

# Management Paradigm

State Trust Land



“Public” Land

Office of State Lands



BLM

Optimize Revenue

Vs.

Multiple Use  
Sustained Yield

# Weed and Pest Program

- In 2009, Board adopted Chapter 28 Weed and Pest rule to encourage participation in weed and pest control on state trust lands
  - ▣ Lessees (grazing, special use, easements, mineral, etc.) required by contract to participate in weed and pest control
  - ▣ Cost of approved projects reimbursed to county district only, not lessees
  - ▣ Treatments for Leafy spurge and Special Management Programs (SMP's) receive priority for available funding

# Weed and Pest Program

- ▣ Subject to available funding, OSLI reimburses:
  - Up to the total cost for:
    - Leafy spurge
    - SMP's
    - Early-detection, rapid-response (EDRR) species
    - Vacant state lands
  - Cost of chemicals and 50% of application cost for:
    - Russian-olive
    - Saltcedar
    - Prairie dog

# Weed and Pest Program

- ▣ Subject to available funding, OSLI reimburses:
  - Cost of chemical only: all other state-designated noxious species

## SPECIAL MGMT PROGRAMS (W.S.11-5-303)

- Campbell Co. - Russian knapweed
- Fremont Co. - Russian knapweed
- Goshen Co. - Prairie dog
- Hot Springs Co. - Kirby Creek White top
- Johnson Co. - Salt cedar
- Niobrara Co. - Prairie dog
- Platte Co. - Prairie dog
- Sheridan Co. - Powder River Salt cedar
- Weston Co. - Hoary cress

# Weed and Pest Program

## ■ Budget Summary:

■ FY-07/08	\$750,000	Expended \$563,141.14
■ FY-09/10	\$750,000	Expended \$536,198.61
■ FY-11/12	\$712,500	Expended \$459,177.25
■ FY-13/14	\$712,500	Expended \$690,932.55
■ FY-15/16	\$412,500	Expended \$412,500.00
■ FY-17/18	\$350,000	Expended \$338,684.49
■ FY-19/20	\$850,000	Expended \$773,481.95
■ FY-21/22	\$175,000	TBD

# State Loan and Investment Board

- Wyoming Statute § 11-34-102
  - ▣ The Board of Land Commissioners is constituted as the State Loan and Investment Board (SLIB)
  - ▣ The Director of OSLI is the chief executive officer of the SLIB
  - ▣ The Deputy Director of OSLI is the deputy chief executive officer of the SLIB
  - ▣ SLIB manages various grant and loan programs for the State of Wyoming

# SLIB Farm Loan Program

- Established in 1921
- Provides long-term real estate loans to Wyoming's agricultural operators
- Currently program supported by \$275 million from the Permanent Mineral Trust Fund
  - ▣ \$220 million to fund Farm Loans
  - ▣ \$55 million for Beginning Agriculture Producer Loans
- Historically considered “safety net” for ag borrowing
  - ▣ Interest rate 8% for regular Farm Loans
  - ▣ Beginning Ag.
    - 1<sup>st</sup> 10 yrs lower of 8% or average yield on 10 year US Treas. Bond year before loan closes
    - At end of 10 yrs, adjusts to 8%

# SLIB Farm Loan Program

- Loans made for:
  - Purchase lands used for raising ag products, livestock or dairying;
  - Purchase livestock, fertilizers and equipment calculated to maintain or increase earning capacity of borrower's ag operations;
  - Purchase, construct or install improvements to increase earning capacity of borrower's ag operation;
  - Liquidate debts of the borrower incurred in furtherance of borrower's ag operations;

# Questions

