• K-12: 2020 School Year Enrollment: 149,178 public school children
• OPI Budget: $864.4 million
• OPI Pupil Budget: average state share per student $5,795

• Trust Lands Common Schools Distribution: $41.2 million or $276 per student
• Trust Lands Contribution to the OPI Budget: 4.8%
• School Facility & Technology Fund: $1.7 million
Agriculture & Grazing Management

- **Agriculture Lease Revenues:** $14.8 million
  - 8.36 million bushels of wheat
  - 1.0 million bushels of barley
  - 92.5 thousand tons of hay

- **Grazing Revenues:** $13.3 million
  - A decrease in beef cattle prices resulted in a decrease of the grazing rate from $13.10/AUM to $12.92/AUM.

- **Recreational Use**
  - 526,455 conservation licenses were sold, generating $1,052,910 for the trust beneficiaries.
Ag & Grazing Revenues
FY 2016 - FY 2020
Minerals Management

• In FY 2020, revenue from mineral activities totaled $22.4 million
• Average price per barrel: $43.53
• Oil & Gas royalty revenue: $7 million
• Coal royalty revenue: $13.6 million
• Oil & Gas rentals & bonus revenue: $1.8 million
• During FY 2020:
  • 500,123 acres under 1,295 lease agreements for Oil & Gas:
     615 leases are producing from 232,865 acres
     900 thousand barrels of oil
     2.1 million mcf (thousand cubic feet) of gas
  • 14,692 acres under 31 lease agreements for Coal:
     6 leases are producing from 2,520 acres.
     5.7 million tons of coal
Oil & Gas Lease Auctions

• Four quarterly auctions per year.

• Generated $359 thousand in bonus revenue in FY 2020.

• 67% increase over the previous 3-year average.

• However, wide fluctuations in quarterly lease auction revenues.
Figure 3
Mineral Revenues
FY2016 - FY2020

Minerals Management
Fiscal Year 2020:

- 53.9 million board feet sold of the 59 offered
  - Value of $10.5 million
  - Average stumpage price decreased 12% to $171 per MBF.
- 45.3 million board feet harvested
  - Value of $10.5 million
- 326,926 seedlings planted
Forest Management

• Initiated the amendment process to include approximately 14,000 of acquired lands (Stillwater State Forest) in the Department Forest Management Habitat Conservation Plan.

• Completed and adopted the 2020 Sustainable Yield Calculation.

• Continued deployment and improvement of “NextGen” data and data systems to include FM Pro, a Forest Improvement data management application.
Real Estate Management

FY 2020 Revenue by Program
- ROW/Easement: $1.5 million
- Residential Leasing: $2.2 million
- Commercial Leasing and Licensing: $2.2 million
- Hydro Lease: $4.9 million* undistributed
  $20+ million in hydro revenue currently
  (held in escrow)
Land Banking Sales FY 2020

- Sold: 41 Cabin Sites for $7.5M
- Sold: 12 Land Sales of 5,640 acres for $3.6M
- Total Land Banking Sales: 53 parcels for $11.1M
Land Banking
2006 - 2020

Total Lands Sold:
86,231 Acres
$75.2 M

Total Lands
Acquired:
98,228 Acres
$53.3M
Cabin Site Sales Highlights

- 41 cabin sites sold in FY 2020
- 2020/2021 sale program
  - 200+ sites considered
  - 100+ sites being processed
  - 80+ expected to sell
- 238 rights-of-way/easement applications approved by the Land Board.
- Conversion of Big Arm State Park/Fishing Access site from a lease to an easement, realizing a $10,000,000 benefit to the Common School permanent fund (payment made in FY21)
- 32 cabin site sale legal access easements issued
- Actively pursuing reciprocal easement exchanges to obtain and enhance legal access to trust land inholdings.
Property Management
Commercial Leasing

• Mountaineer Parcel (right) - Kalispell. Last remaining commercial zoned parcel in Spring Prairie – lease option signed 10/2020 – 1st year lease revenue - $145,000.

• Lands managed for intensive Real Estate leasing represent the smallest land classification at only 15,152 acres while generating 7 times more revenue per acre than all other programs.

McKenzie River Pizza – Belgrade Interchange Opened May 2020

Mountaineer Parcel – Spring Prairie – Kalispell
Property Management
Alternative Energy Leasing

• Average annual revenues increase of 11.15% over past 6 years.
• First year commercial lease revenue surpassed residential lease revenue.
• 3 wind development leases under consideration.
Anticipate strong demand and competitive RFP’s for remaining in-fill sites.

The department is pursuing historic ROW easement grant with BPA Powerline for significant revenue potential.

Section 36 is currently producing $904,636 per year with 11 ground leases.
Real Estate Revenues
FY 2016 - FY 2020

Real Estate Revenues by Type

- Hydro Lease
- Commercial Leases
- Cabin Site Leases
- Rights of Way
- All Other Uses

Millions

FY 2016 FY 2017 FY 2018 FY 2019 FY 2020

Real Estate Management
Figure 9
Net Distributable Revenues

Millions

FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020

Other Trusts | Common Schools

$0.0 | $10.0 | $20.0 | $30.0 | $40.0 | $50.0 | $60.0 | $70.0
This concludes the presentation
Happy to answer any questions