



Sarah Godlewski, *Secretary of State*
John Leiber, *State Treasurer*
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Thomas P. German, *Executive Secretary*

AGENDA

September 17, 2025
2:30 P.M.

Board of Commissioners of Public Lands
101 E. Wilson Street, 2nd Floor
Madison, Wisconsin

Routine Business:

1. Call to Order
2. Approve Minutes – September 2, 2025 (Attachment)
3. Approve Loans

Old Business:

4. Discussion of Budget provision regarding Milwaukee County Fines and Forfeitures
5. Closed Session pursuant to Wis. Statute Section 19.85(1)(g)
6. Reconvene in Open Session immediately following closed session.
7. Potential vote on course of action regarding Milwaukee County Fines and Forfeitures.

New Business:

8. None

Routine Business:

9. Chief Investment Officer's Report – Quarterly Investment Report
10. Executive Secretary's Report
11. Board Chair's Report
12. Future Agenda Items
13. Adjourn

AUDIO ACCESS INFORMATION

Conference Line Number: 608-571-2209
1st Tues of the month Conf ID Code: 207 822 241#
3rd Tues of the month Conf ID Code: 335 125 302#

Board Meeting Minutes
September 2, 2025

Present were:

Sarah Godlewski, Board Chair
John Leiber, Commissioner
Josh Kaul, Commissioner
Nicole Pegram, Deputy Chief of Staff
Tom German, Executive Secretary
Rich Sneider, Chief Investment Officer
Denise Nechvatal, Controller
Chuck Failing, IT Manager
Thuy Nguyen, Office Manager

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ITEM 1. CALL TO ORDER

Board Chair Godlewski called the meeting to order at 2:00 p.m.

ITEM 2. APPROVE MINUTES

MOTION: Commissioner Leiber moved to approve the loans; Board Chair Godlewski seconded the motion.

DISCUSSION: None

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

MOTION: Board Chair Godlewski moved to approve the loans; Commissioner Leiber seconded the motion.

DISCUSSION: Mr. Sneider shared that the School District of Siren is asking to borrow \$2 million to fund operations. The school district's operating fund balance has been significantly impacted by unforeseen events, namely critical building repairs and substantial increase in special education costs. The special education costs resulted in fund transfers that have exceeded expectations which were driven by students' needs for specialized services. This loan is needed for day-to-day operations and to replenish their operating fund.

The district's approval of this loan utilized what we call the publishing method. The publishing method is one of the alternatives to hold an actual referendum to obtain the voters' approval. This method entails getting school board approval of the loan application and the BCPL borrowing resolution. Then the district must publish a notice detailing that proposed borrowing. Opponents to the loan then have 30 days to obtain signatures on a petition that would force a referendum. The number of signatures must exceed 20% of the number of voters that voted in the last gubernatorial election from that district. Following that 30 days, if no petition is filed, the borrowing is deemed approved by the electors and the loan can move forward.

In this case, the 30-day petition period has expired and no petition has been filed. Using this method of approval would significantly lengthen our loan review and approval process so what BCPL staff has done in these situations is move forward with our review and processing of the loan application during the petition period and

the approval of our board is considered “conditional” and we will not fund the loan until we receive the affidavit of publication of the notice and a certification by the clerk that no petition has been received. These type of loans do not come across the board very often.

Commissioner Kaul commented that it’s his understanding that the language in the loan documents says that if that condition comes into effect, the borrower is to contact BCPL. He believes it would be helpful to make clear if this condition comes into effect, preventing the borrower from borrowing, the loan is then not in effect. He wanted to flag that for future reference.

Mr. Sneider concurred. He will look at the official letter that gets sent with the application and make sure that that's clear in that letter.

Commissioner Kaul commented that Secretary German, as counsel for the agency, could look into the legal aspect of it. If we are confident, he will follow up offline if he has any further questions.

Executive Secretary German will take a closer look at it to make sure there are no loopholes or gray areas.

Mr. Sneider shared that loan #2 to the Town of Ledgeview for \$485,000.00 is to finance a land purchase. The land is adjacent to their current business park and the town would like to develop it in the future. The other loans are ‘bread-and-butter’ loans.

Board Chair Godlewski asked Mr. Sneider to talk further about the Town of Bristol loan for finance operations. Mr. Sneider responded that the Town has had some cost overruns in their current budget.

Commissioner Lieber asked if the loan was a two-year loan. Mr. Sneider confirmed.

Executive Secretary German shared that the town also lost their long-time board chair.

Mr. Sneider commented that the town chair passed away last year. That town chair was a good supporter of BCPL and the town has been an excellent customer over the years.

VOTE: The motion to approve the loans passed 3-0.

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$3,816,000.00** in State Trust Fund Loans to support **6** community projects in Wisconsin.

1. School District of Siren / Burnett County / Finance operations / \$2,000,000.00
2. Town of Ledgeview / Brown County / Finance land purchase / \$485,000.00
3. Townsend Flowage Protection District / Oconto County / Finance storage building / \$100,000.00
4. Village of Kewaskum / Washington County / Finance roadwork and capital projects / \$420,000.00
5. Village of Nashotah / Waukesha County / Finance roadwork / \$711,000.00
6. Town of Bristol / Dane County / Finance operations / \$100,000.00

ITEM 4. Milwaukee County Fines and Forfeitures

MOTION: Board Chair Godlewski made the motion under Section 19.85(1)(g) to transition into closed session, Commissioner Leiber second the motion.

DISCUSSION: Board Chair Godlewski noted that the state budget passed in July contained a budget amendment that provided for all traffic fines and forfeiture revenues in Milwaukee County to go to support district attorney operations in Milwaukee County and nothing would go into the Common School Fund. She further noted that The Constitution states that clear proceeds from fines and forfeitures should go to the school fund. She further noted

that we have discussed our fiduciary responsibilities specifically regarding the Common School Fund what that obligation means for us. The potential of litigation is very clear. After the last two meetings, having this conversation in closed session seems to be the next step for us as a board.

Commissioner Kaul stated that pursuant to our earlier discussion, he is going to recuse himself from that discussion. He confirmed that he will remain online and attend the reconvened open session following the closed session.

Board Chair Godlewski asked Commissioner Kaul how the board should obtain legal counsel to navigate through this conversation.

Commissioner Kaul replied that he will let Secretary German address that since he's recusing himself.

VOTE: The motion to transition to closed session passes 2-0. Commissioner Kaul abstained.

ITEM 5. Closed Session pursuant to Wis. Stats. §19.85(1)(g)

Closed session 2:11 pm – 3:12 pm

ITEM 6. Reconvene to Open Session

Open Session reconvenes at 3:12 pm

ITEM 7. Action regarding Milwaukee County Fines and Forfeitures

Board Chair Godlewski called the meeting back to order as the board reconvened in open session. She asked Executive Secretary German to read a proposed board resolution regarding the state budget provision on fines and forfeitures collected in Milwaukee County.

Executive Secretary German read the resolution.

- A. Article X, Section 2 of the State Constitution provides that: "all moneys and the clear proceeds of all property that may accrue to the state by forfeiture or escheat; and the clear proceeds of all fines collected in the several counties for any breach of the penal laws" be deposited in the Common School Fund.*
- B. In STATE of Wisconsin ex rel. COMMISSIONERS OF PUBLIC LANDS v. Walter E. ANDERSON, County Treasurer of Kenosha County, 56 Wis.2d 666 (1973), the Wisconsin Supreme Court recognized the legislature's authority to define "clear proceeds" but limited that authority so that the amount of fines and forfeitures going to the school fund would not be "nominal."*
- C. The State of Wisconsin's biennial budget for 2025 -2027 contained provisions in budget motion #130 that authorize Milwaukee County to retain 100% of traffic fines and forfeitures collected in Milwaukee County and further included a program revenue appropriation that authorizes Milwaukee County to spend such monies on the operations of the District Attorney's office.*
- D. The budget motion left zero amount of Milwaukee County fines and forfeitures going to the Common School Fund thereby depriving the Common School Fund of an estimated \$2.2 million per year.*
- E. Zero is less than nominal.*

NOW, THEREFORE, BE IT RESOLVED that BCPL recognizes its fiduciary duties under the Wisconsin Trust Code with respect to the Common School Fund;

BE IT FURTHER RESOLVED that BCPL expresses its serious concerns that Wisconsin Budget Motion #130 with respect to fines and forfeitures collected in Milwaukee County and appropriated to Milwaukee County to pay for the operations of the District Attorney's office may not comply with the Wisconsin Constitution and the Wisconsin Supreme Court opinion on this point of law;

BE IT FURTHER RESOLVED, that BCPL recognizes Milwaukee County's need for funding the District Attorney's office, but not at the expense of a constitutionally created and protected trust fund that benefits public education; and

BE IT FURTHER RESOLVED, BCPL recommends that BCPL and the other parties seek a legislative solution that addresses the above concerns prior to commencement of litigation.

MOTION: Board Chair Godlewski moved to approve the resolution as read, Commissioner Leiber seconded the motion.

DISCUSSION: No further discussion in open session.

VOTE: The motion to approve the resolution passed 2-0. Commissioner Kaul abstained.

ITEM 8. NEW BUSINESS

None

ITEM 8. CHIEF INVESTMENT OFFICER'S REPORT

None

ITEM 9. EXECUTIVE SECRETARY'S REPORT

None

ITEM 10. BOARD CHAIR'S REPORT

None


ITEM 11. FUTURE AGENDA ITEMS

Milwaukee County Fines and Forfeitures to be added as Old Business

ITEM 11. ADJOURN

Board Chair Godlewski moved to adjourn the meeting; Commissioner Leiber seconded the motion.

The motion passed 3-0; the meeting adjourned at 3:19 p.m.

A handwritten signature in black ink, appearing to read "Thomas P. German", is written over a horizontal line.

Thomas P. German, Executive Secretary

Link to audio recording:

<https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2025/2025-09-02 BoardMtgRecording.mp3>

**BOARD MEETING
SEPTEMBER 17, 2025**

**AGENDA ITEM 3
APPROVE LOANS**

| Municipality | | Municipal Type | Loan Type | Loan Amount |
|--------------|------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------|-----------------------|
| 1. | Lincoln Vilas County Application #: 02026022 Purpose: Finance Fire Department Ladder Truck | Town Rate: 5.50% Term: 2 years | General Obligation | \$108,000.00 |
| 2. | Florence Florence County Application #: 02026023 Purpose: Finance EMS building construction | County Rate: 6.50% Term: 20 years | General Obligation | \$4,500,000.00 |
| TOTAL | | | | \$4,608,000.00 |

Common School Fund

Portfolio Report

June 30, 2025

| Asset Class | Current Market Value | Cost | Unrealized Gain/Loss | % Gain/Loss | Yield at Cost | Projected Annual Income |
|----------------------------------------------|-------------------------|----------------------|-------------------------|----------------|------------------|----------------------------|
| Fixed Income | | | | | | |
| Public Debt | | | | | | |
| State/State Agency/Municipal Bonds | 72,485,374 | 76,907,912 | (4,422,538) | -5.8% | 4.0% | 3,101,365 |
| U.S. Treasury/Agency Bonds | 90,938,900 | 94,896,000 | (3,957,100) | -4.2% | 4.8% | 4,530,000 |
| U.S. Treasury Inflation Protected Securities | 22,880,073 | 23,171,226 | (291,153) | -1.3% | 2.0% | 468,750 |
| Corporate Bonds | 86,576,165 | 100,920,460 | (14,344,295) | -14.2% | 5.3% | 5,378,020 |
| Private Debt | | | - | | | |
| BCPL State Trust Fund Loans ¹ | 301,775,354 | 301,775,354 | - | n/a | 4.9% | 14,858,067 |
| Other Private Debt ² | 207,254,432 | 211,575,603 | (4,321,171) | -2.0% | 10.1% | 21,425,507 |
| Total Fixed Income | 781,910,298 | 809,246,555 | (27,336,257) | -3.4% | 6.1% | 49,761,709 |
| Equities and Alternatives | | | | | | |
| Public Equities | | | | | | |
| Preferred Stocks | 76,161,761 | 98,363,707 | (22,201,946) | -22.6% | 5.6% | 5,498,119 |
| Common Stocks | 222,307,483 | 199,831,837 | 22,475,646 | 11.2% | 2.8% | 5,664,593 |
| Alternatives ² | | | - | | | |
| Private Real Estate | 234,568,031 | 235,459,917 | (891,886) | -0.4% | 3.1% | 7,271,512 |
| Infrastructure | 39,400,671 | 36,859,719 | 2,540,952 | 6.9% | 5.1% | 1,871,707 |
| Private Equity/Venture Capital | 72,132,442 | 52,913,740 | 19,218,702 | 36.3% | 0.0% | - |
| Total Equities and Alternatives | 644,570,388 | 623,428,920 | 21,141,468 | 3.4% | 3.3% | 20,305,931 |
| Cash | | | | | | |
| State Investment Fund ³ | 79,732,386 | 79,732,386 | | | 4.4% | 3,478,016 |
| Total Cash | 79,732,386 | 79,732,386 | | | 5.4% | 3,478,016 |
| TOTAL CSF PORTFOLIO | 1,506,213,072 | 1,512,407,861 | (6,194,789) | -0.4% | 4.9% | 73,545,657 |

Notes:

¹ The total market value of STFL assets is likely greater than cost. However, these assets are held at cost because no independent appraisal has been conducted and STFL assets have always been held to maturity. Annual income is at STFL interest payments that are due 3/15/26 as of 6/30/25, and is subject to change.

² Private fund investments are valued at the sum of manager-provided market values (at the end of the prior quarter) plus capital calls made during the current quarter. Market valuations are updated as information is received.

³ State Investment Fund yield is from June 2025 SIF Pool Earnings Workbook. Total cash is a preliminary number subject to change.

Common School Fund

Asset Allocation Report

June 30, 2025

| | Current Portfolio | | Potential Portfolio | | | Target | |
|----------------------------------------------|----------------------|--------------------|----------------------|----------------------------|----------------------|-------------------|--------------|
| Asset Class | Current Market Value | Current Allocation | Expected Commitments | Market Value + Commitments | Potential Allocation | Target Allocation | Target Range |
| Fixed Income | | | | | | | |
| Public Debt | | | | | | | |
| State/State Agency/Municipal Bonds | 72,485,374 | 4.8% | | 72,485,374 | 4.8% | 0.0% | 0% to 20% |
| U.S. Treasury/Agency Bonds | 90,938,900 | 6.0% | | 90,938,900 | 6.0% | 3.0% | 0% to 20% |
| U.S. Treasury Inflation Protected Securities | 22,880,073 | 1.5% | | 22,880,073 | 1.5% | 4.0% | 0% to 10% |
| Corporate Bonds | 86,576,165 | 5.7% | | 86,576,165 | 5.7% | 3.0% | 0% to 20% |
| Private Debt | | | | | | | |
| BCPL State Trust Fund Loans | 301,775,354 | 20.0% | | 301,775,354 | 20.0% | 20.0% | 10% to 30% |
| Other Private Debt | 207,254,432 | 13.8% | 37,250,000 | 244,504,432 | 16.2% | 20.0% | 10% to 30% |
| Total Fixed Income | 781,910,298 | 51.9% | 37,250,000 | 819,160,298 | 54.4% | 50.0% | |
| Equities and Alternatives | | | | | | | |
| Public Equities | | | | | | | |
| Preferred Stocks | 76,161,761 | 5.1% | | 76,161,761 | 5.1% | 0.0% | 0% to 10% |
| Common Stocks | 222,307,483 | 14.8% | | 222,307,483 | 14.8% | 16.0% | 5% to 20% |
| Alternatives | | | | | | | |
| Private Real Estate | 234,568,031 | 15.6% | | 234,568,031 | 15.6% | 18.0% | 10% to 30% |
| Infrastructure | 39,400,671 | 2.6% | 6,625,572 | 46,026,243 | 3.1% | 6.0% | 0% to 10% |
| Private Equity/Venture Capital | 72,132,442 | 4.8% | 18,171,873 | 90,304,315 | 6.0% | 8.0% | 0% to 10% |
| Total Equities and Alternatives | 644,570,388 | 42.8% | 24,797,445 | 669,367,833 | 44.4% | 48.0% | |
| Cash | | | | | | | |
| State Investment Fund | 79,732,386 | 5.3% | | | | | |
| Total Cash | 79,732,386 | 5.3% | | | | 2.0% | 0% to 10% |
| TOTAL CSF PORTFOLIO | 1,506,213,072 | 100.0% | 62,047,445 | | | | |

| | | Unfunded Commitments as of 06/30/2025 | | |
|--------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------|------------|-----------------------|
| | | Total | Unfunded | Expected ¹ |
| PRIVATE DEBT | PGIM Senior Loan Opportunities Fund I | 50,000,000 | 10,750,000 | 8,250,000 |
| | Angelo Gordon Direct Lending Fund | 25,000,000 | 2,500,000 | 1,250,000 |
| | Golub Capital Partners 15 | 25,000,000 | 12,500,000 | 11,250,000 |
| | PGIM Senior Loan Opportunities Fund II | 25,000,000 | 17,750,000 | 16,500,000 |
| INFRASTRUCTURE | BlackRock Global Infrastructure Fund IV | 25,000,000 | 7,875,572 | 6,625,572 |
| | 4490 Venture II | 15,000,000 | 450,000 | 450,000 |
| VENTURE CAPITAL | Venture Investors Health Fund VI | 15,000,000 | 1,440,000 | 1,440,000 |
| | Baird Venture Partners V | 7,500,000 | 1,108,610 | 733,610 |
| | NVNG Fund I | 10,000,000 | 5,396,196 | 3,396,196 |
| | Idea Fund of LaCrosse II | 5,000,000 | 3,175,000 | 1,425,000 |
| | Baird Venture Partners VI | 11,000,000 | 4,537,067 | 3,437,067 |
| | Venture Investors Health Fund 7 | 20,000,000 | 14,290,000 | 7,290,000 |
| | | | | |
| See Notes provided on the attached Portfolio Report for additional information | | | | |

¹ Expected call percentages for prior vintage Venture Capital funds (*shown in italics*) has been increased due to current market conditions.

| Growth of Common School Fund Principal Vs Inflation | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------|---------|---------|------|
| | Average Annual Growth | | | | |
| | 1 year | 3 year | 10 year | 40 year | |
| | Common School Fund | 7.3% | 5.1% | 4.3% | 6.1% |
| | CPI - Educational Books and Supplies | 8.5% | 2.3% | 1.7% | 4.8% |
| CPI - Urban Consumer All Items | | 2.7% | 3.0% | 3.1% | 2.8% |
| Note: Data as of 6/30/25. CPI data from Economic Research Division of Federal Reserve Bank of St. Louis at https://fred.stlouisfed.org/ | | | | | |

| Growth of Common School Fund Distributions Vs Inflation | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------|---------|---------|
| Common School Fund CPI - Educational Books and Supplies CPI - Urban Consumer All Items | Average Annual Growth | | | |
| | 1 year | 3 year | 10 year | 40 year |
| | 7.7% | 19.9% | 7.0% | 5.5% |
| | 8.5% | 2.3% | 1.7% | 4.8% |
| | 2.7% | 3.0% | 3.1% | 2.8% |
| Note: Data as of 6/30/25. CPI data from Economic Research Division of Federal Reserve Bank of St. Louis at https://fred.stlouisfed.org/ | | | | |