

Office of State Lands and Investments

Mission and philosophy

To provide timely, accurate and cost-effective service to the Board of Land Commissioners, the State Loan and Investment Board, policymakers and the residents of Wyoming to facilitate wise and reasonable analytical decision making that will maximize the State's assets and resources in accordance with mandated authorities.

The philosophy of the Office of State Lands and Investments is to accomplish this mission through a commitment to fairness, integrity and accountability as we manage surface, mineral and forest resource issues under the jurisdiction of the Board of Land Commissioners in a timely manner to enhance trust land values for the state's beneficiaries; augment the financial management of state investments through investment policy analysis and implementation of legislatively directed investment programs under the jurisdiction of the State Loan and Investment Board; promote partnerships with local and federal governments that will allow the state and its residents to actively become part of the decision-making process in the management of federal lands within Wyoming; provide grants, loans and technical assistance to strengthen community and rural infrastructures; encourage public participation in our actions and decisions; use technology to increase efficiency and accuracy; and use the expertise of our staff and provide a work environment in which they can grow professionally.

Strategic plan changes

The agency's strategic plan has been revised to provide the following goal and objectives:

In compliance with our mandated authority, the Office of State Lands and Investments will manage the assets and resources of the state and the trust in a manner that will provide the maximum benefit for the trust beneficiaries and Wyoming residents.

The agency's first objective is to maintain a net income position upon the development of the state-owned mineral estate, and where authorized, from the state's share of the federal mineral estate, contemporary with the prevailing economic climate affecting the extractive mineral industries.

The office will administer all processes required to effect and retain leasehold, permit, easement and use rights on state trust land in an efficient and timely manner.

Another objective is to effect practical and equitable financial assistance to Wyoming agriculture.

Using the Governor's "one voice" policy, the Office

General information

Harold Kemp, interim director

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Other locations

Lander, Newcastle, Buffalo, Riverton, Lyman, Casper, Douglas

Year established and reorganized

Established 1890; reorganized in 1921, 1992 and 1998

Statutory references

W.S. 36-1-101 through 36-3-111; W.S. 36-5-101 through 36-7-510; W.S. 36-9-101 through 36-9-120; W.S. 11-34-101 through 11-34-305

Number of authorized personnel

102 full-time

Organizational structure

Office of the Director and five divisions:
Financial Programs and Management Services,
Real Estate Management and Farm Loans,
Mineral Leasing and Royalty Compliance, Office
of Federal Land Policy, State Forestry

Clients served

Agriculture, mineral, timber,
transportation/communication/public utility,
recreation/tourism and other Wyoming industries;
local government entities; state and federal
agencies; school districts; resident and non-resident
general public

Budget information(Appropriated funds only)

General funds	\$ 5,762,226
Federal funds	\$ 1,208,882
Other	\$ 447,714
Total	\$ 7,418,822

of Federal Land Policy will represent to the federal government, Wyoming's long and short-term social, economic and environmental interest concerning federal issues affecting Wyoming.

The agency will manage forested state lands on a sustainable basis to maximize the long-term return thereon.

In cooperation with the county fire wardens and rural fire departments, provide rural fire protection to 29.1 million acres of state and private lands and 260 incorporated and un-incorporated rural communities.

The office will provide technical assistance to Wyoming communities, private landowners, the forest products industry and the general public in the establishment, growth, utilization and protection of trees and forests to meet their objectives.

Collaborate with the Department of Corrections to provide inmate training and work experiences that will, in turn, augment fire suppression on state and private lands giving cost effective service to communities and counties.

The office will assist in evaluating the performance of Permanent Fund Investment Policy and coordinate the issuance of bonded indebtedness for the state and designated agencies.

The agency will facilitate financial assistance to incorporated communities, counties, school districts, special governmental entities and eligible private enterprises.

Financial Programs and Management Services Division and Office of Director

General information

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Other locations

Does not apply

Year established

1984; Joint Powers Act Program, 1974; Mineral Royalty Grant Program, 1977; Clean Water State

Revolving Fund, 1990; Drinking Water State Revolving Fund, 1998; Transportation Enterprise Fund Grant Program, 1999

Statutory references

W.S. 9-4-307; W.S. 9-4-601 through 9-4-604, W.S. 9-4-606, W.S. 9-4-607, W.S. 9-4-709, W.S. 9-4-1001, W.S. 9-4-1002, W.S. 11-34-301 through 11-34-303, W.S. 16-1-109, W.S. 21-15-106, W.S. 27-14-704, W.S. 16-1-301, W.S. 16-1-201

Authorized personnel

21.5 full-time

Organizational structure

Financial Programs and Management Services:
Assistant Director, Accounting Section, Information Technology Section, Investment Management Section, Government Grants and Loans Section
Office of the Director: Director, Deputy Director, Executive Assistant, and Attorney

Clients served

Office of Director, agency personnel, state agencies, federal agencies, local governments, vendors, loan recipients, school districts and general public.

Results of outcomes

To maximize the return on the investment of state funds the board measures its investments against market, established indices or benchmarks. The board is required to review and evaluate the policy at least annually and each year the board reviews changes and updates. The policy statement was updated and significant changes made and approved at the Aug. 9, 2001, board meeting, the annual compliance audit was reviewed by the Board on April 11, 2002, and investment performance was reported and reviewed by the Board for quarters ending Sept. 30, 2001, Dec. 31, 2001, March 31, 2002, and June 30, 2002, by R.V. Kuhns, it's investment manager. With respect to capital facility bonds, there were no new bonds issued this year.

This division transmitted all revenue collected by the agency and distributed to various permanent land income funds, land income funds and the general fund which totaled \$67,606,162. Of this amount, \$53,674,632 was distributed revenue from the 4.2 million acres of state-owned mineral estate and \$13,931,530 was distributed revenue from the 3.6 million acres of state-owned surface estate. In addition, this division serviced Joint Powers Act loan accounts and processed loan repayments totaling \$4,489,033 this year and processed payments totaling \$34,490,765 from farm, irrigation and ASC contracts.

The division also facilitates the board's processes to provide financial assistance to incorporated communities, counties, school districts, special governmental entities and eligible private enterprises to maximize the use of state's resources

to benefit the residents of Wyoming. The division processed 123 Mineral Royalty Grant applications, 78 of which were approved for funding totaling \$25,628,953, and five Joint Powers Act Loan applications totaling \$3,183,310 were processed and approved. The division also coordinated six Abandoned Mine Land Grant applications totaling \$2,500,000 and processed 54 Transportation Enterprise Fund Grant applications, of which 43 were funded totaling \$1,282,490. There were no Aeronautics Joint Powers Act Loans this year.

This year, nine Clean Water State Revolving Fund (CWSRF) loan applications were reviewed, processed and presented to the board. One hundred percent of the applications received were from communities for improvements to or construction of wastewater treatment facilities. Loan servicing was provided to 34 CWSRF loans including disbursing \$4,260,222 to communities and \$5,928,400 to the Department of Environmental Quality for the cleanup of leaking underground storage tanks. A total of \$7,043,057 in loan repayments was processed in the CWSRF. Also during this period, six new loan applications were reviewed, processed and presented to the board for loans totaling \$4,321,686 from the Drinking Water State Revolving Fund (DWSRF). One hundred percent of the loan applications received were from communities to fund improvements to or construction of water treatment facilities. Loan servicing was provided for 19 DWSRF loans, including disbursing \$8,511,753 in loan funds to communities and receiving \$289,799 in loan repayments.

This year, two applications from state institutions were presented to the board for grants totaling \$501,499 from the Omnibus Land Income Fund. The board also approved one application for a School District Bond Guarantee in the amount of \$6 million from Fremont County School District No. 1. There were no School District Capital Construction Account applications this year.

Strategic plan changes

There are no significant changes to the objectives and outcomes of this division.

Forestry Division

General information

Thomas W. Ostermann, state forester

Agency contact

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Other locations

Newcastle, Riverton, Buffalo, Lyman, Douglas

Year established

1952

Statutory references

W.S. 8-4-102, 36-1-112, 36-1-401 through 404, 36-2-1080, 36-3-109

Authorized personnel

44 full-time

Organizational structure

Fire Management, Forest Management, Wyoming Conservation Camp Program

Clients served

Forest, ranching and agriculture landowners, rural wildfire organizations, communities, counties and local governments, other state agencies, forestry and associated industries.

Results of outcomes

To manage forested state trust lands on a sustainable basis to maximize the long-term return to the trust, all forested trust lands are managed according to written prescription on a sustainable basis within identified forest product areas, nine parcels totaling 2,000 acres of forested trust lands were inventoried and two management plans were prepared for the inventoried acres. In addition, 985 acres were treated pre-commercially through thinning and 1,311 acres were treated commercially generating income in the amount of \$471,611. To maintain a forested trust land base within identified forest product market areas, the division identified 103 parcels that have legal access to the Land Board and its assignees. No land exchanges were finalized this year; however, a land exchange with the U.S. Forest Service is proposed that would develop two large blocks of forested state lands in exchange for all scattered parcels within the boundary of the Snowy Range and Sierra Madre portion of the Medicine Bow National Forest.

To provide Wyoming's rural lands and

communities with well-trained and equipped fire prevention, mitigation and suppression resources and provide interagency resources, 3,007 firemen were trained in 125 separate training sessions and 2,317 rural fire fighters and state personnel were trained to meet National Wildfire Coordinating Group standards. Financial assistance was provided to Wyoming counties and rural fire departments through the State Fire Assistance Program, Volunteer Fire Assistance Program and the Mineral Royalty Grant Program. Forty-eight applications were received for federal grants under the Volunteer Fire Assistance Program and 45 were funded for a total of \$151,267. Recommendations were provided for 15 mineral royalty grant applications with \$1.5 million of grant money approved by the board. The division also provided assistance to local communities in the implementation of the National Fire Plan (NFP) and 14 NFP grants were funded totaling \$846,602. Seven hundred seventy-six acres of fuel treatment and 46 defensible space projects were completed, assistance was given to 40 NFP communities and fire hazard assessments were completed on 621 dwellings. Twenty-four fire prevention projects were completed to include a series of public service announcements, meetings with groups to explain the NFP, mass mailings of educational materials on defensible spaces and homeowners actions to reduce fire susceptibility and a video specific to defensible space for Teton County.

In order to maintain the value that Wyoming landowners, communities and state agencies identify with well-managed forests and trees in Wyoming, the division continues to actively pursue practices to achieve those ideals. A total of 222 forest stewardship plans covering 15,560 acres were prepared. The Stewardship Incentives Program had 39 approved practices in four different counties with a total of \$51,880 of cost share. The Forestry Incentives Program had seven approved practices and \$33,337 of cost-share in two counties. The two cost-share programs resulted in treating 492 acres. In addition, there were 389 conservation plantings which resulted in 935,560 linear feet of planting on private lands. The division utilized the Urban and Community Forestry Program to provide technical assistance to prepare one management plan on private property for the City of Lovell. The Community Forestry Council approved 28 grants throughout the state for a total of \$55,300. Grants were used to plant larger trees on public property, for education and the preparation of the Lovell management plan. Thirty-two communities met the qualifications for Tree City USA, an increase of three over last year. Title VIII, a one-time federal cost-share program resulted in \$69,700 of grant funding to Mills, Casper and Cheyenne which was matched by \$142,000 of city funding. Project accomplishments included pruning of 693 trees, 143 removals and 150 trees planted on public property in the three communities. The division continues to provide forest health technical assistance

to Wyoming State Forestry cooperators and clients. Seven projects totaling \$14,529 were approved for insect and disease projects. Assistance was provided to 202 homeowners, municipalities and private forest landowners to identify and provide recommended treatments for insect and disease problems. In cooperation with the Wyoming Department of Transportation and Wyoming Conservation Districts, a total of 27,430 lineal feet of snow fence was installed this year resulting in 9,210 feet of roadway protected. Eleven living snow fence grants were approved totaling \$105,415 for projects in six counties.

Through the operations of the forestry conservation projects out of the Wyoming Honor Conservation Camp and the Wyoming Honor Farm, assigned inmates are trained in job skills that can provide potential opportunities upon completion of their term while they complete projects of value to Wyoming communities and residents during their incarceration. This year, 66 inmates were trained and used for crew assignments. The inmates completed 47 community projects and they received 28 wildfire and four prescribed burn assignments. Although there were no contracts completed this year, 288 cords of firewood and furniture wood were sold for \$12,544 and 25 pounds of ponderosa pine seed realized \$645 in income for a total of \$13,189. The inmates also assisted in treatment of 1,008 acres for improved timber growth and/or to retain aspen stands.

Strategic plan changes

There are no significant changes to the objectives and outcomes of this division.

Mineral Leasing and Royalty Compliance Division

General information

Harold D. Kemp, assistant director

Agency contact

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Other locations

Does not apply

Year established and reorganized

Established 1890; reorganized 1985

Statutory references

W.S. Title 36, Chapters 1,2,3,5 and 6 and W.S. 11-34-120

Authorized personnel

17.5 full-time

Organizational structure

Assistant Director, Royalty Compliance Section,
Mineral Leasing Section

Clients served

State citizens, oil, gas and solid mineral industries,
school and institutional funds, public and private
industry.

Results of outcomes

In order to maintain a net income position from the development of state-owned minerals, and where authorized, this division will coordinate the state's share of the federal mineral estate within Wyoming, contemporary with the prevailing economic climate within the extractive mineral industry, accurate and timely receipt of all bonuses, rents and royalties due for the grant and development of a property interest in state-owned, non-renewable resources. The royalty compliance section performed a total of 898 desk audit reviews this year. Special, more detailed "look-back" audits were performed on five specific leases and a continuing pricing review/audit was maintained against valuation of oil in-kind royalties. In addition, 52 audits of timely payment issues were made resulting in some interest assessments being charged lessees.

To maximize the existing state-owned mineral estate under lease for prospecting and development of multiple mineral commodities, the division's on-going aggressive approach in a three tier fashion for mineral leasing resulted in 555 oil and gas lease issuances through holding three oil and gas competitive lease auctions, and another 44 leases issued over the counter after two attempts to market at auction.

In an endeavor to closely adhere to sub-surface resource development and administrative cost containment, the division avoided the costs to both the state and industry related to pre-mature well abandonments on five leases with one or more operating wells, through suspensions of operations grants and royalty rate reductions. The division reviewed information related to offset drilling and/or production on three separate leases to determine potential for drainage utilizing the lessees in that effort. The division has been working with one of its larger royalty payers, for a significant amount of time, toward effecting change in their rendition of electronic royalty reporting vis-à-vis the division's reporting needs and requirements. Finally, the division has required three major producers of coalbed methane to escrow deduction for what the

division believes is a gas gathering charge, reported by them as transportation and thus a deductible item from royalty.

Strategic plan changes

There are no significant changes to the objectives and outcomes of this division.

**Office of Federal Land
Policy Division****General information**

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Other locations

Does not apply

Year established

1995

Statutory reference

W.S. 9-1-207 et seq, Wyo. Executive Order 1995-1 as amended

Authorized personnel

5 full-time

Organizational structure

Director; State Clearinghouse on Federal Land
Policy Issues, Governor's Policy Staff on Natural
Resource Issues

Clients served

State and local government agencies, state congressional offices, natural resource users

Results of outcomes

Through the governor, this division represents to the federal government Wyoming's short and long-term economic and environmental interest concerning federal issues affecting Wyoming's residents via unified and balanced state positions. To actively monitor federal agency activities affecting Wyoming and insure that federal agencies include

state government in federal use management and planning processes, the division received and circulated 289 National Environmental Policy Act (NEPA) documents involving proposed federal actions to state clearinghouse and affected agencies, of which 199 were new federal actions and 90 were federal actions that were initiated previous to July 1, 2001. Two hundred fifty-nine state responses and positions were advanced to federal agencies, of which 133 were standard responses and 126 were more substantive and expanded responses. In addition, 67 state and/or federal issues of either interagency conflicts or agreements were identified and addressed. The division continues to actively pursue official cooperating agency status (CAS) under NEPA on issues of particular significance to Wyoming. Two cooperating agency status Memorandum of Understanding (MOUs) were signed this year with federal agencies.

The division prepared and presented testimony, comments, position statements and drafted language on federal land and mineral activities on five occasions; maintained relationships via visits, letters and resolutions with Wyoming's Congressional delegation, the Western Governors' Association and professional organizations on 25 occasions; and met on 28 occasions with federal agencies to craft and negotiate various proposals and agreements in its effort to shape legislation and regulatory proposals affecting federal lands in Wyoming. To further communication and coordination with various individuals, interest and user groups regarding land management issues affecting Wyoming, the division present 66 speeches, formal and informal presentations, letters on individual issues and the office's function in general. In total, the division initiated and attended issue-directed conferences and meetings on 279 occasions.

The division continues to facilitate local government participation in federal land use issues regarding multiple use of federal lands in Wyoming. Three local government entities were granted cooperating agency status by federal agencies this year: Fremont County received CAS on the Jack Morrow Hills Coordinated Activity Plan; the Little Snake River Conservation District received CAS on the Atlantic Rim Coalbed Methane EIS; and a coalition of seven conservation districts received CAS on the Medicine Bow National Forest Plan Revision. The division is currently overseeing eight CAS projects (Atlantic Rim Coalbed Methane EIS, Jack Morrow Hills Coordinated Activity Plan, Medicine Bow National Forest Plan Revision, Bighorn National Forest Plan Revision, Black Hills National Forest Plan Amendment - Phase II, Powder River Basin EIS, Rawlins/Great Divide and Pinedale Resource Management Plan Revisions). Three of the MOUs for these projects were completed prior to July 1, 2001. Three more are in process and two were signed during this year. In addition there are nine more which Wyoming were offered and accepted in May 2002 but action has not yet commenced, thus the

MOUs are only in the preliminary stages of negotiation. Additionally, though the state will have local government partners on Jack Morrow Hills, Medicine Bow National Forest and the Black Hills National Forest, these MOUs are still in process and are not part of the accounting for this year.

Strategic plan changes

There are no significant changes to the objectives and outcomes of this division.

Real Estate Management and Farm Loan Division

General information

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Other locations

Lander District Office

Year established

Real Estate Management, 1890; Farm Loan Program, 1921; Irrigation Loan Program, 1955

Statutory reference

W.S. 11-5-101 through 11-5-119; W.S. 11-34-101 through 11-34-130; W.S. 11-34-301 through 11-34-303; W.S. 36-5-101 through 36-5-117; W.S. 36-9-101 through 36-9-120

Authorized personnel

14 full-time

Organizational structure

Assistant Director, Surface Leasing and Use Section, Farm Loan Section, Lander Field Office, Land Inventory Section

Clients served

Wyoming residents including farmers, ranchers, school children, governmental agencies, businesses, real estate developers, utility companies and the mineral industry.

Results of outcomes

It is the division's responsibility to provide

income/revenue for the Land Income Fund and Permanent Land Fund. By leasing land for multiple purposes, the division derived \$4,389,197.52 from grazing, agricultural and special use leasing programs, \$347,667.94 from temporary use permits and \$871,156.13 from surface impact payments. Issuance of grants of easement on state land also generated an additional \$973,958.16. The division processed 407 grazing lease renewal applications, eight special use lease applications, 317 assignments, 308 sublease agreements, 40 improvement applications, 563 surface impact payments, and 155 easements applications.

Development of current lease rates and permit fees requires an annual update of the grazing and agricultural fee formula. Through research provided by the Agricultural Statistics Service, new figures regarding parity ratio and private land lease rates are inserted into the formula and a new AUM (animal unit month) rate established. The AUM rate for the 2002 grazing lease renewals was \$3.83. This year the appraisal staff investigated 238 state, federal, and private communication site lease agreements in order to establish a market rental rate for state communication site special use leases. In order to verify land types and condition of state land under lease, the appraisal staff concentrated efforts this year to determine the condition of farmsteads on state land. Ninety-four inspections were conducted.

In addition to its state trust land obligations, the division is responsible for maximizing the use of the Farm Loan Fund to benefit Wyoming residents. In order to advertise the program's availability 19 farm loans and one irrigation loan were processed. An internal review of farm loan interest rates was conducted on May 8, 2001, and at the June 14, 2001 meeting, the board determined that no change in rates for FY 02 would be made.

Strategic plan changes

There are no significant changes to the objectives and outcomes of this division.

Office of State Lands and Investments organization chart

