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Tia Nelson, *Executive Secretary*

## AGENDA

April 21, 2015

2:00 P.M.

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

### Routine Business:

- 1) Call to Order
- 2) Approve Minutes – April 7, 2015 (Attachment)
- 3) Approve Loans (Attachment)
- 4) Discuss Quarterly Investment Report (Attachment)

### Old Business:

- 5) Discuss Normal School Fund Performance (Attachments)
- 6) Vote on Additional Board Chair Duties:
  - \* Approve all BCPL expenditures over \$5,000
  - \* Approve any new hires at BCPL

### New Business:

- 7) Discuss and Vote on WSLCA Summer Conference Attendance (Attachments)
- 8) Discuss Staff Comments to Press
- 9) Discuss new Milwaukee Arena
- 10) Discuss Trust Lands (Attachments)

### Routine Business:

- 11) Future Agenda Items
- 12) Executive Secretary's Report
- 13) Adjourn

**BOARD MEETING  
APRIL 21, 2015**

**AGENDA ITEM 2  
APPROVE MINUTES**

Attached for approval are the minutes from the April 7, 2015, board meeting.

Board Meeting Minutes  
April 7, 2015

Present were:

Doug La Follette, Commissioner  
Matt Adamczyk, Commissioner  
Brad Schimel, Board Chair  
Tia Nelson, Executive Secretary  
Tom German, Deputy Secretary  
Richard Sneider, Loan Analyst  
Vicki Halverson, Office Manager  
Denise Nechvatal, Accountant  
Randy Bixby, Land Records Archivist  
Other individuals were in attendance  
but did not sign in

Secretary of State  
State Treasurer  
Attorney General  
Board of Commissioners of Public Lands  
Board of Commissioners of Public Lands

**ITEM 1. CALL TO ORDER**

Board Chair Schimel called the meeting to order at 2:01 PM and noted that all three Commissioners were present, as was staff.

**ITEM 2. APPROVE MINUTES**

- **March 17, 2015**
- **March 27, 2015**

Board Chair Schimel asked for a motion to approve the March 17 board meeting minutes.

**MOTION and VOTE:** Commissioner La Follette moved to approve the minutes; Commissioner Adamczyk seconded the motion. The motion passed 3-0.

Board Chair Schimel asked for a motion to approve the March 27 board meeting minutes.

**MOTION AND VOTE:** Commissioner La Follette moved to approve the minutes; Board Chair Schimel seconded the motion. The motion passed 3-0.

**ITEM 3. APPROVE LOANS**

Board Chair Schimel asked if the loans had been examined for proper purpose. Executive Secretary Nelson replied that they had received legal review.

**MOTION:** Commissioner La Follette moved to approve the loans; Board Chair Schimel seconded the motion.

**DISCUSSION:** Commissioner Adamczyk asked if loans numbered 11 and 12 were a restructuring of existing BCPL loans at a lower interest rate. Richard Sneider, BCPL Loan Analyst, replied that they were. He said that customers are required to borrow additional funds in order to refinance existing loans, which helps to maintain earnings for the beneficiaries.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Type</u>	<u>Loan Amount</u>
1. Combined Locks Outagamie County Application #: 02015109 Purpose: Finance water main replacement	Village Rate: 3.75% Term: 20 years	General Obligation	\$400,000.00
2. Combined Locks Outagamie County Application #: 02015110 Purpose: Finance sanitary sewer project	Village Rate: 3.75% Term: 20 years	General Obligation	\$400,000.00
3. La Crosse La Crosse County Application #: 02015113 Purpose: Finance housing replacement projects	City Rate: 3.25% Term: 10 years	General Obligation	\$350,000.00
4. Lebanon Dodge County Application #: 02015107 Purpose: Purchase tractor and mower attachment	Town Rate: 3.00% Term: 5 years	General Obligation	\$102,500.00
5. Madison Metropolitan Dane County Application #: 02015119 Purpose: Finance scoreboard replacement and renovation	School Rate: 3.00% Term: 5 years	General Obligation	\$420,000.00
6. Maple Dale-Indian Hill Milwaukee County Application #: 02015112 Purpose: Refinance WRS prior service pension liability	School Rate: 3.25% Term: 10 years	General Obligation	\$1,240,000.00
7. Onalaska La Crosse County Application #: 02015108 Purpose: Purchase capital equipment and vehicles	City Rate: 3.00% Term: 5 years	General Obligation	\$992,200.00
8. Two Rivers Manitowoc County Application #: 02015114 Purpose: Refinance WRS prior service pension liability	City Rate: 3.75% Term: 15 years	General Obligation	\$1,120,000.00
9. Two Rivers Manitowoc County Application #: 02015115 Purpose: Refinance callable bond issues	City Rate: 3.00% Term: 4 years	General Obligation	\$960,000.00
10. Two Rivers Manitowoc County Application #: 02015116 Purpose: Finance 2015 capital projects	City Rate: 3.25% Term: 10 years	General Obligation	\$647,000.00

11.	Two Rivers Manitowoc County Application #: 02015117 Purpose: Refinance BCPL loans 2014168 and 2014170	City General Obligation	\$2,159,596.99 Rate: 3.25% Term: 9 years	
12.	Two Rivers Manitowoc County Application #: 02015118 Purpose: Refinance BCPL loan #2014169	City General Obligation	\$2,890,666.44 Rate: 3.75% Term: 19 years	
13.	Windsor Sanitary District #1 Dane County Application #: 02015106 Purpose: Construct water booster	Sanitary District General Obligation	\$1,100,000.00 Rate: 3.75% Term: 20 years	
<b>TOTAL</b>				<b>\$12,781,963.43</b>

**VOTE:** The motion passed 3-0.

**ITEM 4. DISCUSS GOVERNOR’S REQUEST FOR BCPL’S BUDGET AND JOINT FINANCE COMMITTEE ACTION**

Board Chair Schimel recalled that the Commissioners discussed this topic at prior meetings and asked why it was included on the agenda for this meeting.

Commissioner Adamczyk replied that it was his understanding that the motion made at the March 27 meeting allowed Executive Secretary Nelson to present the Governor’s budget to members of the Joint Finance Committee. He said he did not support the agency’s cost to continue provision in the budget and questioned the agency’s need for the land records archivist and information technology positions.

Commissioner La Follette reminded the other Commissioners that they voted unanimously to support the Governor’s budget on March 27, which included the agency positions that Commissioner Adamczyk now indicated he opposes.

**MOTION:** Commissioner La Follette moved to support the budget as presented by the Governor; Board Chair Schimel seconded the motion.

**DISCUSSION:** Commissioner Adamczyk said the Commissioners could recommend changes to the agency’s budget in the future. Board Chair Schimel agreed but said that given the timeframe for the budget, there was no time for those changes now.

**MOTION WITHDRAWAL:** Commissioner La Follette withdrew his motion. He expressed his concern and found it problematic that Commissioner Adamczyk was now intending to speak to members of the Joint Finance Committee about changes he wanted to the agency’s budget, especially since the three Commissioners voted to unanimously support it at their March 27 meeting.

**ITEM 5. EXECUTIVE SECRETARY’S RESPONSE TO ALLEGATIONS**

- **Global Warming Task Force**

Board Chair Schimel said it was his understanding that Executive Secretary Nelson was nominated by then-Governor Jim Doyle to serve on a state task force to examine global warming issues. He asked Executive Secretary Nelson if that was accurate. She replied that it was.

Board Chair Schimel asked her if the Commissioners were aware of Governor Doyle's request. She replied that they were.

Board Chair Schimel asked her if any of the Commissioners expressed concern or objection to her participation on the Task Force. She replied no.

Board Chair Schimel asked her if she typically worked a 40-hour work week and how her work week functioned. Executive Secretary Nelson replied that she is currently averaging a 55-hour work week and does what is "necessary to get the job done." She said this sometimes requires her to work evenings and weekends.

Board Chair Schimel asked about recent meetings that involved staff working evenings and weekends. She replied that she, Tom German, and Richard Sneider attended over 35 meetings over the past six months where they promoted the State Trust Fund Loan Program to municipal officials, nearly all of which involved overnight stays and Saturday meetings.

Board Chair Schimel asked if the other Commissioners had any questions. Commissioner La Follette replied that Executive Secretary Nelson served in an executive position, did not "punch a time clock" nor was she expected to, and worked more than 40 hours on many occasions.

Commissioner Adamczyk asked Executive Secretary Nelson if she received "explicit permission from the Board to lobby on global warming or to serve on that Global Warming Task Force." She replied that while there was no board vote, she did discuss her service on the Task Force with all of the Commissioners and none of them objected. Commissioner La Follette added that he was Board Chair at the time and did not think it necessary for the Board to approve such an appointment by a sitting governor, especially since no objections were raised by the other Commissioners.

Commissioner Adamczyk said his concern revolved around the hours that the Executive Secretary had worked on the Task Force while on state time, not Governor Doyle's appointment. He cited a meeting Executive Secretary Nelson attended in Washington, DC, where she "spent the whole day out there testifying before Congress on global warming." Executive Secretary responded to his allegation by stating she "did not spend the whole day ... working on climate change." She said she spent approximately two hours "reporting to Congress the recommendations of the Global Warming Task Force." She said the majority of the day was spent in meetings with Congressional members regarding US Forest Service and BCPL Trust Land exchanges.

Commissioner Adamczyk said he did not want any employee of the agency "to work on that topic again." Board Chair Schimel said there was no action the Board could take retroactively nor was it worth the Board's time to confirm that the Executive Secretary worked 40 hours per week during the time she served on the Task Force.

#### **ITEM 6. PROHIBIT STAFF FROM ENGAGING IN GLOBAL WARMING OR CLIMATE CHANGE WORK WHILE ON BCPL TIME**

**MOTION:** Commissioner Adamczyk moved to prohibit staff from engaging in global warming or climate change while on BCPL time; Board Chair Schimel seconded the motion.

**DISCUSSION:** Commissioner La Follette said he had "never seen such nonsense" in the 30 years that he has served on the Board and the Board would be trying to "gag employees from talking about issues ... climate change." He said the topic did relate to the agency's work because the land and forests that BCPL manages were affected by climate change.

Commissioner Adamczyk said the Executive Secretary had spent a lot of time on the issue. He did not think climate change was "important or relevant" to the Trust Funds, was not a part of the Board's mission, and wanted agency staff to manage the Trust Funds.

Board Chair Schimel said it was “not a gag of any kind on the Executive Secretary” or any member of the staff. He said staff could participate in activities they found important on their personal time.

Commissioner La Follette asked how staff should respond to questions about the effects climate change had on Trust Lands. Commissioner Adamczyk did not think that would be a likely question and asked why staff would even have to answer such a question. Executive Secretary Nelson said climate change is sometimes a topic of discussion among timber land managers in northern Wisconsin. She did not think it inconceivable that she or staff would be asked such a question and asked if they would be allowed to answer questions on the topic. Commissioner Adamczyk said that emails could be forwarded to the Commissioners.

Commissioner La Follette said it was not only appropriate but sensible for the Executive Secretary of BCPL to participate in such discussions.

Commissioner Adamczyk would have preferred that the Board not prohibit this type of activity but implied that the Executive Secretary had been “engaging on this topic for years.” He asked Executive Secretary Nelson if she was actively lobbying or working on climate change at the present time. She replied that she had never lobbied on climate change in the ten years she had been at BCPL and had not actively worked on climate change since 2008, which was when the Task Force completed its work. She said that she had attended a meeting “a couple of years ago” convened by timber land managers where the impacts of climate change on timber management was discussed.

Commissioner Adamczyk stated that “in a lot of ways it’s a moot point.” He wanted to “make it abundantly clear” that he did not want staff working on global warming or climate change while on BCPL time.

**VOTE:** Commissioner Adamczyk and Board Chair Schimel voted aye; Commissioner La Follette voted nay. The motion passed 2-1.

#### **ITEM 7. DISCUSSION TO BRING BCPL UNDER THE UMBRELLA OF THE UNIFORM PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS ACT (UPMIFA)**

Board Chair Schimel explained that Wisconsin is part of a uniform compact that addresses how institutional funds are managed but the Board’s current investment authority is governed by Wis. Chapter 24. He said the Board should investigate the long-range impacts that prudent investor standards may have on the Trust Funds and asked the staff to prepare and present a report to the Board in 90 days.

#### **ITEM 8. MILWAUKEE BUCKS ARENA FINANCE UPDATE**

Board Chair Schimel said that some of the proposals involved BCPL providing a portion of the financing for an arena in Milwaukee County. He said that BCPL’s involvement in a project such as this was not unprecedented because the Board had provided financing for the Lambeau Field renovation, which required statutory changes. He said the amount of funds being sought was much larger and may require the Board to liquidate some of their assets.

Executive Secretary Nelson said the Board had \$100 million in cash and staff recommended reserving \$50 million for anticipated State Trust Fund Loan demand. She said that of the Board’s \$1 billion in assets, \$400 million was invested in municipal loans and approximately \$500 was invested in Wisconsin municipal bond and Farm Credit bonds. She cautioned that a large sale of bonds by the Board could have a negative impact on municipal borrowers as well as BCPL. She said a private sale of BCPL-owned bonds to the Bucks’ owners might be an option.

Commissioner La Follette said he would not support any agreement that would result in a loss of revenues for the Trust; Commissioner Adamczyk agreed. Executive Secretary assured the Board that staff would not recommend any financing option that was not in the best interest of the Trust.

Board Chair Schimel asked if a timeline for the project was known and how much funding BCPL might be expected to invest in the arena. Executive Secretary Nelson said the facility was to be completed by 2017 and the funding amount was between \$150 million and \$220 million. She said staff would keep the Board apprised of any developments.

**ITEM 9. VOTE ON ADDITIONAL BOARD CHAIR DUTIES**

- Approve all BCPL expenditures over \$5,000
- Approve all in-state and out-of-state travel
- Approve Executive Secretary work hours using actual start/stop times
- Approve any new staff hires at BCPL

Board Chair Schimel suggested each item be discussed individually. He had intended to speak to Executive Secretary Nelson in the week prior to the meeting about agency expenditures over \$5,000 but had not had an opportunity to do so. Executive Secretary Nelson said the agency's accountant had compiled a list of those expenditures for the last five fiscal years. She explained that some agency expenses are fixed such as the monthly lease payment, salaries and health benefits costs. She said she would send the list to the Commissioners.

Board Chair Schimel said he was reluctant for the Board Chair to approve all in-state travel by BCPL employees because a majority of those costs would be mileage reimbursements from staff attending town and county meetings. He was not interested in micromanaging those expenses.

Board Chair Schimel said, based on conversations he had with the Executive Secretary, he did not have any concerns about her work hours.

**ITEM 10. VOTE REQUIRED FOR ANY TRAVEL BY EXECUTIVE SECRETARY OR COMMISSIONERS PAID WITH BCPL FUNDS**

**MOTION:** Board Chair Schimel moved that the Commissioners must approve out-of-state travel for the Executive Secretary, staff, or Commissioners. Commissioner Adamczyk seconded the motion.

**DISCUSSION:** Commissioner La Follette said he had represented the BCPL at out-of-state conferences in the past and asked how he would get permission to attend future conferences. Board Chair Schimel said requests should be added to an agenda so the Board could discuss the request and vote. He said the motion should not be viewed as a prohibition on Commissioners or staff attending out-of-state conferences. Commissioner La Follette said, in the past, Executive Secretary Nelson made the Commissioners aware of conferences and Commissioners attended if they desired. He felt the process was managed well.

**VOTE:** Commissioner Adamczyk and Board Chair Schimel voted aye; Commissioner La Follette voted nay. The motion passed 2-1.

Board Chair Schimel said if the process becomes unworkable or unmanageable, the Board could review it. Commissioner La Follette thanked Board Chair Schimel for his effort in making the process work.

## **ITEM 11. DISCUSS AND VOTE REGARDING COMMISSIONER'S DUTY TO RECEIVE BCPL INFORMATION AND STAFF DOCUMENTATION EFFORTS**

Board Chair Schimel said he understood there had been “some friction when State Treasurer Adamczyk has sought information.” Commissioner Adamczyk said he realizes that his information requests cannot be fulfilled “in one minute” but it has been implied that he is asking for a lot of data and is burdening the staff.

Executive Secretary Nelson responded that she and staff had fulfilled, in a timely manner, approximately 45 information requests submitted by Commissioner Adamczyk, with the exception of the Normal School Fund report. Due to the volume of requests she said a spreadsheet had been created to track the requests, the date they were received, which staff member had been assigned to the task, and the date the request was filled. She said compiling the many responses and managing staff workflow relating to his requests, in addition to routine business, proved challenging.

Commissioner Adamczyk said the requests he had made were “just very simple things.” He gave an example of his request for documentation supporting the Normal School Fund expenditures that had been reported in past biennial reports. He believed the information should be “in a document that BCPL already has.” Executive Secretary Nelson replied that the request he was referring to involves a comprehensive, 10-year analysis of Normal School Fund revenues and expenditures. She said that at a previous board meeting, all the Commissioners had agreed to give staff additional time to compile the data and present a report to the Board at a future meeting.

Commissioner La Follette said he had tried to resolve the information request issue at a previous Board meeting. At that meeting, he suggested that the Commissioners make information requests at a Board meeting so it could be discussed. If the board determined that the information was required in order for them to make a decision on a particular matter, they could then direct staff to conduct the research. His said the suggestion was rejected.

Commissioner Adamczyk said he was interested in reviewing the breakdown of Normal School Fund expenditures and the documents that supported the agency's biennial reports over the last ten years. He said that his request did not require staff to “have anything created.” He reiterated his belief that the requests he had made were simple and that the documentation should be readily available and provided to him. Executive Secretary again replied that his requests were not as simple as he claimed and took “strenuous objection” with the way Commissioner Adamczyk had characterized the situation.

Board Chair Schimel said the topic of the Normal School Fund analysis should be added to the April 21 board meeting.

## **ITEM 12. FUTURE AGENDA ITEMS**

*(Commissioner La Follette was unable to stay for the remainder of the meeting and excused himself.)*

## **ITEM 13. EXECUTIVE SECRETARY'S REPORT**

No discussion.

**ITEM 14. ADJOURN**

**MOTION AND VOTE:** Commissioner Adamczyk moved to adjourn the meeting; Board Chair Schimel seconded the motion. The motion passed 2-0.

A handwritten signature in black ink, appearing to read "Tia Nelson", written in a cursive style.

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Tia Nelson, Executive Secretary

These minutes have been prepared from a recording of the meeting. The summaries have not been transcribed verbatim. Anyone wishing to listen to the recording may do so by contacting the Board of Commissioners of Public Lands, 101 E. Wilson Street, 2<sup>nd</sup> Floor, Madison, Wisconsin.

**BOARD MEETING  
APRIL 21, 2015**

**AGENDA ITEM 3  
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Green Lake Green Lake County Application #: 02015125 Purpose: Refinance 2007 CDA lease revenue bonds	City Rate: 3.75% Term: 20 years	General Obligation	\$1,000,000.00
2. Kewaunee Kewaunee County Application #: 02015123 Purpose: Refinance WRS prior service pension liability	City Rate: 3.75% Term: 20 years	General Obligation	\$481,887.00
3. Lebanon Dodge County Application #: 02015126 Purpose: Refinance BCPL loan #2010114	Town Rate: 3.00% Term: 5 years	General Obligation	\$168,599.57
4. Milford Jefferson County Application #: 02015120 Purpose: Purchase end loader	Town Rate: 3.00% Term: 3 years	General Obligation	\$50,000.00
5. Nicolet UHS Milwaukee and Ozaukee Counties Application #: 02015127 Purpose: Replace pool dehumidification unit	School Rate: 3.25% Term: 10 years	General Obligation	\$1,000,000.00
6. Plover Marathon County Application #: 02015121 Purpose: Construct new town hall and garage	Town Rate: 3.75% Term: 14 years	General Obligation	\$240,000.00
7. Watertown Dodge and Jefferson Counties Application #: 02015124 Purpose: Purchase land	City Rate: 3.00% Term: 5 years	General Obligation	\$168,000.00
8. Westfield Marquette County Application #: 02015122 Purpose: Finance TID streets project	Village Rate: 3.25% Term: 10 years	General Obligation	\$191,000.00
<b>TOTAL</b>			<b>\$3,299,486.57</b>

**BOARD MEETING  
APRIL 21, 2015**

**AGENDA ITEM 4  
DISCUSS QUARTERLY INVESTMENT REPORT**

**BCPL Trust Fund Investment Management  
Investment Report - First Quarter 2015**

**Executive Summary** - The record 2015 distribution of \$35.5 million from BCPL investment earnings has now been transferred to the Department of Public Instruction. While commissioners and staff should be proud of this achievement in an era of financial market instability and unprecedented low interest rates, maintaining this level of distribution in future years will be challenging should yields on fixed income investments remain near current levels.

BCPL investment management continues to exceed our benchmark by substantial margins. Relative to a passive investment in the benchmark portfolio, an additional **\$2.45 million** was earned by BCPL in the first quarter of 2015. A summary of BCPL investment results is attached.

**Q1 Investment Highlights and Outlook**

Interest rates continued to trend lower during the first quarter of 2015, but it was a bumpy ride with economic uncertainty creating volatile markets. The fact that rates have remained low and continue to drift lower indicates that investors are not worried about future inflation. Funds flowing from Europe and Japan have also been a factor in reducing Treasury yields, as overseas investors are faced with low to negative yields in their own countries. The decline in longer-term rates over the past year has been dramatic, while shorter term rates have actually increased somewhat in anticipation of a rate hike from the Federal Reserve.

Current cash levels are higher than needed to fund expected Trust Fund loan demand, and now include a substantial inflow from annual loan payments. Loan demand in the BCPL State Trust Fund Loan Program remains tepid. With current yields on cash invested in the State Investment Fund (SIF) near 0%, staff will continue strategic purchasing of medium-term and long-term bonds.

Staff is working on an analysis of the impact, benefits, risks and opportunities of adopting the Prudent Investor Standard for Trust Fund investments. This report is expected to be available prior to the end of June 2015.

**Summary and Benchmark Comparison**

Expected Yield is included in the attached Investment Summary for the first time. The Expected Yield is an excellent measure of future portfolio income, and provides the Board with a figure to track changes over time in the yields expected to be generated in BCPL-managed Trust Funds. In contrast, the SEC Yield that has been included in prior investment summaries is used to compare our portfolio to our benchmark and other professionally managed funds.

The Expected Yield of BCPL-managed portfolios on March 31 is at 3.43%, due to high seasonal cash levels as loan principal payments were received mid-March. Both loan and bond portfolios are yielding near 4.0%.

Trust Fund investments continue to generate much better yields than our benchmark. After adjusting yields to equate the maturity and credit quality of our portfolio to the benchmark (so that the yield difference can only be attributed to management), BCPL outperforms our benchmark by 0.98%. This means that Trust Fund earnings resulting from active BCPL portfolio management during the first quarter of 2015 were \$2.45 million greater than if the funds were passively invested in the benchmark portfolio.

Attachment – BCPL Investment Summary 1<sup>st</sup> Quarter 2015

## BCPL Investment Summary

1st Quarter 2015

as of March 31, 2015

Portfolio Summary	Total Assets	Expected Yield <sup>1</sup>	SEC Yield <sup>2</sup>	Average Credit Quality <sup>3</sup>	Weighted Avg Maturity
Total BCPL Managed Financial Assets	\$998,821,764	3.43%	3.36%	Aa1	9.50
Benchmark Performance <sup>4</sup>			2.68%	A1	8.31
<b>BCPL Components</b>					
State/Municipal and Farm Credit Bonds	% of Total BCPL Managed Assets				
Common School Fund Bonds		\$462,996,013	4.00%	3.85%	Aa2
Normal School Fund Bonds		\$9,427,062	4.08%	3.81%	Aa3
Agricultural College Fund Bonds		\$153,315	3.68%	4.11%	Aa3
University Fund Bonds		\$16,536	4.25%	4.58%	Aa2
Total BCPL Bond Portfolio	47.32%	\$472,592,926	4.00%	3.85%	Aa2
<b>Other Financial Assets</b>					
BCPL State Trust Fund Loans	37.56%	\$375,150,815	4.06%	4.06%	Aa1
Cash - State Investment Fund <sup>5</sup>	15.13%	\$151,078,023	0.11%	0.11%	Aaa
Total BCPL Loans and SIF	52.68%	\$526,228,838	2.93%	2.93%	Aa1
<b>Benchmark Components</b>					
	Weighting				
S&P Long Intermediate Term Taxable Municipal Bond Index <sup>6</sup>	60.00%		3.20%	3.57%	Aa3
S&P U.S. Treasury Bill Index <sup>7</sup>	10.00%		0.05%	0.04%	Aaa
Wisconsin Tax-Exempt Bond Mutual Funds (combined) <sup>8</sup>	30.00%	\$369,100,001	N/A	1.77%	Baa2
<b>Important Notes on Following Page</b>					
Prepared by Richard Sneider					

## Notes to BCPL Benchmark Comparison:

<sup>1</sup> **Expected Yield** is the weighted average yield to the redemption date for each bond, and assumes that issuers will redeem bonds at the earliest possible date, when it is in their best interest given current market interest rates. Also called 'yield-to-worst', this number is equal to the lower of the 'yield to call' and 'yield to maturity' for each bond in the portfolio.

<sup>2</sup> **SEC Yield** - The SEC yield should not be confused with the expected yield on invested funds. The SEC yield will vary substantially with market conditions because it is calculated using the current market value of assets, and the value of fixed income assets fluctuates with market interest rates. For example, although interest payments produced by an individual bond remain constant following the issuance of the bond, the SEC yield on this bond will increase with market interest rates solely because the value of the bond decreases (yield = income/value). If all bonds are held to maturity, the actual return to the investor would equal the "yield to maturity at cost". This calculation is not provided for benchmark components and is therefore not included in this comparison. Many investors prefer to use "yield to worst", which calculates the return using the lower of the "yield to call" and "yield to maturity". The most appropriate method to compare bond portfolios is to look at Total Return, which combines both income and changes in the market value of the underlying assets (see note 8 below). BCPL does not have the ability to use Total Return as a method of comparison because the Trust Fund Loan Portfolio has never been valued. Rather, the SEC Yield is used for comparison because it is a standardized methodology for calculating yield as required by the Securities and Exchange Commission for all mutual funds and provides a means to compare BCPL managed funds to a simple benchmark. The SEC yield is a close approximation to the net yield to maturity of the fund using the current market value of the fund, and is calculated as the yield to the investor (after fund expenses and fees) during the previous 30 days assuming all bonds are held to maturity. The SEC Yield for the State Investment Fund is for the most recent month available.

<sup>3</sup> **Average Credit Quality** - Except for the BCPL loan portfolio, all average credit quality ratings shown equal the weighted average credit rating of individual securities held within each portfolio. A rating for the loan portfolio is provided to improve the ability to compare BCPL managed funds to other funds. The Aa1 rating presumed for the loan portfolio is considered reasonable, as there has not been a single default in the State Trust Fund loan program since inception in 1871, and BCPL has the statutory right and requirement to cure any future default by intercepting state aid otherwise due the borrower. Mutual Fund credit quality is provided by Morningstar. The global long-term rating scale of Moodys Investor Services begins at 'Aaa' for obligations judged to be of the highest quality, subject to the lowest level of risk. The ranking in order from highest to lowest quality then includes: Aa, A, Baa, Ba, B, Caa, Ca, and C. Ratings from Aa to Caa are modified with 1,2, or 3 to provide a high, middle and low ranking within each alphabetic category. 'Investment-grade' securities have ratings of Baa3 or higher.

<sup>4</sup> **Benchmark Components and Weighting** - Due to the unique set of BCPL authorized investments consisting primarily of the BCPL State Trust Fund Loan Program, and bonds issued by the State of Wisconsin and Wisconsin municipalities and school districts, there are no managed funds that perfectly match the characteristics of the BCPL portfolio. However, the chosen benchmark components provide the best opportunity to compare BCPL investments to funds managed by other professionals. The justifications of including individual benchmark components are provided below. Component weighting begins with an estimate of average liquidity levels required throughout the year, with additional factors including an estimate of the proportion between taxable and tax-exempt project funding, and the use of current taxable and tax-exempt bond yields in developing program interest rates.

<sup>5</sup> **State Investment Fund** - When looking at investments made within the State Investment Fund, there will be a weighted average maturity and duration greater than that indicated on the previous page. However, because our deposits within the State Investment Fund are available for immediately withdrawal, the use of 0.00 for both average maturity and duration in portfolio calculations is appropriate.

<sup>6</sup> **S&P Long Intermediate Term Taxable Municipal Bond Index** - This taxable municipal bond index is included as a benchmark component because it properly reflects the investment strategies of BCPL managed Trust Funds, including both the direct investment in taxable municipal bonds and the influence of taxable bond yields on the development of loan program interest rates. The S&P Long Intermediate Term Taxable Municipal Bond Index matches the weighted average maturity and duration of total BCPL managed funds fairly well, although BCPL maintains better average credit quality. This index is comprised of all taxable bonds issued by any state (including the Commonwealth of Puerto Rico and U.S. territories such as the U.S. Virgin Islands and Guam) with an investment grade rating (minimum S&P BBB- or Moodys Baa3), a minimum par amount of \$1 million, and remaining maturity between 5 and 15 years. Average credit quality level is not published by S&P, but was calculated at the weighted average rating of amounts held within the separate S&P AAA, AA, A, and BBB Rated Taxable Municipal Bond Indices using a formula developed by Schwab Portfolio Center, the portfolio analysis software used by BCPL. Overall, a weighting of 60% is appropriate given the average levels of cash and tax-exempt investments held by the Trust Funds throughout the year.

<sup>7</sup> **S&P U.S. Treasury Bill Index** - The U.S. Treasury Bill Index represents the average cash position held by the Trust Funds throughout the year, and is included because BCPL maintains significant levels of liquidity needed to fund expected trust fund loan demand over the next 3-6 months. The amount of portfolio liquidity (cash) varies significantly throughout the year, and is impacted by factors including the interest rate environment, the absence of prepayment penalties within the loan program, and the statutory payment structure requiring annual loan payments on March 15 each year. The S&P U.S Treasury Bill index is a market weighted index that includes all U.S. Treasury Bills with maturities ranging from 0-12 months. Because an index is not a managed portfolio, but only a collection of securities within a specific set of criteria, management expenses are not included. Overall, a weighting of 10% for this benchmark component is appropriate given the average levels of cash held by the Trust Funds throughout the year.

<sup>8</sup> **Wisconsin Tax-Exempt Bond Funds** - Tax-exempt bond funds are included as a benchmark component for three reasons: BCPL invests directly in tax-exempt bonds when available at acceptable terms; a significant portion of loans made through the BCPL State Trust Fund Loan Program fund projects that would qualify as tax-exempt; and current tax-exempt bond yields are an important factor in the construction of loan program interest rates. There are three bond mutual funds that invest primarily in Wisconsin State and Municipal Bonds, investments that are similar to the securities approved for BCPL investment. These funds are sponsored by Wells Fargo, Nuveen and Nationwide Ziegler, and there are significant differences between the management of these mutual funds and BCPL trust funds. All three mutual funds are limited to tax-exempt investments, a universe of securities that generally provide lower yields than the taxable instruments favored by BCPL. On the other hand, all three of these funds invest substantial amounts in bonds that have considerable default risk including bonds issued by the Commonwealth of Puerto Rico, community development revenue bonds, hospital revenue bonds, and other bonds types not available within the risk parameters of the BCPL investment authority. Overall, a weighting of 30% for this benchmark component is appropriate given the level of Trust Fund investment in tax-exempt instruments and the influence of tax-exempt bond rates on the interest rates charged within the loan program.

<sup>9</sup> **Total Return Analysis** - A total return analysis including the periodic change in asset values in addition to earnings would provide a more comprehensive and accurate comparison between the returns generated by BCPL managed funds and our benchmark. However, total return analysis requires accurate asset valuation in order to provide a reasonable basis for measuring management performance. A significant portion of BCPL managed assets are invested in loans to municipalities and school districts through the BCPL State Trust Fund Loan Program. BCPL has never sold a trust fund loan and has always held these investments to maturity. There is currently no formula or model available to determine an accurate market value of the loan portfolio. Should BCPL sell loans in the future and establish a secondary market in BCPL State Trust Fund Loans, total return analysis may provide an improvement over the current method of yield comparison as the model for measuring BCPL investment performance against the appropriate benchmarks.

**BOARD MEETING  
APRIL 21, 2015**

**AGENDA ITEM 5  
DISCUSS NORMAL SCHOOL FUND PERFORMANCE**

Income statements for the past five years (i.e., 2010 – 2014) are attached.

**Board of Commissioners of Public Lands**  
**Income Statement with Activity Expense Attributions**  
**FY 2010**

	Total	NSF	Timber Management	Real Estate	Allocated Overhead
<b>Investment Income</b>		\$ 1,077,872.84			
<b>Expenses</b>		Allocation			
Northern Office					
Salary	219,457.35	208,484.48	\$ 181,684.00	\$ 26,800.48	
Fringe	81,027.47	76,976.10	69,028.49	7,947.61	
IT Expenditures	13,018.25	12,367.34	9,893.87	2,473.47	
Tree Planting	17,657.90	16,775.01	16,775.01		
Title Recording	25,340.45	24,073.43		24,073.43	
Timber Sales - Advertising	5,215.39	4,954.62	4,954.62		
BadgerNet	6,600.00	6,270.00	5,016.00	1,254.00	
SASI Charges	5,908.16	5,612.75	4,490.20	1,122.55	
Land Bank Transactions	40,745.51	38,708.23		38,708.23	
Timber Stand Improvement	17,809.54	16,919.06	16,919.06		
PILT	5,238.98	4,977.03	4,977.03		
DOA Administrative Services	42,745.50	40,608.23			40,608.23
Easements		-	-	-	
Other expenses	66,275.13	62,961.37	53,686.22	9,275.16	
Madison Office					
Salary	\$ 384,739.58	148,264.66	4,979.38	27,444.72	115,840.56
Fringe	152,400.41	58,181.64	1,497.98	9,668.49	47,015.17
BadgerNet	8,100.00	405.00			405.00
SASI Charges	5,931.55	296.58			296.58
DOA Administrative Services	42,745.50	2,137.28			2,137.28
Other expenses	155,947.98	7,797.40			7,797.40
IT Salary	78,512.41	58,884.31			58,884.31
IT Fringe	30,448.82	22,836.62			22,836.62
IT Expenditures	3,018.42	2,263.82			2,263.82
Revenue offset	(17,364.69)	(4,341.17)			(4,341.17)
<b>Total Expenses</b>	<b>1,391,519.61</b>	<b>816,413.77</b>	<b>373,901.85</b>	<b>148,768.14</b>	<b>293,743.77</b>
<b>Net Income</b>		<b>261,459.08</b>			
Timber Revenue		318,270.04			

**Board of Commissioners of Public Lands**  
**Income Statement with Activity Expense Attributions**  
**FY 2011**

	Total	NSF	Timber Management	Real Estate	Allocated Overhead
<b>Investment Income</b>		\$ 1,129,743.33			
<b>Expenses</b>		Allocation			
Northern Office					
Salary	213,843.95	203,151.75	\$ 176,351.27	\$ 26,800.48	
Fringe	85,515.45	81,239.68	73,292.07	7,947.61	
IT Expenditures	12,596.14	11,966.33	9,573.07	2,393.27	
Tree Planting	21,893.69	20,799.01	20,799.01		
Title Recording	15,166.00	14,407.70		14,407.70	
Timber Sales - Advertising	3,713.53	3,527.85	3,527.85		
BadgerNet	7,200.00	6,840.00	5,472.00	1,368.00	
SASI Charges	16,827.58	15,986.20	12,788.96	3,197.24	
Land Bank Transactions	49,987.85	47,488.46		47,488.46	
Timber Stand Improvement	2,658.31	2,525.39	2,525.39		
PILT	6,125.34	5,819.07	5,819.07		
DOA Administrative Services	42,745.50	40,608.23			40,608.23
Easements	594.00	564.30	451.44	112.86	
Other expenses	69,532.05	66,055.45	55,862.35	10,193.10	
Madison Office					
Salary	\$ 369,949.35	147,522.78	4,979.38	27,444.72	115,098.68
Fringe	156,312.61	60,886.35	1,497.98	9,668.49	49,719.88
BadgerNet	7,560.00	378.00			378.00
SASI Charges	26,161.83	1,308.09			1,308.09
DOA Administrative Services	42,745.50	2,137.28			2,137.28
Other expenses	143,222.19	7,161.11			7,161.11
IT Salary	78,040.17	58,530.13			58,530.13
IT Fringe	32,366.22	24,274.67			24,274.67
IT Expenditures	3,207.33	2,405.50			2,405.50
Revenue offset	(4,819.48)	(1,204.87)			(1,204.87)
<b>Total Expenses</b>	<b>1,403,145.11</b>	<b>824,378.45</b>	<b>372,939.83</b>	<b>151,021.93</b>	<b>300,416.68</b>
<b>Net Income</b>		<b>305,364.88</b>			
Timber Revenue		641,399.72			

**Board of Commissioners of Public Lands**  
**Income Statement with Activity Expense Attributions**  
**FY 2012**

	Total	NSF	Timber Management	Real Estate	Allocated Overhead
<b>Investment Income</b>		\$ 1,191,582.23			
<b>Expenses</b>		Allocation			
Northern Office					
Salary	205,331.73	195,065.14	\$ 147,255.59	\$ 47,809.55	
Fringe	59,818.46	56,827.54	47,071.18	9,756.36	
IT Expenditures	13,191.47	12,531.90	10,025.52	2,506.38	
Tree Planting	11,084.48	10,530.26	10,530.26		
Title Recording	1,475.00	1,401.25		1,401.25	
Timber Sales - Advertising	3,300.24	3,135.23	3,135.23		
BadgerNet	5,314.00	5,048.30	4,038.64	1,009.66	
SASI Charges	15,593.31	14,813.64	11,850.92	2,962.73	
Land Bank Transactions	21,767.99	20,679.59		20,679.59	
Timber Stand Improvement	8,656.03	8,223.23	8,223.23		
PILT	11,291.21	10,726.65	10,726.65		
DOA Administrative Services	46,920.50	44,574.48			44,574.48
Easements	4,530.00	4,303.50	3,442.80	860.70	
Other expenses	49,645.84	47,163.55	38,957.44	8,206.11	
Madison Office					
Salary	\$ 412,323.64	158,596.62	5,335.03	29,404.68	123,856.91
Fringe	141,127.27	53,909.26	1,276.81	8,372.13	44,260.32
BadgerNet	7,560.00	378.00			378.00
SASI Charges	18,953.25	947.66			947.66
DOA Administrative Services	46,920.50	2,346.03			2,346.03
Other expenses	172,753.14	8,637.66			8,637.66
IT Salary	83,405.48	62,554.11			62,554.11
IT Fringe	28,425.48	21,319.11			21,319.11
IT Expenditures	2,874.04	2,155.53			2,155.53
The Move to DOA	241,700.00	36,255.00			36,255.00
Revenue offset	(24,006.30)	(6,001.58)			(6,001.58)
<b>Total Expenses</b>	<b>1,589,956.76</b>	<b>776,121.65</b>	<b>301,869.28</b>	<b>132,969.14</b>	<b>341,283.23</b>
<b>Net Income</b>		<b>415,460.58</b>			
Timber Revenue		530,501.06			

**Board of Commissioners of Public Lands**  
**Income Statement with Activity Expense Attributions**  
**FY 2013**

	Total	NSF	Timber Management	Real Estate	Allocated Overhead
<b>Investment Income</b>		\$ 1,077,433.21			
<b>Expenses</b>		Allocation			
Northern Office					
Salary	205,590.05	191,198.75	\$ 145,094.57	\$ 46,104.18	
Fringe	58,738.87	54,627.15	45,242.92	9,384.23	
IT Expenditures	10,650.00	9,904.50	7,923.60	1,980.90	
Tree Planting	17,602.65	16,370.46	16,370.46		
Title Recording	3,105.00	2,887.65		2,887.65	
Timber Sales - Advertising	4,096.87	3,810.09	3,810.09		
BadgerNet	6,624.62	6,160.90	4,928.72	1,232.18	
SASI Charges	25,259.98	25,259.98	20,207.98	5,052.00	
Land Bank Transactions	22,557.40	20,978.38		20,978.38	
Timber Stand Improvement	12,782.59	11,887.81	11,887.81		
PILT	9,827.86	9,139.91	9,139.91		
DOA Administrative Services	46,920.50	42,228.45			42,228.45
Other expenses	49,180.73	45,738.09	37,495.15	8,242.94	
Madison Office					
Salary	\$ 406,269.03	153,047.15	5,151.73	28,587.26	119,308.16
Fringe	143,697.21	53,092.17	1,243.73	8,182.08	43,666.36
BadgerNet	(493.00)	(14.79)			(14.79)
SASI Charges	35,047.18	-			-
DOA Administrative Services	46,920.50	4,692.05			4,692.05
Other expenses	169,420.74	20,941.14			20,941.14
IT Salary	80,470.58	56,329.41			56,329.41
IT Fringe	27,524.82	19,267.37			19,267.37
IT Expenditures	5,239.33	3,667.53			3,667.53
Revenue offset	(21,399.79)	(10,699.90)			(10,699.90)
<b>Total Expenses</b>	<b>1,365,633.72</b>	<b>740,514.25</b>	<b>308,496.67</b>	<b>132,631.79</b>	<b>299,385.78</b>
<b>Net Income</b>		<b>336,918.96</b>			
Timber Revenue		553,658.59			

**Board of Commissioners of Public Lands**  
**Income Statement with Activity Expense Attributions**  
**FY 2014**

	Total	NSF	Timber Management	Real Estate	Allocated Overhead
<b>Investment Income</b>		\$ 1,026,330.25			
<b>Expenses</b>		Allocation			
Northern Office					
Salary	242,233.92	222,855.21	\$ 175,880.41	\$ 46,974.79	
Fringe	71,105.53	65,417.09	55,472.07	9,945.02	
IT Expenditures	10,720.00	9,862.40	7,889.92	1,972.48	
Tree Planting	12,766.45	11,745.13	11,745.13		
Title Recording	2,157.00	1,984.44		1,984.44	
Timber Sales - Advertising	2,164.55	1,991.39	1,991.39		
BadgerNet	5,020.00	4,618.40	3,694.72	923.68	
SASI Charges	21,853.06	21,853.06	17,482.45	4,370.61	
Land Bank Transactions	17,822.44	16,396.64		16,396.64	
Timber Stand Improvement	8,300.19	7,636.17	7,636.17		
PILT	10,188.26	9,373.20	9,373.20		
DOA Administrative Services		-	-	-	
Other expenses	59,129.72	54,399.34	47,286.51	7,112.83	
Madison Office					
Salary	\$ 424,250.97	159,708.27	5,469.99	30,108.19	124,130.08
Fringe	156,709.57	57,998.86	1,360.87	8,870.98	47,767.01
BadgerNet	1,283.50	38.51			38.51
SASI Charges	26,187.75	-			-
DOA Administrative Services		-			-
Other expenses	183,196.92	21,374.30			21,374.30
IT Salary	80,268.96	52,174.82			52,174.82
IT Fringe	28,597.01	18,588.06			18,588.06
IT Expenditures	557.57	362.42			362.42
Revenue offset	(27,967.84)	(13,983.92)			(13,983.92)
<b>Total Expenses</b>	<b>1,336,545.53</b>	<b>724,393.79</b>	<b>345,282.84</b>	<b>128,659.68</b>	<b>250,451.28</b>
<b>Net Income</b>		<b>301,936.46</b>			
Timber Revenue		470,432.59			

**BOARD MEETING  
APRIL 21, 2015**

**AGENDA ITEM 7  
DISCUSS AND VOTE ON WSLCA SUMMER CONFERENCE ATTENDANCE**

Information on the Western States Land Commissioners Association (WSLCA) is attached.

# Western States Land Commissioners Association

wslca.org

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## About WSLCA

» [Welcome from President John Thurston \(../pdf/president-message-2014.pdf\)](#)

For more than 60 years, the Western States Land Commissioners Association has brought together key land managers responsible for overseeing the administration of over 440 million acres of public and school trust land assets in 23 western states.

Combined, these states represent the largest land owner group in the nation, second only to the federal government.

We are proud of the fact that the vast resources entrusted to our care continue to provide billions of dollars each year in support of our beneficiary needs, primarily K-12 public education, and as a demonstration of the legacy envisioned by our nation's founding fathers.

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## History

As an incident of statehood, most states west of the Mississippi River received grants of federal land (see below) to assist in the funding of public education facilities and other governmental programs. Known as school lands, trust lands or grant lands, these properties were scattered throughout the various states.

The grants by which the states were given the public lands are solemn trusts. These trusts provide that proceeds from sale or use of the land be applied specifically to education and other various purposes. Thus, these lands may not be used without compensation to the state.

These lands are managed by state agencies called land offices, land commissions or land boards -- collectively identified as commission. Five are headed by statewide elected officials.

Most commissioners also manage lands under navigable waterways to protect resources and produce revenue. Some land commissioners also act as the fire prevention and control agency for their state.

WSLCA was founded in 1949 in response to a need for more coordinated management of federal and state trust lands. As early as 1935, western state land commissioners recognized that, without establishing formal and unified relations with the Department of the Interior and other federal agencies, inconsistent and uncoordinated management of public lands would continue.

# Western States Land Commissioners Association

wslca.org

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## Objectives, Bylaws & Policies

The Association's objectives are:

- to maximize the earnings and preserve the assets of the member states' educational trusts and encourage prudent administration of those trusts;
- to acquire and evaluate information regarding public land, water and resource management policies;
- to develop prudent public land and water management policies; and
- to provide information, education, and assistance concerning the foregoing to the member states and interested parties.

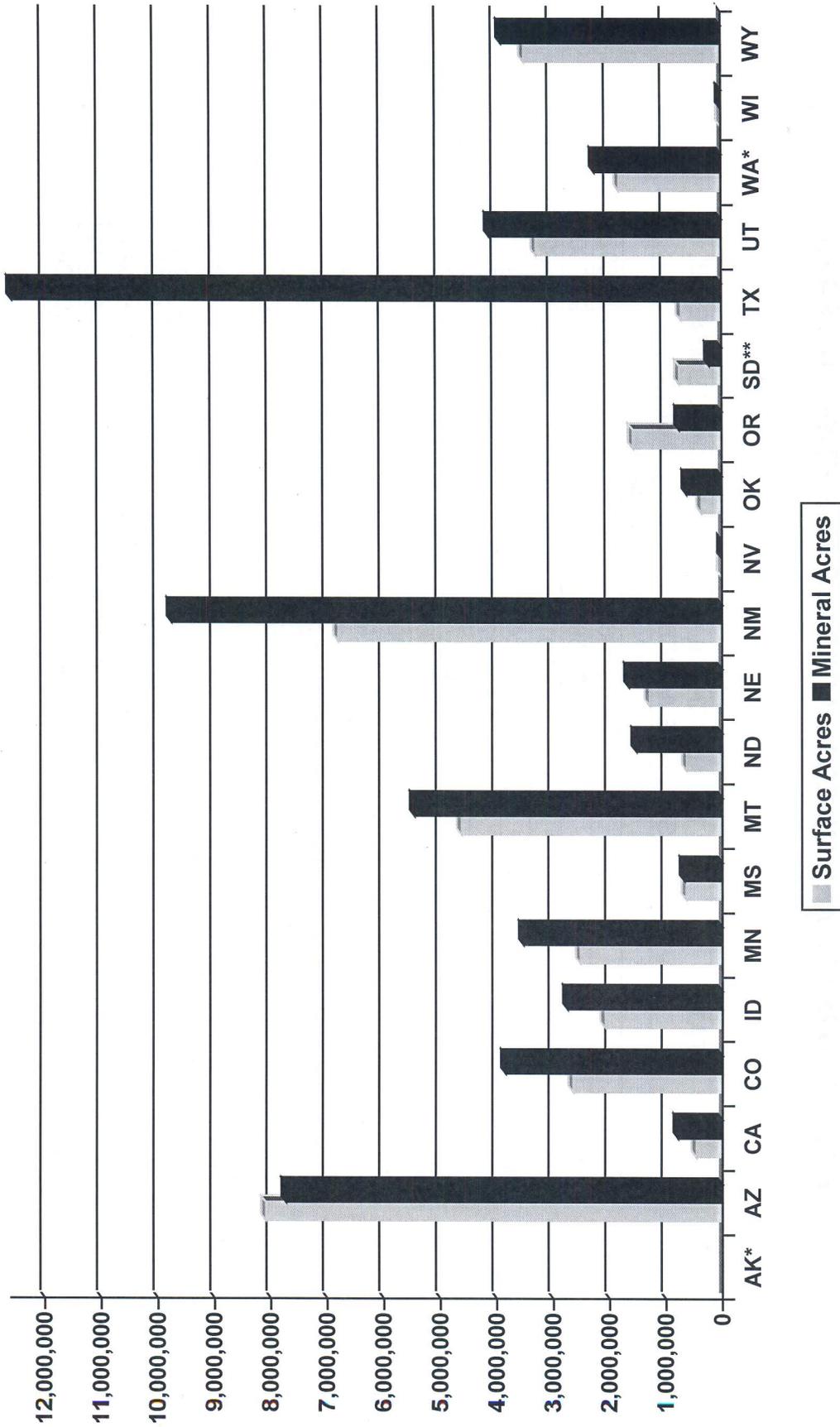
» **[Association Bylaws July 2014 \(../pdf/by-laws-july-2014.pdf\)](#)**

» **[Financial and Organizational Audit Policy Adopted October 6 2014 \(../pdf/objectives-by-laws-policies/financial-organizational-audit-policy-adopted-10-6-14.pdf\)](#)**

» **[WSLCA Logo Usage Guidelines \(../pdf/WSLCA-Logo-Usage-Guidelines.pdf\)](#)**

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**FY 2010 SURFACE AND MINERAL ACREAGE  
FOR SCHOOL TRUST LANDS**



**BOARD MEETING  
APRIL 21, 2015**

**AGENDA ITEM 10  
DISCUSS TRUST LANDS**

See attached documents.

# Summary of Current Trust Assets



	Common School Fund	Normal School Fund
Origin	About 1.5 million acres granted by the federal government in 1848	About 1.75 million acres granted to the state under the Swamp Land Act of 1850
Land Remaining in Trust*	6,150 acres	70,356 acres
Principal*	\$968.4 million	\$26.0 million

\*as of 11/30/14

**Board of Commissioners of Public Lands  
Normal School Fund Expense Allocation  
FY 2014**

	Total	Allocation NSF	Timber Management	Real Estate	Allocated Overhead
<b>Investment Income</b>		\$ 1,026,330.25			
<b>Expenses</b>					
Northern Office					
Salary	242,233.92	222,855.21	\$ 175,880.46	\$ 46,974.74	
Fringe	71,105.53	65,417.09	54,152.57	11,264.52	
IT Expenditures	10,720.00	9,862.40	7,889.92	1,972.48	
Tree Planting	12,766.45	11,745.13	11,745.13		
Title Recording	2,157.00	1,984.44		1,984.44	
Timber Sales - Advertising	2,164.55	1,991.39	1,991.39		
BadgerNet	5,020.00	4,618.40	3,694.72	923.68	
SASI Charges	21,853.06	21,853.06	17,482.45	4,370.61	
Land Bank Transactions	17,822.44	16,396.64		16,396.64	
Timber Stand Improvement	8,300.19	7,636.17	7,636.17		
PILT	10,188.26	9,373.20	9,373.20		
Other expenses	59,129.72	54,399.34	47,286.51	7,112.83	
Madison Office					
Salary	\$ 424,250.97	159,708.27		\$ 159,708.27	
Fringe	156,709.57	57,998.86		57,998.86	
BadgerNet	1,283.50	38.51		38.51	
SASI Charges	26,187.75	-		-	
Other expenses	183,196.92	21,374.30		21,374.30	
IT Salary	80,268.96	52,174.82		52,174.82	
IT Fringe	28,597.01	18,588.06		18,588.06	
IT Expenditures	557.57	362.42		362.42	
Revenue offset	(27,967.84)	(13,983.92)		(13,983.92)	
<b>Total Expenses</b>	1,336,545.53	724,393.79	337,132.52	90,999.95	296,261.32
<b>Net Income</b>		301,936.46			
Timber Revenue	577,915.09	470,432.59			

*Estimations*

Fiscal Year	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
Common School Balance-Cash Assets about 97%	\$900,630,230.41	\$880,619,935.47	\$835,648,746.91	\$809,968,912.57	\$776,375,763.69
Normal School Balance-Cash Assets about 3%	\$26,392,666.29	\$26,062,488.43	\$24,441,193.09	\$24,425,528.98	\$22,730,114.55
Acres in Common School Fund-About 7% of all Lands	5,190	5,190	5,626	5,626	5,682
Acres in Normal School Fund-About 93% of all Lands	70,095	70,095	70,846	70,846	72,549
Total BCPL Lands	75,285	75,285	76,472	76,472	78,231
Normal Fund Expenses	\$740,514.24	\$775,272.72	\$824,378.45	\$816,413.77	\$747,836.50
5% Deduction for Management of Cash Assets	\$37,025.71	\$38,763.64	\$41,218.92	\$40,820.69	\$37,391.83
Actual Normal Fund Expenses for Land Management	\$703,488.53	\$736,509.08	\$783,159.53	\$775,593.08	\$710,444.68
Normal Fund revenue of Timber Sales	\$553,658.59	\$530,501.06	\$565,020.08	\$394,649.68	\$276,495.12
Revenue vs Expenses of Managing BCPL Land	-\$149,829.94	-\$206,008.02	-\$218,139.45	-\$380,943.40	-\$433,949.56

*Estimations*

FY 2008	FY 2007	FY 2006
\$739,020,466.18	\$703,811,345.26	\$635,752,075.99
\$22,721,014.02	\$21,390,393.61	\$19,737,166.68
5,682	4,319	4,319
72,549	71,864	71,864
78,231	76,183	76,183
\$654,944.97	\$697,790.93	\$685,865.56
\$32,747.25	\$34,889.55	\$34,293.28
\$622,197.72	\$662,901.38	\$651,572.28
\$655,488.43	\$210,439.09	\$560,552.16
\$33,290.71	-\$452,462.29	-\$91,020.12

Board of Commissioners of Public Lands  
 Timber Revenue and Direct Northern Office Expenses

	Fiscal Year			
	2014	2013	2012	2011
Timber Revenue	\$ 577,915.09	\$ 562,044.66	\$ 537,595.02	\$ 667,387.91
Total Direct Northern Office Expenses *	\$ 457,734.52	\$ 425,112.54	\$ 408,985.06	\$ 505,710.64
Difference	\$ 120,180.57	\$ 136,932.12	\$ 128,609.96	\$ 161,677.27
				\$ (167,008.86)



FY 2010

lost

\$167,008.86

\* Does not include indirect overhead allocations from Department of Administration and Madison office.