

October 13, 2014

Senator Clifford Bayer
Representative John Vander Woude
Co-chairs, Endowment Asset Issues Interim Committee
C/O Legislative Services Office, Research and Legislation
P.O. Box 83720
Boise, Idaho 83720-0054

Dear Senator Bayer and Representative Vander Woude,

Our family has a current cottage site lease at Payette Lake and I would like to offer a few observations based on the testimony given at the Endowment Asset Issues Interim Committee meeting on September 30, 2014 and October 1, 2014.

Teresa McCallum, from Elmore County, testified that an exchange for state grazing land could increase the money flowing to the endowment by up to forty million dollars per year. An exchange for cottage sites would allow the endowment to receive equal value. Such exchanges would reduce cost and the need to individually administer the many parcels involved. Timber exchanges would be particularly valuable because as Director Schultz testified the state forestry department is among the best if not the best in the nation.

Bill New, who has extensive experience successfully completing exchanges, testified that there is no valid reason not to continue with the timber exchanges right now! Director Shultz testified that even if the perfect exchange application was presented to him today he would not be able to begin to process it for 2 or 3 years. When the Attorney General's work load becomes more than his staff can handle he hires outside attorneys to expedite completion of the caseloads. Why can't the Department of Lands do the same thing? There is a precedent for the Department of lands to seek and pay for outside assistance when necessary as they have done with appraisers and experts to recommend asset allocation.

There are facilitators who are ready, willing and able to offer viable exchanges right now! There are individuals and or institutions that are eminently qualified to process the exchange applications, title insurance companies, and individuals with small staffs that have proven track records with exchanges. The transactions could be completed in months; not 2 or 3 years as the director stated. The benefit to the endowment should be sooner not later.

Every person who testified sincerely believes that the #1 goal is to grow the endowment fund and improve financial return. At the same time there are roadblocks and legal nuisances that keep this from happening. Based on the testimony land exchanges could expedite both growth and revenue for the endowments now. The legislature can play the pivotal role in achieving this goal; indeed it has the fiduciary responsibility to do so.

Sincerely,

Howard and Jo Goul