

**2016-2017**

**NEBRASKA  
BOARD OF EDUCATIONAL  
LANDS AND FUNDS**



**ANNUAL REPORT**

**GOVERNOR PETE RICKETTS**

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**ORGANIZATION AND PERSONNEL  
BOARD OF EDUCATIONAL LANDS AND FUNDS**

**BOARD MEMBERS**

**TERM EXPIRES**

Jerald Meyer, Lincoln, NE . . . . .	1st District . . . . .	Oct. 1, 2021
Jim Hain, David City, NE . . . . .	2nd District . . . . .	Oct. 1, 2018
Robert Kobza, Bellwood, NE . . . . .	3rd District . . . . .	Oct. 1, 2017
Glenn Wilson, Jr., Grand Island, NE . . . . .	4th District . . . . .	Oct. 1, 2019
Charles A. Ward, Valentine, NE. . . . .	At Large . . . . .	Oct. 1, 2020

**PROFESSIONAL PERSONNEL**

Kelly L. Sudbeck. . . . .	Chief Executive Officer / Executive Secretary
Cindy S.H. Kehling. . . . .	Executive Assistant
Roxanne E. Suesz. . . . .	Executive Assistant
Laura B. Bahr-Frew. . . . .	Minerals Administrator
Donita S. From. . . . .	Accounts Payable
Heidi J. Orth . . . . .	Land Acreage Records and Accounts Receivable
Ann C. Poland. . . . .	Administrative Assistant
Michelle L. Trojan . . . . .	Administrative Assistant
Kathy J. Wright . . . . .	Data Processing/Payroll
Cort Dewing. . . . .	Director of Field Operations and Field Representative
Mark Cooper . . . . .	Field Representative
Ryan Huxoll. . . . .	Field Representative
Jim Janda . . . . .	Field Representative
Kort Kemp. . . . .	Field Representative
Chris Kozisek . . . . .	Field Representative
Tim Kuchta . . . . .	Field Representative
Joe Martin . . . . .	Field Representative
Pat Speirs . . . . .	Field Representative
Larry Gibbens . . . . .	Invasive Species Program Manager

**OFFICE OF THE STATE SURVEYOR**

Steven C. Cobb . . . . .	State Surveyor
Gene A. Thomsen. . . . .	Deputy Surveyor - Dept. of Roads
Gerri Monahan. . . . .	Administrative Assistant
John E. Beran . . . . .	GEO Mapping Specialist
Ryan R. Luedtke . . . . .	Draftsman II

## THE BOARD OF EDUCATIONAL LANDS AND FUNDS

In the Enabling Act of Congress passed April 19, 1864, pursuant to which Nebraska became a State on March 1, 1867, and as a condition of statehood, the federal government granted generally every section 16 and 36 in each township in Trust for the support of Nebraska's common (K-12 public) schools. The Trust nature, conditions and obligations of this grant are reflected in Article VII, Sections 6, 7, 8 and 9 of the Nebraska Constitution and have been recited in numerous decisions of the Nebraska Supreme Court including, for example, *State ex rel. Ebke v. Board of Educational Lands and Funds*, 154 Neb. 244 (1951).

Nearly 2.9 million acres were originally granted in Trust for the support of Nebraska's K-12 public schools and about 1.65 million of these acres have been sold to private sector owners. Approximately 80% of the deeded acres were conveyed pursuant to cash sales, or contractual purchase rights vested in the buyers, prior to 1900, several decades before the Board of Educational Lands and Funds came into existence. The net income earned by the Trust and deposited in the Temporary School Trust Fund is paid out annually for the benefit of Nebraska's K-12 public schools statewide on a per pupil basis. The proceeds from all land sales are deposited into the Permanent School Trust Fund which is invested exclusively by the Nebraska Investment Council. The income earned from this Permanent Trust Fund – like the income from the Temporary Trust Fund – is paid out exclusively for the benefit of K-12 public schools.

The Board of Educational Lands and Funds is now the Constitutionally established Trustee of Nebraska's School Trust Lands. The Board consists of five members, four from Nebraska's congressional districts as they existed on January 1, 1961, and one at large, appointed by the Governor and confirmed by the Legislature to rotating five year terms. Once appointed to the Board, its members are independent Trustees who manage the Board's activities and conduct its business operations in a totally non-partisan and non-political manner. The Board is governed entirely by trust law and its Trustee members are legally bound to fulfill their fiduciary duty to the Trust by maximizing the income and preserving the assets of the School Trust for the exclusive benefit of the Trust's beneficiaries – K-12 public schools.

The Board meets monthly and its members receive a \$50 per diem and reimbursement for their necessary travel expenses for each day they are actually engaged in performing the duties of their office. The Board's Biennial Report is published during even numbered years and supplemented by its report published in the Nebraska Blue Book during odd numbered years and its annual report to the Legislature.

The primary duty of the Board is to manage the approximately 1.256 million acres of land now held in Trust for Nebraska's K-12 public schools and in fulfilling this duty the Board serves as both land owner and land manager.

In its capacity as land owner, the Board expends funds for maintenance, conservation and improvement of the land under its care; a substantial portion of its budget each year is dedicated to these purposes. In its capacity as land manager, the Board issues and services both surface leases, primarily for agricultural uses, and subsurface leases permitting exploration for and extraction of oil and gas, minerals and other natural resources. The Board currently manages and collects rentals on approximately 3,200 agricultural and mineral leases. Sales and trades of School Trust Land are discretionary with the Board.

The primary sources of revenue generated from Nebraska's School Trust Lands are rentals and bonuses for agricultural lands and rental, bonuses and royalties for mineral leases. Analysis using valuation data of the University of Nebraska, Department of Agricultural Economics, established that Nebraska's K-12 School Trust Lands had a current market value of approximately \$1.372 billion dollars for 1.256 million acres as of June 30, 2017, and \$1.498 billion for 1.258 million acres as of June 30, 2016. It should be noted that these values are conservative valuations based solely on agricultural value; they do not include enhanced values for scenic or recreational lands owned by the School Land Trust which increase the value to \$1.432 billion as of June 30, 2017.

Gross revenue attributable to all School Trust Land sources was \$53,011,310.60 for fiscal year ending June 30, 2016, and was \$47,505,311.79. for fiscal year ending June 30, 2017. For additional deposits see page 7 of this report. Sources of new revenue are wind and rare minerals.

Effective January 1, 2001, certain leased public property became taxable to the leaseholder (lessee) as if it were owned by the lessee. The Board voluntarily pays these taxes and collects them from the lessees as part of the rent.

The Board and its staff are firmly committed to their fiduciary duty of maximizing the income and preserving the assets of the School Trust for the benefit of Nebraska and its citizens. In pursuit of these goals, every effort is made to manage and conduct the Board's business operations on the profit motive patterned as closely as possible on business operations conducted by the most efficient enterprises in the private sector. The Board and its staff believe this business-like approach will make possible the continued successful pursuit of the Trust objectives.

## OFFICE OF THE STATE SURVEYOR

The laws of 1903 required the Board of Educational Lands and Funds to appoint a State Surveyor and allowed the Board to appoint deputy surveyors as the need arose. These same statutes prescribed several duties to be performed by the State Surveyor. Many of these original duties are still required and direct the operations of the State Surveyor's Office. Among these duties prescribed by the laws of 1903 are:

- (1) Take charge under the supervision of the Board of the field notes, maps, charts and records of the United States surveys.

A library consisting of these notes and plats is maintained in the Surveyor's Office. This material is made available to the public and copies provided upon payment of appropriate fees.

- (2) Prepare and issue under the authority and direction of the Board, a circular of instruction to county surveyors.

Acting under this directive the office last provided a complete set of instructions in 1914. Since that time the office has issued instructions on specific items. The current directives issued to county surveyors are initiated based upon requests from individual county surveyors or registered land surveyors in private practice.

- (3) In case of any dispute among owners of and arising for or by reason of any survey of boundaries of lands within this state, or in case of dispute or disagreement between surveyors as to said surveys or boundaries, the same shall be referred to the State Surveyor for settlement. He is hereby appointed as arbitrator to settle and determine such disputes or disagreements as to said surveys and boundaries and his decision shall be prima facie evidence of the correctness thereof.

These disputes and requests for surveys have resulted in approximately 2,258 State application resurveys. In many cases the disputes can be resolved without resurvey by use of advice and opinion on surveying issued by the office.

- (4) Perform such other duties as may be prescribed by the Board.

The office reviews all transfers of educational trust land and gives opinions on the adequacy of the descriptions for trades, sales, and condemnations. Upon completion of the transfers the staff supervises changes in the abstract and provides the Board's field personnel with plats showing the revised property. Drafting, charts, graphs and court exhibits are also provided to the Board upon request.

- (5) The Board may, when in its judgment there is need, appoint one or more competent experienced deputy land surveyors.

The Legislature has added duties to this original list from time to time. Some of these additional duties have continued to the present time. Among these added duties are:

- (1) In 1961 the Legislature passed a resolution which resulted in a U.S. Supreme Court case on the boundary between Nebraska and Iowa. The case was decided in 1973 but problems on the boundary still persist as evidenced by further resolutions. The result of these actions has been the accumulation of a library of approximately 20,000 documents filed in the Office of the State Surveyor. The State Surveyor serves on the Nebraska Boundary Commission.
- (2) In 1982 the Legislature created the State Survey Record Repository in the Office of the State Surveyor. This Survey Record Repository receives and files land surveys required to be submitted by statute. All submitted documents are microfilmed and copies are available upon request with the payment of appropriate fees. As of this report, the Survey Record Repository contains approximately 319,000 documents archived on microfilm of which approximately 143,280 documents may be accessed online. All online documents are free of charge.
- (3) In 1991 the Legislature created the GIS Council of the Nebraska Information Technology Commission. The State Surveyor serves as a member of this Council.
- (4) In 1998 the Legislature created the Nebraska Information Technology Commission. The State Surveyor's Office is to provide technical assistance, support and advice to the various counties, cities and other governmental bodies in Nebraska in their endeavors to produce and maintain cadastral or other geo-referenced maps.

These duties, combined with the general governmental responsibility to provide service and information to the public, provide the basis for the operation of the State Surveyor's Office under the direction of the Board of Educational Lands and Funds.

## K-12 SCHOOL TRUST REVENUES FOR FISCAL YEAR 2016 - 2017\*

July 1, 2016 to June 30, 2017

### TEMPORARY SCHOOL FUND (Income):

1	Agricultural Lease Rentals and Interest* .....	\$	43,058,970.02
2	Agricultural Lease Bonus* .....		1,276,600.00
3	Minerals Lease Rentals* .....		182,428.18
4	Minerals Lease Bonus* .....		90,692.07
5	Wind Agreement Rent and Royalties* .....		250,897.61
6	Other Sources* .....		911,354.36
7	Interest on Temporary Investments* .....		884,585.24
	(Interest from BELF only deposits averaged 71% of total)		
8	Interest and Dividends on Permanent Investments .....		17,301,491.35
9	Liquor Control Licenses, Fines, Fees .....		357,156.00
10	Other Agencies .....		22,330.00
	<b>TOTAL INCOME .....</b>	<b>\$</b>	<b>64,336,504.83</b>

### PERMANENT SCHOOL FUND (New Deposits):

11	Mineral Lease Royalties:		
	Oil and Gas* .....	\$	612,043.51
	Sand and Gravel* .....		15,017.71
12	Water Lease Royalties* .....		1,231.55
13	Oil and Gas Severance Tax .....		1,940,738.93
14	Federal Mineral Deposits .....		8,184.05
15	Land Sales, Easements and Condemnations* .....		472,572.68
16	Unclaimed Property, Estrays and Escheats .....		7,959,516.66
17	Licenses, Fines, Fees, Penalties, Forfeitures .....		377,095.00
18	Timber Sales* .....		5,448.58
	<b>TOTAL ADDITIONS TO PRINCIPAL .....</b>	<b>\$</b>	<b>11,391,848.67</b>

**TOTAL K-12 SCHOOL TRUST REVENUES .....** \$ **75,728,353.50**

\* Deposits generated solely from BELF administration of School Trust Lands are found under Items 1 - 7, 11 - 12, 15 and 18 above. These deposits totaled \$47,505,311.79 for FY 2016-2017. Detailed deposits by Fiscal Year can be found on Page 9.

\*\* Information compiled from Monthly General Ledger Reports generated by the Nebraska Information System administered by the Nebraska Department of Administrative Services.



**VALUE OF PERMANENT EDUCATIONAL TRUST FUNDS\***

**As of June 30, 2017**

<b>FUND (Fund Number)</b>	<b>MARKET VALUE</b>
Permanent K-12 School Fund (63340) .....	\$ 733,988,265.53
Early Childhood Education Endowment Fund (61365) ....	53,242,971.13
Total K-12 School Trust Funds **	<u>787,231,236.66</u>
Permanent University Fund (63350) .....	1,688,892.85
Agricultural College Fund (65130) .....	2,949,813.69
State College Fund (63280 - Normal Schools) .....	316,740.10
<b>TOTAL</b> .....	<u><u>\$ 792,186,683.30</u></u>

Permanent Educational Trust Funds are managed and invested exclusively by the Nebraska Investment Council (by State Statute).

\* Information obtained from the following DAS website:

[das.nebraska.gov](http://das.nebraska.gov)

Monthly Balances for all these Funds may be accessed through this DAS website. Select State Accounting, then Monthly Reports; choose a Month and Year; and select the Fund Summary By Fund Report. When page 1 (of 1400+) appears, scroll down to Agency 13 (for Fund 61365) and to Agency 32 (for remaining Funds). The report is in Agency number order.

\*\* Effective July 1, 2007, \$40 Million of the Permanent K-12 School Fund was allocated to the Early Childhood Education Endowment Fund.

**COMBINED LAND AND PERMANENT FUND SCHOOL TRUST**

**As of June 30, 2017**

The Total School Trust Portfolio (School Trust Lands and the Nebraska Investment Council) totalled \$2.159 billion as of June 30, 2017. Of this amount 63.5%, or \$1.372 billion consisted of agricultural land (not including enhanced value of hunting and recreational land). Investments in stocks and bonds by the Nebraska Investment Council totalled 36.5% or \$787 million of the total portfolio.

**GROSS K-12 DEPOSITS BY FISCAL YEAR  
GENERATED SOLELY FROM ADMINISTRATION OF SCHOOL LANDS**

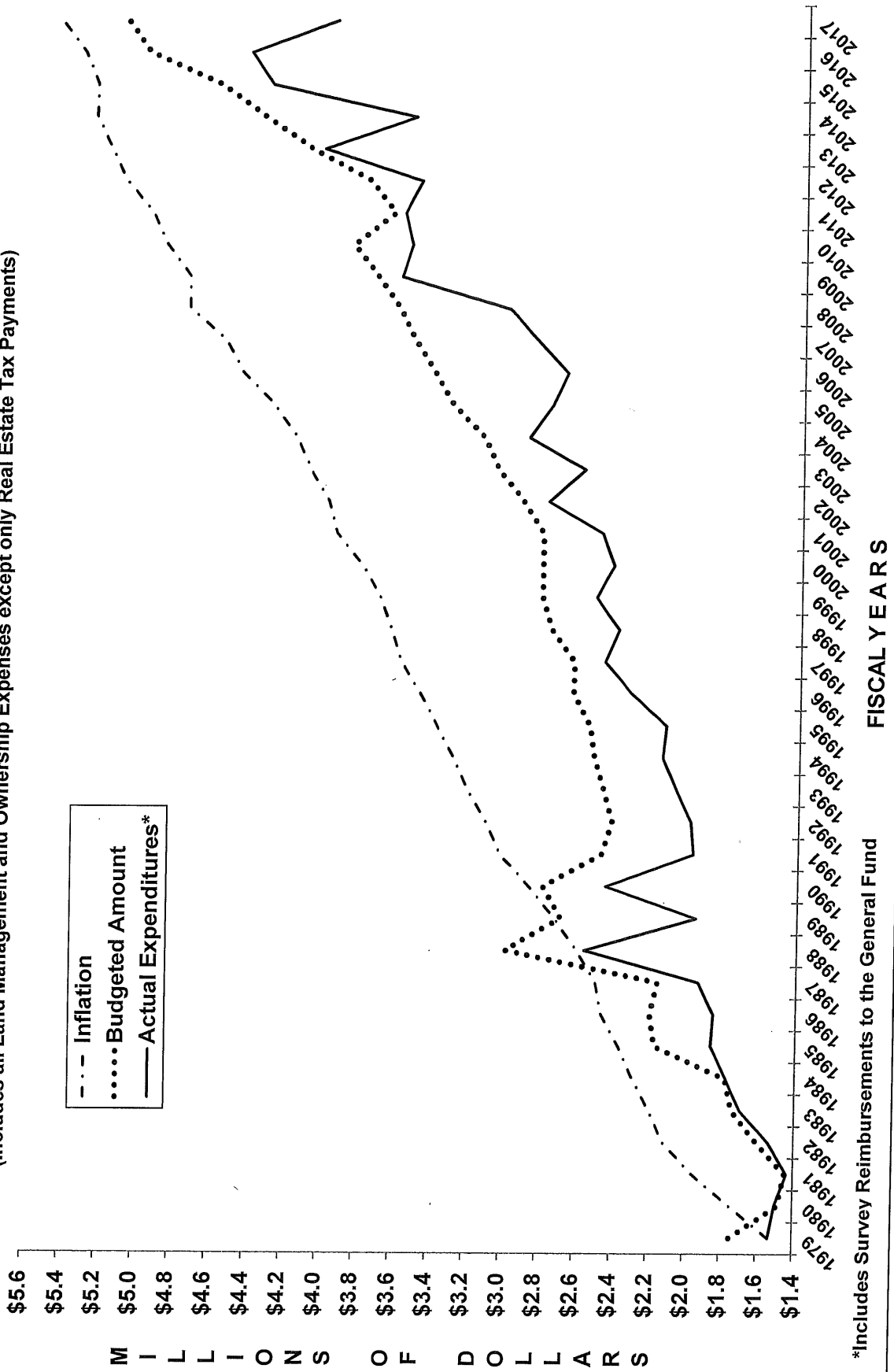
Sources of Revenue	Fiscal Year 2015-2016	Fiscal Year 2016-2017
K-12 Agricultural Rent, Interest and Accounting Fees.....	\$ 47,395,871.90	\$ 43,058,970.02
K-12 Agricultural Bonus.....	2,637,452.00	1,276,600.00
K-12 Oil and Gas Rent.....	171,469.49	170,307.78
K-12 Sand and Gravel Rent.....	6,868.00	7,256.00
K-12 Water Rent.....	250.00	250.00
K-12 Uranium Rent.....	4,614.40	4,614.40
K-12 Minerals Bonus.....	99,160.00	90,692.07
K-12 Oil and Gas Royalties.....	596,567.74	612,043.51
K-12 Sand and Gravel Royalties.....	32,442.49	15,017.71
K-12 Water Royalties.....	756.08	1,231.55
Timber Sales.....	-	5,448.58
K-12 Wind Agreement Rent and Royalties.....	178,228.62	250,897.61
Other Miscellaneous Rent and Payments.....	722,577.63	619,822.89
Administrative Fees.....	80,268.07	123,670.92
Office Space Rent (from other Agency).....	27,150.00	27,150.00
Sale of Surplus Administrative Items.....	33,233.48	55,632.07
Interest on Temporary Investments (Average each year)..	701,211.51	628,055.52
10% Fee for Management of University and State College Trust Lands.....	86,141.98	85,078.48
<b>Total Revenues</b>	<b>\$ 52,774,263.39</b>	<b>\$ 47,032,739.11</b>
<b>Additional Deposits:</b>		
Land Sales.....	40,500.00	-
Easements and Condemnations.....	196,547.21	472,572.68
<b>Total Deposits from School Trust Administration \$</b>	<b>53,011,310.60</b>	<b>\$ 47,505,311.79</b>

**EXPENDITURES BY FISCAL YEAR**

	EXPENDITURES FOR FISCAL YEAR 2015-2016			EXPENDITURES FOR FISCAL YEAR 2016-2017		
	Budgeted	Expended	%	Budgeted	Expended	%
<b>LAND OWNERSHIP EXPENSES:</b>						
Irrigation Tolls	\$ 160,000	\$ 172,004	107.5%	\$ 160,000	\$164,795	103.0%
Capital Expenditure Projects	\$ 1,380,000	\$ 1,200,174	87.0%	\$ 1,434,000	\$847,213	59.1%
Non-Cash Lease Expenses	\$ 6,000	\$ 1,205	20.1%	\$ 6,000	\$1,012	16.9%
Real Estate Taxes	\$ 10,615,500	\$ 11,265,807	106.1%	\$ 12,301,000	\$12,098,924	98.4%
Noxious Weeds	\$ 834,780	\$ 764,580	91.6%	\$ 853,545	\$692,754	81.2%
	<b>\$ 12,996,280</b>	<b>\$ 13,403,769</b>	<b>103.1%</b>	<b>\$ 14,754,545</b>	<b>\$ 13,804,699</b>	<b>93.6%</b>
<b>LAND MANAGEMENT EXPENSES:</b>						
Board	\$ 52,605	\$ 33,980	64.6%	\$ 58,625	\$ 23,707	40.4%
Building Maintenance & Services	\$ 68,915	\$ 49,097	71.2%	\$ 67,415	\$ 36,470	54.1%
Administration	\$ 1,215,355	\$ 1,063,897	87.5%	\$ 1,231,940	\$ 1,064,189	86.4%
Field Operations	\$ 1,245,730	\$ 1,085,609	87.1%	\$ 1,273,230	\$ 1,069,411	84.0%
	<b>\$ 2,582,605</b>	<b>\$ 2,232,583</b>	<b>86.4%</b>	<b>\$ 2,631,210</b>	<b>\$ 2,193,777</b>	<b>83.4%</b>
<b>GRAND TOTAL OF ALL BUDGETED EXPENSES</b>	<b>\$ 15,578,885</b>	<b>\$ 15,636,352</b>	<b>100.4%</b>	<b>\$ 17,385,755</b>	<b>\$ 15,998,475</b>	<b>92.0%</b>
Reimbursement to State of Nebraska General Fund for professional mapping, GIS and GPS assistance, Web site maintenance, legal descriptions, survey contracting, and consulting services provided by the State Surveyor's Office		\$ 49,598			\$ 54,004	
<b>GRAND TOTAL OF ALL EXPENSES</b>		<b>\$ 15,685,950</b>			<b>\$ 16,052,480</b>	

# BOARD OF EDUCATIONAL LANDS AND FUNDS BUDGET VS. ACTUAL EXPENDITURES VS. INFLATION

(Includes all Land Management and Ownership Expenses except only Real Estate Tax Payments)



\*Includes Survey Reimbursements to the General Fund

**DISBURSEMENTS OF TRUST REVENUES DURING 2017**

<b>COUNTY</b>	<b>K-12 PER PUPIL APPORTIONMENT (1)</b>	<b>REAL ESTATE TAX PAYMENTS (2)</b>	<b>TOTAL DISBURSEMENTS</b>
Adams.....	\$ 797,089.24	48,446.94 \$	845,536.18
Antelope.....	\$ 165,250.21	324,898.78 \$	490,148.99
Arthur.....	\$ 12,406.56	97,879.76 \$	110,286.32
Banner.....	\$ 15,859.93	141,548.42 \$	157,408.35
Blaine.....	\$ 14,708.80	104,068.24 \$	118,777.04
Boone.....	\$ 147,343.84	22,333.30 \$	169,677.14
Box Butte.....	\$ 274,862.76	315,769.64 \$	590,632.40
Boyd.....	\$ 38,370.79	163,623.80 \$	201,994.59
Brown.....	\$ 61,009.56	342,622.72 \$	403,632.28
Buffalo.....	\$ 1,113,776.17	182,177.20 \$	1,295,953.37
Burt.....	\$ 175,354.51	40,903.26 \$	216,257.77
Butler.....	\$ 191,086.54	18,769.02 \$	209,855.56
Cass.....	\$ 544,609.44	4,609.24 \$	549,218.68
Cedar.....	\$ 218,073.99	24,263.38 \$	242,337.37
Chase.....	\$ 117,798.32	359,785.82 \$	477,584.14
Cherry.....	\$ 100,915.18	679,616.86 \$	780,532.04
Cheyenne.....	\$ 221,527.37	461,592.52 \$	683,119.89
Clay.....	\$ 86,717.99	1,516.78 \$	88,234.77
Colfax.....	\$ 341,372.14	0.00 \$	341,372.14
Cuming.....	\$ 297,373.63	11,092.88 \$	308,466.51
Custer.....	\$ 241,863.89	553,126.54 \$	794,990.43
Dakota.....	\$ 578,887.34	39,165.92 \$	618,053.26
Dawes.....	\$ 161,413.13	242,207.18 \$	403,620.31
Dawson.....	\$ 739,021.43	150,998.80 \$	890,020.23
Deuel.....	\$ 61,904.87	155,889.72 \$	217,794.59
Dixon.....	\$ 109,100.95	51,312.12 \$	160,413.07
Dodge.....	\$ 1,021,814.17	0.00 \$	1,021,814.17
Douglas.....	\$ 14,917,412.47	13,891.72 \$	14,931,304.19
Dundy.....	\$ 50,137.83	224,327.78 \$	274,465.61
Fillmore.....	\$ 117,798.33	0.00 \$	117,798.33
Franklin.....	\$ 36,580.15	97,692.62 \$	134,272.77
Frontier.....	\$ 70,346.45	208,731.60 \$	279,078.05
Furnas.....	\$ 149,518.19	186,865.24 \$	336,383.43
Gage.....	\$ 473,495.57	8,919.36 \$	482,414.93
Garden.....	\$ 42,975.29	172,788.66 \$	215,763.95
Garfield.....	\$ 42,463.68	135,265.78 \$	177,729.46
Gosper.....	\$ 28,650.19	35,865.10 \$	64,515.29
Grant.....	\$ 21,615.55	36,285.34 \$	57,900.89
Greeley.....	\$ 47,451.88	87,791.02 \$	135,242.90
Hall.....	\$ 1,627,177.34	122,347.46 \$	1,749,524.80
Hamilton.....	\$ 224,597.02	0.00 \$	224,597.02
Harlan.....	\$ 37,859.18	86,404.45 \$	124,263.63
Hayes.....	\$ 14,708.80	153,826.44 \$	168,535.24
Hitchcock.....	\$ 46,812.37	247,224.68 \$	294,037.05
Holt.....	\$ 248,386.91	1,002,466.68 \$	1,250,853.59
Hooker.....	\$ 18,545.88	49,938.08 \$	68,483.96
Howard.....	\$ 166,912.95	77,657.12 \$	244,570.07
Jefferson.....	\$ 184,307.70	39,962.28 \$	224,269.98
Johnson.....	\$ 123,042.34	7,588.42 \$	130,630.76

**DISBURSEMENTS OF TRUST REVENUES DURING 2017**

<b>COUNTY</b>	<b>K-12 PER PUPIL APPORTIONMENT</b>	<b>(1)</b>	<b>REAL ESTATE TAX PAYMENTS</b>	<b>(2)</b>	<b>TOTAL DISBURSEMENTS</b>	
Kearney.....	\$	178,168.38	91,823.84	\$	269,992.22	
Keith.....	\$	151,692.53	426,677.88	\$	578,370.41	
Keya Paha.....	\$	15,348.32	98,951.88	\$	114,300.20	
Kimball.....	\$	69,706.94	196,205.36	\$	265,912.30	
Knox.....	\$	211,423.07	187,216.40	\$	398,639.47	
Lancaster.....	\$	7,368,470.93	24,004.70	\$	7,392,475.63	
Lincoln.....	\$	700,266.93	594,645.56	\$	1,294,912.49	
Logan.....	\$	19,185.40	95,518.56	\$	114,703.96	
Loup.....	\$	13,941.39	60,935.70	\$	74,877.09	
Madison.....	\$	942,514.54	105,252.08	\$	1,047,766.62	
McPherson.....	\$	9,208.99	77,393.96	\$	86,602.95	
Merrick.....	\$	132,251.33	99,461.66	\$	231,712.99	
Morrill.....	\$	132,123.43	227,564.56	\$	359,687.99	
Nance.....	\$	112,170.61	0.00	\$	112,170.61	
Nemaha.....	\$	138,518.55	1,655.98	\$	140,174.53	
Nuckolls.....	\$	174,459.20	7,292.64	\$	181,751.84	
Otoe.....	\$	431,415.60	11,163.06	\$	442,578.66	
Pawnee.....	\$	44,638.02	3,139.62	\$	47,777.64	
Perkins.....	\$	73,927.72	316,849.02	\$	390,776.74	
Phelps.....	\$	227,922.49	55,034.75	\$	282,957.24	
Pierce.....	\$	175,482.42	177,786.42	\$	353,268.84	
Platte.....	\$	791,589.42	22,696.48	\$	814,285.90	
Polk.....	\$	171,389.54	57,345.02	\$	228,734.56	
Red Willow.....	\$	377,952.29	165,952.68	\$	543,904.97	
Richardson.....	\$	188,528.48	15,473.92	\$	204,002.40	
Rock.....	\$	27,371.16	202,344.16	\$	229,715.32	
Saline.....	\$	419,264.85	6,244.76	\$	425,509.61	
Sarpy.....	\$	3,868,287.36	15,733.80	\$	3,884,021.16	
Saunders.....	\$	484,367.30	0.00	\$	484,367.30	
Scotts Bluff.....	\$	885,597.85	58,367.68	\$	943,965.53	
Seward.....	\$	437,171.22	19,141.82	\$	456,313.04	
Sheridan.....	\$	109,100.95	376,119.64	\$	485,220.59	
Sherman.....	\$	64,718.73	95,808.52	\$	160,527.25	
Sioux.....	\$	13,813.48	152,522.06	\$	166,335.54	
Stanton.....	\$	68,811.62	10,441.14	\$	79,252.76	
Thayer.....	\$	120,228.48	20,910.24	\$	141,138.72	
Thomas.....	\$	13,046.07	60,214.96	\$	73,261.03	
Thurston.....	\$	251,584.48	0.00	\$	251,584.48	
Valley.....	\$	95,671.17	41,397.38	\$	137,068.55	
Washington.....	\$	510,715.23	82,904.76	\$	593,619.99	
Wayne.....	\$	209,376.62	0.00	\$	209,376.62	
Webster.....	\$	62,032.78	22,178.58	\$	84,211.36	
Wheeler.....	\$	15,092.51	122,704.46	\$	137,796.97	
York.....	\$	206,051.15	38,246.14	\$	244,297.29	
Total.....	\$	47,254,908.35	\$	11,979,380.50	\$	59,234,288.85

(1) Information compiled from 2017 Calendar Year Distribution Reports furnished by the Nebraska Department of Education (2016 calendar year net income).

(2) Real Estate Taxes levied in 2016 and payable during calendar year 2017.

## SUMMARY OF EDUCATIONAL LANDS

As of June 30, 2017

	ACRES ACQUIRED (1)	ACRES DEEDED (2)	SURFACE ACRES LEASED (3)	APPRAISED VALUATION (4)	AGRICULTURAL RENTAL CHARGED
Common School.....	2,870,348.289	1,614,219.051	1,256,129.238	\$ 1,099,770,949.00	\$ 43,990,837.96
Saline.....	32,789.220	32,627.220	162.000	\$ 399,757.50	\$ 15,990.30
<b>Total K-12 School</b>					
Trust Lands.....	2,903,137.509	1,646,846.271	1,256,291.238	\$ 1,100,170,706.50	\$ 44,006,828.26
University.....	45,463.270	39,290.033	6,173.237	\$ 10,528,151.00	\$ 421,126.04
Ag College.....	89,140.210	85,326.030	3,814.180	\$ 8,961,674.00	\$ 358,466.96
Normal (State College).....	12,804.800	12,729.970	74.830	\$ 318,762.50	\$ 12,750.50
Other.....	-	-	101.350	\$ 32,371.50	\$ 1,294.86
<b>Total All Other</b>					
Educational Trust Lands	147,408.280	137,346.033	10,163.597	\$ 19,840,959.00	\$ 793,638.36

1. Includes all sources and times of acquisition. The original federal grant of Sections 16 and 36 and in lieu selections (Common School Trust Lands) was, for example, the equivalent of 2,797,520.67 acres.
2. Includes acres condemned and paid for pursuant to federal or state authority for roadways and other public uses.
3. Acres available for surface leasing will vary slightly from time to time due to such things as the meanderings and channel changes of rivers and streams. Additional acres are available for subsurface leasing, primarily as a result of subsurface rights retained when the surface was deeded or condemned.
4. See the Note on page 17.

**EDUCATIONAL TRUST LANDS BY COUNTY**  
**Common and Saline Lands (K-12)**  
**As of June 30, 2017**

COUNTY	ACRES		SURFACE ACRES LEASED (3)	APPRAISED VALUATION (4)	NUMBER OF AGRICULTURAL LEASES
	ACQUIRED (1)	DEEDED (2)			
Adams.....	20,880.080	19,535.080	1,345.000	\$ 4,843,065.50	11
Antelope.....	31,699.230	20,084.030	11,615.200	37,347,819.00	56
Arthur.....	27,311.980	7,277.467	20,034.513	8,924,020.00	31
Banner.....	26,884.870	4,079.990	22,804.880	7,821,816.50	39
Blaine.....	25,628.020	4,334.800	21,293.220	13,229,329.00	44
Boone.....	23,675.280	21,065.940	2,609.340	3,122,480.50	8
Box Butte.....	40,963.930	10,112.050	30,851.880	28,467,843.00	65
Boyd.....	22,664.500	12,260.340	10,404.160	13,187,538.00	56
Brown.....	49,088.020	11,241.040	37,846.980	34,513,849.50	68
Buffalo.....	31,011.200	23,777.280	7,233.920	10,766,191.00	30
Burt.....	18,225.550	17,604.290	621.260	3,496,702.50	4
Butler.....	21,699.630	21,219.630	480.000	1,553,101.50	3
Cass.....	19,733.980	19,653.980	80.000	228,611.00	2
Cedar.....	27,306.260	26,404.360	901.900	4,076,142.50	6
Chase.....	33,280.000	9,240.160	24,039.840	37,814,025.00	60
Cherry.....	276,595.130	111,426.203	165,168.927	80,957,738.00	264
Cheyenne.....	44,507.500	5,840.722	38,666.778	34,343,963.00	79
Clay.....	21,240.000	21,160.000	80.000	104,871.50	1
Colfax.....	14,463.510	14,463.510	0.000	0.00	0
Cuming.....	20,324.600	20,116.560	208.040	942,919.00	1
Custer.....	92,658.160	45,616.730	47,041.430	50,344,248.50	132
Dakota.....	7,255.960	6,602.690	653.270	3,739,449.50	4
Dawes.....	51,973.900	13,002.540	38,971.360	12,980,235.00	77
Dawson.....	36,725.000	29,410.214	7,314.786	10,968,938.50	21
Deuel.....	16,800.700	4,580.640	12,220.060	10,584,126.50	29
Dixon.....	17,029.280	15,238.900	1,790.380	7,084,312.00	11
Dodge.....	18,560.930	18,560.930	0.000	0.00	0
Douglas.....	9,322.040	9,217.390	104.650	9,292,107.00	3
Dundy.....	33,307.410	6,982.790	26,324.620	24,635,745.50	48
Fillmore.....	20,648.510	20,648.510	0.000	0.00	0
Franklin.....	20,471.850	14,658.870	5,812.980	8,056,134.00	24
Frontier.....	34,560.000	16,998.840	17,561.160	16,251,908.00	47
Furnas.....	25,648.310	13,627.790	12,370.520	13,710,551.50	36
Gage.....	24,637.310	24,437.310	200.000	646,550.00	2
Garden.....	64,221.550	27,964.860	36,256.690	18,298,180.00	70
Garfield.....	20,480.000	5,964.113	14,515.887	12,924,261.50	31
Gosper.....	16,640.000	13,813.620	2,826.380	2,731,452.50	7
Grant.....	30,565.440	19,175.450	11,389.990	5,078,072.50	24
Greeley.....	20,475.300	13,875.300	6,600.000	6,917,358.50	23
Hall.....	19,759.940	17,437.000	2,322.940	6,780,192.00	17
Hamilton.....	20,487.700	20,487.700	0.000	0.00	0
Harlan.....	20,364.600	15,910.830	4,453.770	5,591,997.00	18
Hayes.....	26,160.000	8,394.610	17,765.390	15,476,430.50	48
Hitchcock.....	25,428.320	4,427.656	20,970.664	18,930,405.50	54
Holt.....	89,563.030	24,064.226	65,498.804	107,094,803.00	187
Hooker.....	28,626.050	15,141.300	13,484.750	6,055,287.00	19
Howard.....	23,036.780	19,129.570	3,907.210	5,704,884.00	17
Jefferson.....	20,484.080	19,044.080	1,440.000	3,006,101.50	12
Johnson.....	13,480.000	13,184.840	295.160	672,068.50	5
Kearney.....	18,758.060	15,500.150	3,257.910	9,069,992.00	8
Keith.....	46,542.710	16,813.563	29,729.147	29,724,933.00	73
Keya Paha.....	26,394.490	5,151.140	21,243.350	18,603,314.00	46
Kimball.....	36,561.000	3,771.080	32,789.920	13,550,133.50	59
Knox.....	43,533.810	31,460.290	12,073.520	15,895,175.00	48
Lancaster.....	31,973.850	31,676.410	297.440	1,207,367.50	3
Lancaster (Saline).....	32,789.220	32,627.220	162.000	399,757.50	2
Lincoln.....	100,182.369	41,269.537	58,912.832	48,396,357.50	119
Logan.....	20,480.000	8,235.320	12,244.680	10,021,282.00	23
Loup.....	20,393.280	9,108.520	11,284.760	8,445,713.50	23
Madison.....	24,626.970	22,523.094	2,103.876	7,780,077.00	14
McPherson.....	32,361.410	11,418.290	20,943.120	9,781,466.00	35
Merrick.....	14,976.210	12,629.800	2,346.410	10,364,704.50	12
Morrill.....	62,316.080	31,381.349	30,934.731	16,148,446.00	59
Nance.....	0.000	0.000	0.000	0.00	0
Nemaha.....	11,993.240	11,884.660	108.580	165,750.00	2
Nuckolls.....	21,049.610	20,577.230	472.380	736,871.00	5



**EDUCATIONAL TRUST LANDS BY COUNTY**  
**Common and Saline Lands (K-12)**  
**As of June 30, 2016**

COUNTY	ACRES	ACRES	SURFACE ACRES	APPRAISED	NUMBER OF
	ACQUIRED (1)	DEEDED (2)	LEASED (3)	VALUATION (4)	AGRICULTURAL LEASES
Otoe.....	21,992.560	21,752.560	240.000	1,054,902.50	3
Pawnee.....	20,128.960	20,001.960	127.000	175,672.50	2
Perkins.....	31,869.570	3,363.874	28,505.696	26,861,623.00	58
Phelps.....	20,468.440	19,068.600	1,399.840	4,585,377.50	7
Pierce.....	20,480.000	15,306.240	5,173.760	15,118,186.00	19
Platte.....	23,655.480	22,591.850	1,063.630	2,170,922.00	9
Polk.....	17,432.560	16,077.200	1,355.360	6,327,722.00	6
Red Willow.....	25,408.710	13,659.606	11,749.104	11,650,947.00	30
Richardson.....	10,400.000	9,830.000	570.000	692,191.50	4
Rock.....	41,599.990	12,041.670	29,558.320	26,638,380.00	63
Saline.....	20,620.000	20,481.830	138.170	449,952.00	3
Sarpy.....	8,994.920	8,737.450	257.470	457,750.00	6
Saunders.....	26,323.880	26,323.880	0.000	0.00	0
Scotts Bluff.....	25,507.790	17,372.250	8,135.540	3,133,769.00	19
Seward.....	21,203.950	20,805.290	398.660	1,373,471.00	3
Sheridan.....	96,565.150	35,778.130	60,787.020	28,760,619.50	125
Sherman.....	20,453.780	13,893.840	6,559.940	8,194,626.50	27
Sioux.....	80,980.060	24,823.721	56,156.339	14,037,438.50	102
Stanton.....	15,444.290	14,720.000	724.290	1,174,862.50	3
Thayer.....	20,472.350	19,752.350	720.000	1,696,337.00	5
Thomas.....	29,338.040	16,873.812	12,464.228	5,636,578.50	23
Thurston.....	0.000	0.000	0.000	0.00	0
Valley.....	20,704.750	17,901.760	2,802.990	3,338,821.50	10
Washington.....	13,783.350	12,766.110	1,017.240	5,509,619.00	11
Wayne.....	15,360.000	15,360.000	0.000	0.00	0
Webster.....	20,861.200	19,800.000	1,061.200	1,443,479.50	9
Wheeler.....	21,120.000	3,911.294	17,208.706	16,043,654.00	37
York.....	20,480.000	19,646.610	833.390	4,054,638.00	9
<b>Total K-12 School Trust Lands.....</b>	<b>2,903,137.509</b>	<b>1,646,846.271</b>	<b>1,256,291.238</b>	<b>\$ 1,100,170,706.50</b>	<b>2,918</b>

**University, Agricultural College and Normal School (State College) Lands**  
**As of June 30, 2017**

COUNTY	ACRES	ACRES	SURFACE ACRES	APPRAISED	NUMBER OF
	ACQUIRED (1)	DEEDED (2)	LEASED (3)	VALUATION (4)	AGRICULTURAL LEASES
Antelope (Uni).....	1,600.000	1,407.050	192.950	\$ 322,170.00	1
Burt (Ag).....	640.000	640.000	0.000	0.00	0
Cedar (Ag).....	25,405.470	24,431.630	973.840	3,540,022.00	7
Cedar (Uni).....	1,920.000	1,605.703	314.297	884,586.50	2
Cuming (Ag).....	960.000	960.000	0.000	0.00	0
Dakota (Ag).....	640.000	640.000	0.000	0.00	0
Dakota (Uni).....	320.000	320.000	0.000	0.00	0
Dawes (Other).....	0.000	0.000	101.350	32,371.50	1
Dixon (Ag).....	2,240.000	2,200.000	40.000	224,250.00	1
Dixon (Uni).....	640.000	640.000	0.000	0.00	0
Holt (Uni).....	8,322.100	4,420.460	3,901.640	6,159,780.50	20
Knox (Ag).....	33,491.200	31,207.590	2,283.610	2,853,747.00	8
Knox (Uni).....	4,480.000	3,969.610	510.390	884,750.50	4
Lancaster (Normal).....	12,804.800	12,729.970	74.830	318,762.50	1
Madison (Uni).....	2,240.000	2,080.000	160.000	671,912.50	1
Nuckolls (Uni).....	4,940.020	4,764.580	175.440	207,165.00	1
Pierce (Ag).....	10,114.560	9,597.830	516.730	2,343,655.00	3
Pierce (Uni).....	3,197.670	3,197.670	0.000	0.00	0
Wayne (Ag).....	15,648.980	15,648.980	0.000	0.00	0
Webster (Uni).....	17,803.480	16,884.960	918.520	1,397,786.00	7
<b>Total All Other Educational Trust Lands.....</b>	<b>147,408.280</b>	<b>137,346.033</b>	<b>10,163.597</b>	<b>\$ 19,840,959.00</b>	<b>57</b>

## NOTE CONCERNING APPRAISED VALUATION

**Appraised valuation** also means **appraised rental valuation** and is merely surface (agricultural) rental capitalized at the rate of 4% (divided by .04). The sole purpose for this computation is to generate the numbers required by certain statutes which have not been amended for many years. These numbers are intended only to provide the statutorily desired information and do not reflect market value as of any specific date.

For purposes of this nature, **capitalization rate** is the same thing as **rent to value ratio**. To illustrate the process, if annual rent is \$44.837 million and a rate of 4% is chosen, the resulting value will be \$1.121 billion. Similarly, a rate of 5% applied to rental of \$44.837 million will yield a value of \$896.7 million, and a rate of 6% used for the same \$44.837 million rent will result in a value of \$747.3 million. The historically valid long-term capitalization rates for agricultural land are generally 4% to 6%. However, within this range, applying the lower rent to value ratios to actual rental will yield higher values, while applying the higher rent to value ratios to actual rental will yield lower values.

Accurate rent to value ratios can be determined through the process of dividing the rentals which exist at any point in time by the corresponding values to which they pertain. All of these numbers are driven by the private sector marketplace and, therefore, the actual rentals, values and rent to value ratios are always changing over time. It is simply not possible to incorporate these constantly changing rent to value ratios into statutes because, by the time the necessary computations could be made and the statutes could be amended, the actual rent to value ratios would have changed again. For statutory purposes, therefore, the best course is to choose one rent to value ratio within the historically valid range of 4% to 6% and use it consistently over a considerable period of time. This allows the numbers thus generated to be useful for some additional purposes, such as comparing relative values from one county to another and relative changes in values over the years, even though these numbers do not represent current market value.

**TOTAL K-12 SCHOOL TRUST LAND SALES FOR FISCAL YEAR 2016-17**

TOTAL PARCELS	TOTAL ACRES	GRASS ACRES	CROP ACRES	CRP ACRES	OTHER ACRES	BEGINNING BID PRICE	SALE PRICE	EXCESS OVER BEGINNING PRICE
0	0.000	0.000	0.000	0.000	0.000	\$ -	\$ -	\$ -

**SECTION 72-258 REPORT OF DENIED LAND SALE REQUESTS**

There were three land sale requests denied by the Board to be reported pursuant to the last sentence of the second paragraph of Section 72-258.

During Fiscal Year 2016-17, the Board denied a request that approximately 34 acres of pastureland located in the southeast quadrant of the NW4 of Section 36-T04N-R32W, Hitchcock County, be offered at public auction for \$800 per acre. This is grassland parcel, located near North Platte, NE has good access. The sale of the parcel at the price offered was not in the best interests of the School Trust.

During Fiscal Year 2016-17, the Board also denied requests for (1) the North 16 acres of the NE4NW4 and (2) the NW4NE4 and NE4NW4 except the North 16 acres of the NE4NW4 (64 acres), totalling 80 acres in Section 16-T17N-R03W, Platte County, to be offered at public auction for \$1,622.50 per acre. This farmstead and grassland parcel, located near Monroe, NE has good access and potential for other uses. The sale of these parcels at the price offered was not in the best interests of the School Trust.

**OIL AND GAS LEASES BY COUNTY**  
**K-12 School Trust Lands**  
**As of June 30, 2017**

COUNTY	NO. OF LEASES	NO. OF ACRES UNDER LEASE
Banner .....	18	5,120.000
Chase .....	13	8,278.000
Cheyenne .....	15	8,320.000
Dundy .....	47	28,023.280
Franklin .....	6	756.360
Furnas .....	4	2,128.220
Garden .....	13	7,237.650
Harlan .....	4	974.930
Hayes .....	13	7,193.600
Hitchcock .....	20	10,039.280
Kimball.....	40	20,798.950
Lincoln.....	2	1,280.000
Morrill .....	7	3,081.490
Perkins.....	0	-
Phelps.....	1	200.000
Red Willow.....	15	6,764.370
Richardson.....	1	490.000
Scotts Bluff .....	2	640.000
Sioux .....	11	6,893.600
19 Counties .....	232	118,219.73

There were no oil or gas leases covering University, Agricultural College or State College (Normal School) Lands.

**OIL AND GAS ROYALTIES BY COUNTY**  
**K-12 School Trust Lands**  
**July 1, 2016 through June 30, 2017**

COUNTY	ROYALTIES RECEIVED
Banner.....	\$ 22,687.85
Chase.....	\$ 73,017.02
Cheyenne.....	\$ 19,797.65
Deuel.....	-
Dundy.....	\$ 208,043.95
Furnas.....	\$ 12,259.28
Hitchcock.....	\$ 81,363.00
Kimball.....	\$ 78,053.08
Lincoln.....	\$ 9,972.65
Morrill.....	\$ 49,414.60
Red Willow.....	\$ 43,028.81
Scotts Bluff.....	\$ 14,405.62
TOTAL.....	\$ 612,043.51

There were no oil or gas royalties from University, Agricultural College or State College (Normal School) Lands.

**WIND LEASES BY COUNTY**  
**K-12 School Trust Lands**  
**As of June 30, 2017**

COUNTY	NO. OF LEASES	NO. OF ACRES UNDER LEASE	RENT RECEIVED	ROYALTY RECEIVED
Antelope.....	12	4,930.160	17,159.970	10,514.130
Custer.....	1	629.300	-	26,387.240
Greeley.....	1	600.000	2,584.540	-
Holt.....	7	3,984.030	55,973.230	131,118.000
Johnson.....	0	-	469.500	-
Pierce.....	1	640.000	960.000	-
Richardson.....	1	490.000	-	-
Saline.....	1	80.000	856.000	-
Wheeler.....	0	-	4,875.000	-
7 Counties.....	24	11,353.490	82,878.240	168,019.370

There were no wind leases covering University, Agricultural College or State College (Normal School) Lands.

**For further information, please visit our websites**

**Board of Educational Lands and Funds**

**[www.belf.nebraska.gov](http://www.belf.nebraska.gov)**

**Office of the Nebraska State Surveyor**

**[www.sso.nebraska.gov](http://www.sso.nebraska.gov)**

**READER'S NOTES**