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1. Outgoing state superintendent Tom Luna has pushed the state Land Board to maintain smaller balances in reserves, in order to boost payments to K-12. Do you support such an idea? Why or why not?

Over the last several years, the Public Schools Earnings Reserve Fund has essentially doubled in size, while the Public Schools Permanent Endowment Fund has grown significantly, as well. During this time, the distribution to public schools has remained frozen. It appears that the Land Board has done an excellent job of maintaining and growing fund balances. It is probably time to consider balancing this interest in growing fund balances with the needs of today's public school children. While I do not support shrinking reserve funds to levels that would put distributions in jeopardy, I believe that we can both increase the distribution to public schools while protecting our reserve fund and future generations of beneficiaries.

2. In February, the Land Board voted to suspend the purchase of commercial properties. Do you support this move, and keeping this moratorium intact? Are there any circumstances under which you support adding commercial properties to the state's endowment portfolio?

I do support this move, and support the unanimous vote of the board to suspend the purchase of commercial real estate. It is certainly reasonable to expect commercial real estate to be a part of any large, balanced portfolio of investments, such as the permanent endowment funds. The state, however, should not engage in direct, active competition with the private sector by acquiring businesses that give the state a direct stake in the success or failure of any particular business.

I also have concerns about the tax shift implications when the Land Board sells or exchanges out of property in one county, and acquires it in another. This creates winners and losers among counties, since endowment properties are exempt from taxation, and can result in property tax increases in the county in which property is acquired. With the government owning large amount of the land in some counties, removing a portion of these few private acres from the tax rolls can have a negative impact on the tax base, and make it more difficult for a local school district to pass a critical levy, such as to replace or renovate an aging school or maintain an effective technical program.

For these reasons, I do not support the expansion of the endowment's commercial property holdings in Idaho.

3. A recent Congressional Research Service report says federal agencies spent \$392 million managing federal lands in Idaho in 2011-12 — and the state would incur much of these costs if federal lands are transferred to the state. Could the transfer of federal lands prove to be a net loss to the state, and to the endowments supporting K-12 and other beneficiaries?

I would not support the transfer of federal lands to the state if it would result in a significant net loss to the state. However, I also believe the state can manage many lands more efficiently and effectively than the federal government, even though the question's premise assumes that the state will not be able to do this. I would point out, however, that the state has been able to operate millions of acres of endowment land at a significant profit, generating tens of millions of dollars each year for public schools and other endowment beneficiaries. State managed forests are healthier and less prone to large, catastrophic fires than poorly or barely managed federal forest lands. A well-managed forest in which thinning occurs when appropriate, and in which dead, dying and diseased trees are harvested before becoming a lethal fire hazard, is a healthy forest. Idaho would need to ensure that any such transfer that might take place does so under rules that will allow Idaho to manage the land appropriately, taking into account the right balance of multiple uses and natural resource preservation, as we do on state-owned lands today.

4. The state is beginning the process of auctioning off lakeside cabin parcels. How do you think the state should balance the interests of leaseholders against the short- and long-term interests of endowment beneficiaries?

Members of the Land Board, as the trustees of the state endowments, owe the beneficiaries their undivided loyalty. That said, I believe that the interests of the beneficiaries and the interests of the lakeside cabin leaseholders are moving into alignment in a way that they have not for many years. From the beneficiaries' perspective, these cabin sites have been difficult for the board to manage, and have never paid the level of return that one would expect from a real estate lease. From the leaseholder perspective, the state's approach to managing these properties has been erratic, contradictory and chaotic.

The beneficiaries' interest is in gaining a higher rate of return. The leaseholders' interest is in gaining the certainty that comes from either acquiring title to the land on which their homes are built, or at least finding a buyer who is willing to buy the land and pay them for the cost of their improvements. Both interests are served when the state proceeds with a brisk, orderly divestiture of these properties, as it has just begun to do, and which I support.