



State Board of Land Commissioners

# Endowment Fund Investment Board

## Base Review

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# Endowment Fund Investment Board

The Endowment Fund Investment Board (EFIB) is responsible for managing the investments of the land grant endowment funds (Section 57-721, Idaho Code), the State Insurance Fund (Section 72-912, Idaho Code), and other moneys as required by law (Section 57-720, Idaho Code). Other moneys invested as required by law include Ritter Island and Trail of the Coeur d'Alenes for the Idaho Department of Parks and Recreation, three funds for the Kellogg institutional controls program for the Idaho Department of Environmental Quality, one stewardship endowment fund for the Idaho Department of Lands, and five wildlife habitat endowments for the Idaho Department of Fish and Game.

The State Legislature created the Endowment Fund Investment Board in 1969 (Section 57-718, Idaho Code), after the passage of a constitutional amendment in 1968. Before that, the State Treasurer had been responsible for the management of the state's land grant endowment funds. The Department of Finance took over investment responsibilities for two years until the EFIB's first manager was hired and the office opened July 1, 1971. The 1998 Legislature approved four pieces of legislation (HJM9, HJR6, HJR8, and H643aa) that began the latest round of endowment reform, affecting the revenues from the sale of public school endowment lands, the creation of the land bank, the investment of permanent funds, the distribution mechanisms for permanent funds, and the establishment of the Capitol Commission and Capital Endowment.

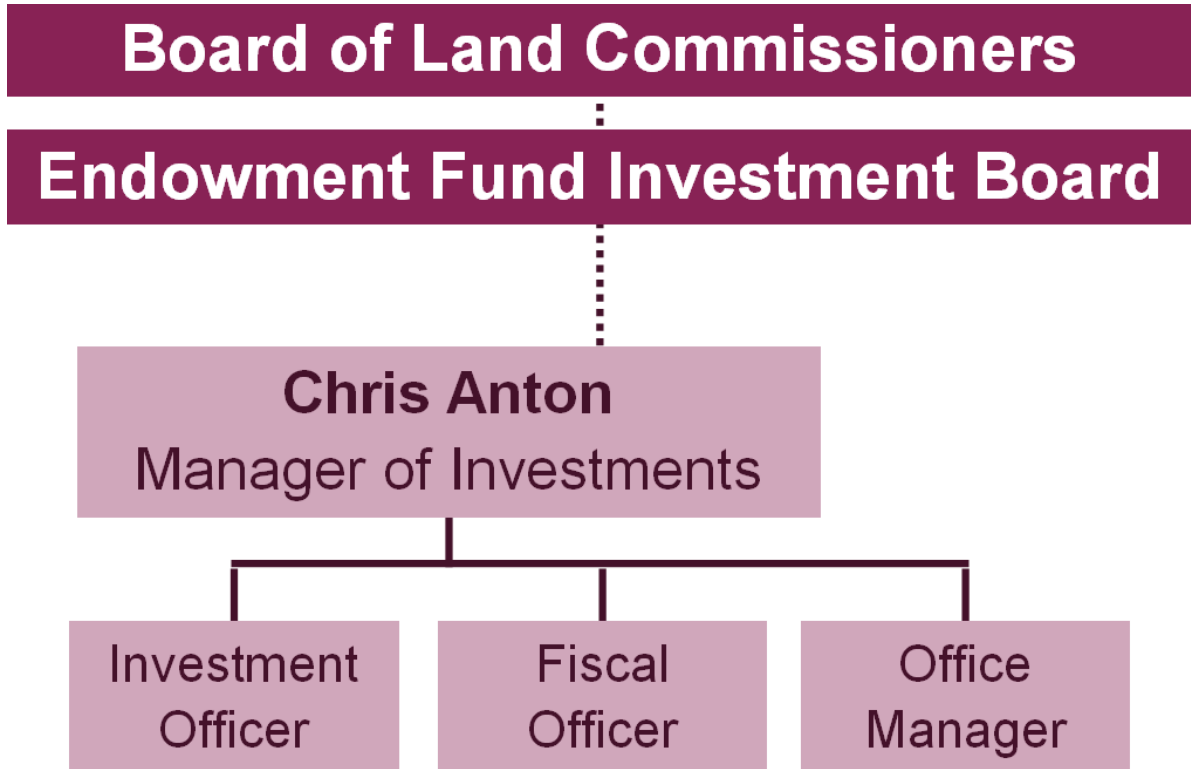
*For additional information, please see the Legislative Budget Book.*

LSO

Legislative Services Office



# Organizational Structure



**4.00 FTP**  
*No Vacancies as of August 2025*

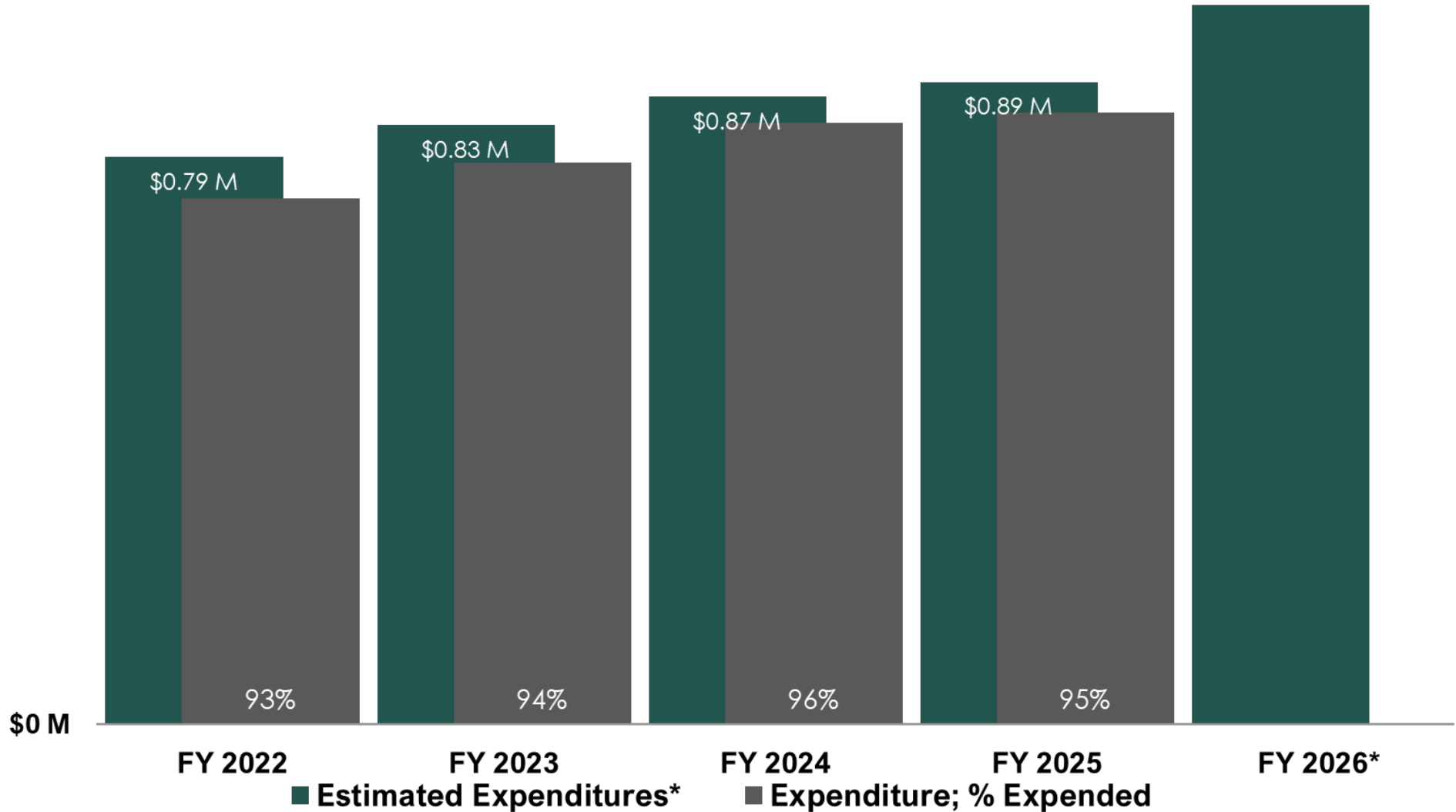
Five-year Averages  
Authorized FTP: **4.00**  
Filled FTP Percentage: **99.8%**  
Personnel Cost Appropriated: **\$635,800**  
Percent of PC Spent on PC: **96.9%**

# Consolidated Fund Analysis

Description	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
A Beginning Free Fund Balance	\$ 300	\$ 400	\$ 1,023,700	\$ -	\$ -
B Receipts and Transfers	\$ 729,600	\$ 234,274,700	\$ 244,054,100	\$ 253,539,400	\$ 265,561,600
C Cash Expenditures & Agency Request*	\$ 729,900	\$ 233,251,400	\$ 245,077,800	\$ 253,539,400	\$ 265,561,600
<b>Ending Free Fund Balance (A-B+C)</b>	<b>\$ 400</b>	<b>\$ 1,023,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>By Fund</b>					
D Endowment Earnings Reserve Fund	\$ -	\$ 1,023,700	\$ -	\$ -	\$ -
E Miscellaneous Revenue Fund	\$ 400	\$ -	\$ -	\$ -	\$ -
<b>Ending Free Fund Balance</b>	<b>\$ 400</b>	<b>\$ 1,023,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*\*Estimate based on request.

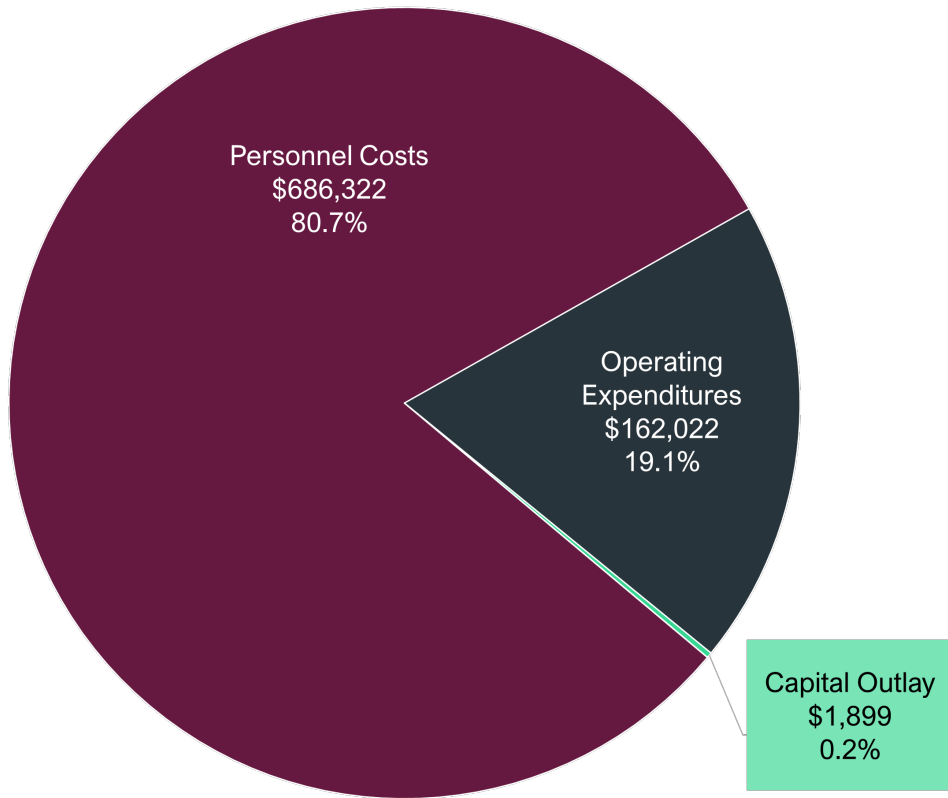
# Five-Year Appropriations and Expenditures



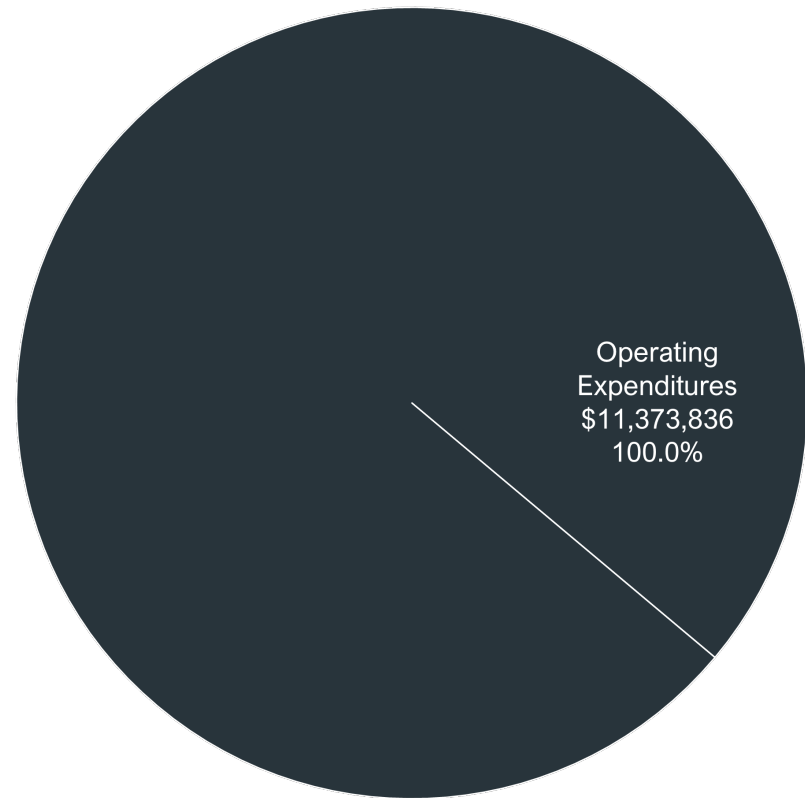
\*FY 2024 is Original Appropriation

# FY 2025 Expenditures

## Only Appropriated Funds



## Including Continuously Appropriated Funds



# Five-Year Base Snapshot

Fiscal Year	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026*
1. Total FTP	4.00	4.00	4.00	4.00	4.00
2. <b>Current Year Base</b>	<b>751,500</b>	<b>786,800</b>	<b>831,500</b>	<b>869,100</b>	<b>886,500</b>
3. Benefits Costs	2,300	1,500	1,200	700	5,100
4. Inflationary Adjustments	2,700	2,800	12,000	10,500	5,800
5. Statewide Cost Allocation	100	(3,000)	6,500	(12,200)	10,200
6. CEC	10,200	28,400	12,200	6,200	15,800
7. <b>Total Ongoing Maintenance Change</b>	<b>15,300</b>	<b>29,700</b>	<b>31,900</b>	<b>5,200</b>	<b>36,900</b>
8. <i>% Chg from Current Year Base (line 7 / 2)</i>	<i>2.0%</i>	<i>3.8%</i>	<i>3.8%</i>	<i>0.6%</i>	<i>4.2%</i>
9. Ongoing Enhancements	20,000	15,000	5,700	12,200	81,200
10. <b>Total Ongoing Enhancements Change</b>	<b>20,000</b>	<b>15,000</b>	<b>5,700</b>	<b>12,200</b>	<b>81,200</b>
11. <i>% Chg from Current Year Base (line 10 / 2)</i>	<i>2.7%</i>	<i>1.9%</i>	<i>0.7%</i>	<i>1.4%</i>	<i>9.2%</i>
12. <b>Next Year Base (line 2 + 7 + 10)</b>	<b>786,800</b>	<b>831,500</b>	<b>869,100</b>	<b>886,500</b>	<b>1,004,600*</b>
13. <b>Total Base Change (line 12 - 2)</b>	<b>35,300</b>	<b>44,700</b>	<b>37,600</b>	<b>17,400</b>	<b>118,100</b>
14. <i>% Chg from Current Year Base (line 13 / 2)</i>	<i>4.7%</i>	<i>5.7%</i>	<i>4.5%</i>	<i>2.0%</i>	<i>13.3%</i>

\*Next Year Base not set. Ongoing Original Appropriation used instead.

# 2025 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
2% Additional CEC	Enhancement	\$12,200
<b>Total Ongoing Base Change from Enhancements</b>		<b>\$12,200</b>

# 2026 Budget Request

Ongoing Enhancement Name	Type	Amount
Compensation Increase for Staff	Enhancement	\$80,000
General Inflation	Enhancement	\$1,200
<b>Total Ongoing Base Change from Enhancements</b>		<b>\$81,200</b>

Onetime Enhancement Name	Type	Amount
OITS Hardware	Enhancement	\$4,900
<b>Total Onetime Base Change from Enhancements</b>		<b>\$4,900</b>

1. Compensation Increase for Staff

AGENCY SUBMITTED OUTCOMES: This will bring the salaries for both the Manager of Investments and the Investment Manager closer to market pay rates.

# 2027 Budget Request

Onetime Enhancement Name	Type	Amount
OITS Hardware	Enhancement	\$3,700
<b>Total Onetime Base Change from Enhancements</b>		<b>\$3,700</b>

*The Governor's Recommendation was inclusive of the agency's request.*

Please feel free to contact me with  
any questions at 208.334.4730 or  
[jjessup@lso.idaho.gov](mailto:jjessup@lso.idaho.gov)

# FY 2025 Expenditures – Personnel Costs

80.7% of Total Expenditures for Appropriated Funds

## Gross Salary and Wages: \$525,886

Employees	\$525,886
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## Employee Benefits: \$160,437

Other Employee Benefits	\$56,110
Workers Compensation	\$772
Employer Retirement Contribution	\$62,381
DHR	\$6,705
Social Security and Medicare	\$34,468



A total of \$686,300 was expended on Personnel Costs



# FY 2025 Expenditures – Operating Expenditures

19.1% of Total Expenditures from Appropriated Funds

Expenditure	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	% of Total
Communication Costs	\$2,307	\$2,857	\$3,023	\$3,225	\$2,253	0.0%
Employee Development Costs	\$14,919	\$18,386	\$18,614	\$18,651	\$19,918	0.2%
General Services	\$21	\$11	\$23		\$22	0.0%
Repair & Maintenance Services	\$1,474	\$2,213	\$2,146	\$13,120	\$2,829	0.0%
Computer Services	\$11,890	\$10,847	\$9,715	\$5,042	\$7,795	0.1%
Computer Supplies	\$1,385	\$2,939	\$132	\$362	\$310	0.0%
Insurance	\$868	\$829	\$107	\$977	\$1,773	0.0%
Rentals & Operating Leases	\$47,146	\$48,560	\$50,016	\$49,996	\$50,996	0.4%
Miscellaneous Expenditures	\$11,025	\$10,840	\$9,928	\$11,356	\$4,147	0.0%
Professional Services	\$11,656,399	\$13,262,842	\$11,427,442	\$11,192,202	\$11,435,583	99.1%
Employee Travel Costs	\$732	\$7,916	\$7,358	\$14,631	\$8,203	0.1%
Administrative Supplies	\$3,156	\$1,299	\$2,132	\$780	\$942	0.0%
Specific Use Supplies	\$102	\$110	\$332	\$26		-
Administrative Services		\$754	\$4,926	\$1,414	\$1,088	0.0%
<b>Total</b>	<b>\$11,751,423</b>	<b>\$13,370,404</b>	<b>\$11,535,894</b>	<b>\$11,311,783</b>	<b>\$11,535,858</b>	<b>-</b>

# 2022 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Manager of Investments Raise	Enhancement	\$20,000
<b>Total Ongoing Base Change from Enhancements</b>		<b>\$20,000</b>

# 2023 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Raise for Manager of Investments	Enhancement	\$15,000
<b>Total Ongoing Base Change from Enhancements</b>		<b>\$15,000</b>

# 2024 Budget Enhancements

Ongoing Enhancement Name	Type	Amount
Human Resource Consolidation	Enhancement	\$5,700
<b>Total Ongoing Base Change from Enhancements</b>		<b>\$5,700</b>

# Performance Measure Report

## **FY 2025 Performance Highlights**

- The net position of the Land Grant Endowment Fund totaled \$3.6 billion, an increase of \$334.7 million
- The portfolio generated investment returns before fees of 11.7%
- Distributions to land-grant beneficiaries increased from \$100.6 million to \$103.5 million
- Net operating revenue from Department of Lands increased \$0.8 million to \$61.6 million
- \$14.0 million was added to the Permanent Fund

# Performance Measure Report, cont.

## Part II – Performance Measures

Performance Measure		FY 2022	FY 2023	FY 2024	FY 2025 <sup>7</sup>	FY 2026	5-Year Avg. <sup>6</sup>
<p><i>As our clients' individual needs for managing an endowment fund require, we will: Develop a prudent long-term investment strategy, utilize the best portfolio managers, consultants and other agents to execute that strategy, diligently evaluate performance over time, develop an effective distribution policy, and help them fulfill their fiduciary responsibilities and communicate with their stakeholders</i></p>							
1. Return vs. Benchmark (gross of fees)							
A. Land Grant Endowment Fund <sup>1</sup>	total return	-13.0%	10.9%	12.0%	11.7%	7.1%	9.4%
	benchmark	-11.2%	10.6%	11.9%	12.3%	6.5%	9.2%
	excess	-1.8%	0.3%	0.1%	-0.6%	0.6%	0.2%
B. State Insurance Fund <sup>2</sup>	total return	-8.7%	1.4%	5.1%	7.1%	5.5%	1.9%
	benchmark	-8.1%	2.1%	4.6%	7.4%	5.3%	2.1%
	excess	-0.6%	-0.7%	0.5%	-0.3%	0.2%	-0.2%

# Performance Measure Report, cont.

2. Return vs. Peers (gross of fees)							
A. Land Grant Endowment Fund <sup>3</sup>	total return	-13.0%	10.9%	12.0%	11.7%	7.1%	9.4%
	endowment/ foundation universe median	-10.6%	9.6%	11.9%	11.4%	6.5%	9.4%
	excess	-2.4%	1.3%	0.1%	0.3%	0.6%	0.0%
B. Land Grant Endowment Fund <sup>4</sup>	total return	-13.0%	10.9%	12.0%	11.7%	7.1%	9.4%
	public funds universe median	-9.4%	9.3%	11.1%	11.2%	6.2%	9.3%
	excess	-3.6%	1.6%	0.9%	0.5%	0.9%	0.1%
3. Percent Real Change in the Fund							
A. Land Grant Endowment: growth in Permanent funds to exceed the rate of inflation and population growth	annual growth in perm. fund	11.6%	4.5%	4.7%	9.0%	7.0%	7.1%
	annual rate of inflation	7.2%	6.3%	3.3%	2.6%	2.5%	4.3%
	annual population growth	2.7%	1.9%	1.0%	1.5%	1.5%	2.3%
	excess	1.7%	-3.7%	0.4%	4.9%	3.0%	0.5%



# Performance Measure Report, cont.

4.							
A. No reduction in the total Endowment Distribution	change	\$88.1M	\$100.3M	\$100.6M	\$103.2M	\$110.4M	
	target	Increase	Increase	Increase	Increase	Increase	
B. Land Grant Endowment Earnings Reserves at least 700% of next year's approved distribution	number below target	8	2	0	0		
<b>Performance Measure</b>		<b>2017-22</b>	<b>2018-23</b>	<b>2019-24</b>	<b>2020-25</b>	<b>2021-26E</b>	
C. Growth in Land Grant Endowment distributions exceeds inflation and population growth over a five-year period (avg. annual growth for all endowments)	growth in distributions	6.9%	6.4%	5.2%	5.0%	5.5%	
	inflation	3.1%	3.8%	4.1%	4.3%	4.4%	
	population growth	2.6%	2.6%	2.3%	2.0%	1.7%	
	excess	1.2%	0.0%	-1.2%	-1.3%	-0.6%	

# Agency Funds – Sources and Uses

## Endowment Earnings Administration Fund

Sources: The Endowment Earnings Administrative Fund includes earnings from the investment of the permanent endowments, earnings from the investment of the endowment earnings reserves, earnings from timber sales, earnings from range and cottage site leases, and earnings on interest from timber sales are placed into the earnings reserve. Before endowment reform in 2000, activities related to the management of the Endowment Fund were paid from the General Fund.

Uses: The Endowment Earnings Administrative Fund is a subset of the Earnings Reserve Fund that is used to pay for the administrative costs of managing the land grant endowments. The endowments constitute the majority of board investments. Amendments to the Idaho State Constitution (HJR 8 of 1998) approved by popular vote and legislation (HB 643 of 1998) allowed the Legislature to appropriate administrative costs of the permanent endowments from the endowment earnings (public school §33-902A, Idaho Code; penitentiary §20-102A, Idaho Code; university §33-2909A, Idaho Code; scientific school §33-2911A, Idaho Code; agricultural college §33-2913A, Idaho Code; normal school §33-3301A, Idaho Code; mental hospital §66-1101A, Idaho Code; and charitable institutions §66-1104, Idaho Code). The Legislature provides a fixed appropriation to the Endowment Fund Investment Board for the salaries and operating costs of the staff and the Legislature provides a continuous appropriation for external investment costs. Separate statutory changes to the Capitol Endowment §67-1610 and §67-1611, Idaho Code (previously public buildings §76-5780, Idaho Code), did not specify administrative uses by the Endowment Fund Investment Board until the Capitol Maintenance Reserve Fund was created in 2013.



# Agency Funds – Sources and Uses

## Miscellaneous Revenue Fund

Sources: The Miscellaneous Revenue Fund receives investment revenue from select funds managed by the Endowment Fund Investment Board. The board invests certain balances of the State Insurance Fund, Ritter Island, Trail of the Coeur d'Alenes, Bunker Hill Water Treatment, Wildlife Stewardship, and Fish and Game Trust. HB 660 of 2012 transferred responsibilities for investment of the Judges Retirement Fund to PERSI effective July 1, 2014 following the determination by the Internal Revenue Service that the plan met federal requirements for a qualified plan (Section 1-2002, Idaho Code).

Uses: Investment earnings are used to pay for the administrative costs of managing the investments of the State Insurance Fund, Department of Parks and Recreation, Department of Environmental Quality, and Department of Fish and Game based on the amount of staff time consumed as a proportion of the total budget. A portion of the funds from the Miscellaneous Revenue Fund are included in the board's annual appropriation, the majority is continuously appropriated. Pursuant to language included in the appropriation bill, consulting fees, custodial fees, investment manager fees, and other portfolio-related external costs can be continuously appropriated.