## TESTIMONY OF COMMISSIONER JOSEPH HERINGER

Chairman Monson and members of the House Appropriations Committee, Government Operations Division, I am Joseph Heringer, North Dakota Commissioner of University and School Lands. I am here to testify regarding the Department of Trust Lands' (Department) total special funds appropriation found in House Bill 1013.

### 1. CITE THE NORTH DAKOTA CENTURY CODE CHAPTERS ASSOCIATED WITH THE AGENCY AND LIST ITS MAJOR STATUTORY RESPONSIBILITIES.

ND Constitution Articles IX and X, Section 21; North Dakota Century Code Chapters 15-01 through 15-09, 15-68, 38-09, 38-11, 47.30.2, 57-62, 61-33, 61-33.1, and Sections 15.1-36-02, 48-10-02 and 57-02.3-05.

The primary duty of the Department of Trust Lands, by and through the Board of University of School Lands, is to manage the trust funds and assets under the control of the Board in a manner that preserves the purchasing power of the funds and provides stable distributions to fund beneficiaries. Distributions are made to schools (public grades K-12), higher education institutions, and other public institutions at specific intervals throughout the biennium.

- Surface – Surface acres are leased to ranchers and farmers for agricultural purposes. Additionally, surface revenue is generated through the issuance of rights-of-way and permits for purposes such as pipelines, roads, and well pads.
- Mineral – Manages over 2.6 million mineral acres. Revenue is generated through leasing of mineral interests for minerals such as oil, gas, coal, gravel, and scoria.
- Unclaimed Property – Serves as a repository for financial accounts, cash assets, and securities that have not been claimed by the rightful owners. Acting as a custodian, the Department manages the unclaimed assets and works to reunite owners with those assets. Assets that go unclaimed are invested and support the Common Schools Trust Fund.
- Investments – Trust fund funds are invested in a diversified portfolio.
- Energy Infrastructure and Impact Office (EIIO)
    - A statutory division within the Department that is responsible for administering the coal impact loan fund and the oil and gas impact grant fund.
    - Provides financial assistance through the oil and gas impact grant fund to political subdivisions of government that are impacted by oil and gas activity.
- The Department oversees and manages five additional state trust funds:
    - Strategic Investment and Improvements Fund (SIIF)
        - Financed by the revenues earned from sovereign mineral acres, including those formerly owned by the Bank of North Dakota (BND) and State Treasurer and minerals located under navigable rivers and lakes (N.D.C.C. ch. 15-08.1 and § 61-33-07).
        - Receives a portion of the oil and gas production and extraction taxes (N.D.C.C. § 57-51.1-07.5).
        - May be appropriated by the legislature for one-time expenditures relating to improving state infrastructure or for initiatives to improve the efficiency and effectiveness of state government (N.D.C.C. § 15-08.1-08).

- Coal Development Trust Fund
  - Established by N.D.C.C. ch. 57-62, pursuant to article X, § 21 of the North Dakota Constitution.
  - Receives a percent of the coal severance tax.
  - Held in trust and is administered by the Board for loans to coal impacted counties, cities, and school districts as provided by N.D.C.C. § 57-62-03 and for loans to school districts pursuant to N.D.C.C. ch. 15.1-36.
  - Any balance not loaned is invested according to the policies of the Board.
  - Income earned by this fund is transferred to the State General Fund each year.
- Capitol Building Fund
  - Established through N.D.C.C. § 48-10-02 pursuant to Article IX of the North Dakota Constitution.
  - Section 12 of the Enabling Act of 1889 authorized the land grant for "public buildings at the capital of said states".
  - N.D.C.C. § 48-10-02 defines the fund, outlines its purposes, and assigns management of the fund's investment to the Board.
  - Unlike the permanent trust funds created under Article IX, this fund is fully expendable and is subject to legislative appropriation each biennium.
- Indian Cultural Education Trust
  - Created in 2003 to generate income to benefit Indian culture (N.D.C.C. ch. 15-68).
  - Current assets are managed for the benefit of the Mandan, Hidatsa, and Arikara Nation Cultural Education Foundation.
  - Management and distributions are determined in the same manner as the permanent trust funds.
- Theodore Roosevelt Presidential Library Fund
  - Created in 2020 for the purpose of generating income to benefit the Theodore Roosevelt Presidential Library Foundation.

**2. EXPLAIN THE PURPOSE OF THE AGENCY'S VARIOUS DIVISIONS/PROGRAMS (ORGANIZATIONAL CHART)**

The Board of University and School Lands (Board), as established by the North Dakota Constitution, is charged with overseeing the management of state trust lands and investing the revenue generated therefrom to grow as a source of long-term income for the support of certain trust beneficiaries. The Board is comprised of the Governor, Secretary of State, Attorney General, State Treasurer, and Superintendent of Public Instruction. The Department is the administrative arm of the Board, serving under the direction and authority of the Board. The Department is a special fund agency, operating off its own revenues and investments, and as such does not receive state general funds.

The Department manages approximately 2.6 million mineral acres with their roughly 8,300 associated oil & gas leases, and over 700,000 surface acres with their roughly 4,400 associated agricultural leases. Revenues generated from these leases, along with payments received from other income sources such as oil & gas lease bonus payments and easements granted for pipelines, roads, and well pads, are

deposited into 13 permanent trust funds and invested to provide long-term income for trust beneficiaries. Beneficiaries of these trust funds include public K-12 education, various colleges and universities, and other institutions throughout North Dakota. The largest trust fund is the Common Schools Trust Fund (CSTF) which had a balance of approximately $5.65 billion as of June 30, 2022.

The Department manages five additional funds: (1) the Strategic Investment and Improvements Fund (SIIF), (2) the Coal Development Trust Fund, (3) the Capitol Building Fund, (4) the Indian Cultural Education Trust, and (5) the Theodore Roosevelt Presidential Library and Museum Endowment Fund.

The management of assets falls within the Minerals Management, Surface Management, Revenue Compliance, Investments, Unclaimed Property, and Accounting Divisions.

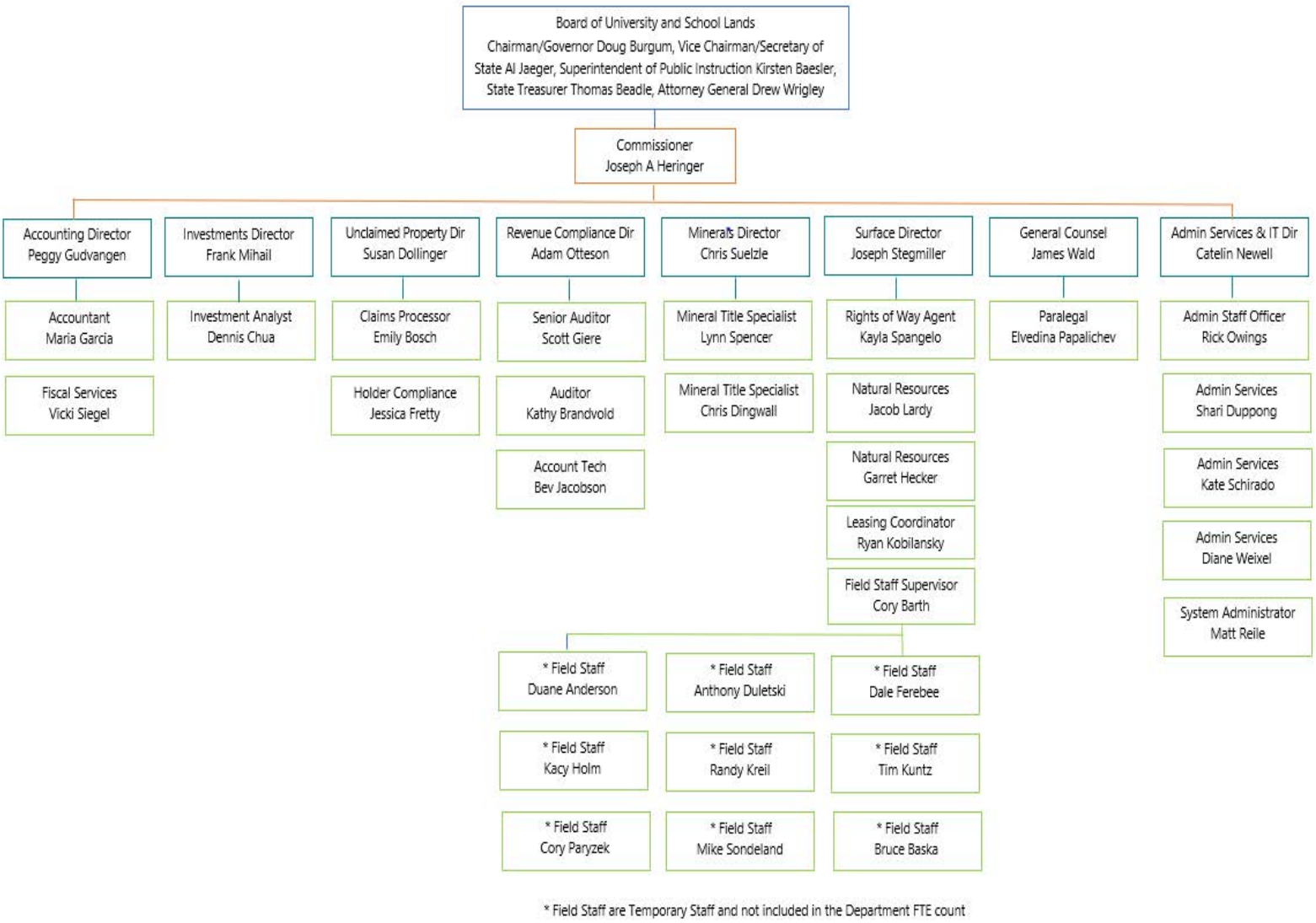
The Minerals Division manages 2.6 million minerals acres including oil, gas, coal and other subsurface minerals. The division is responsible for the leasing of minerals acres and the maintenance of all records and requests pertaining to mineral ownership and leasing activity. The division tracks and interprets business transactions by lessees; assignments by depth, formation, well bore or value; requests for pooling agreements; lease and title interpretation; royalty; authorization for participation in production; overrides; and analysis of drilling and production data necessary to hold a producing lease. This division has three FTEs consisting of the division director and two staff members who are dedicated to reviewing historical records, assessing the unique leasing arrangements, processing leases, division orders and assignments.

The Surface Division is responsible for leasing and managing 706,600 surface acres held in trust for various schools and institutions. The division has six FTEs including the division director, and nine temporary, non-classified employees who help inspect the vast acreage we manage. The major source of income for the Surface Division is agricultural leases, with grazing being the predominant land use. Significant revenue is also generated from rights-of-way, salt-water disposal, and gravel and scoria mining.

The Revenue Compliance Division is responsible for developing and implementing procedures to assure the timely and accurate accounting of all royalties, bonuses, rents and other revenues received by the Department. The division is also responsible for developing, implementing, and monitoring the managerial and system controls used by the Department to detect and prevent the misappropriation of trust assets and revenues. The division has four FTEs including the division director.

The Investment Division is responsible for directing, implementing, coordinating, and monitoring all aspects of the Land Board's investment program. The division has two FTEs, including the division director. Outside of monitoring funds and investment managers, the division administers the cash flows and obligations of the Permanent Trust Funds, SIIF, the Coal Development Trust Fund, the Capitol Building Fund, the Indian Cultural Education Trust, and the Theodore Roosevelt Presidential Library and Museum Endowment Fund.

Additionally, the Department administers North Dakota Unclaimed Property Program. In this role, the Department collects "unclaimed property" (uncashed checks, unused bank accounts, etc.) from businesses that operate in the state and processes claims to reunite owners with their lost property. While holding unclaimed property, the Department invests it to benefit the CSTF.




* Field Staff are Temporary Staff and not included in the Department FTE count

# DEPARTMENT OF TRUST LANDS

**The Department of Trust Lands (Department) is a special fund agency not reliant upon the general fund for its operations. Under the guidance of the Board of University & School Lands (Board) the Department oversees 13 permanent trusts: Common Schools, North Dakota State University, School for the Blind, School for the Deaf, State Hospital, Ellendale State College*, Valley City State University, Mayville State University, Youth Correctional Center, State College of Science, School of Mines (UND), Veterans Home, University of North Dakota.**

*** Dickinson State University, Minot State University, Dakota College at Bottineau, Veterans Home, School for the Blind, State Hospital, and the State College of Science are current beneficiaries of this trust.**

**In addition, Department oversees the management of the following funds: Indian Cultural Education Trust, Capitol Building Fund, Strategic Investment and Improvements Fund (SIIF), Coal Development Trust Fund, Theodore Roosevelt Presidential Library Fund.**

## DID YOU KNOW?

**MINERALS**
**WE MANAGE 2.4 MILLION MINERAL ACRES WITH INTEREST IN MORE THAN 8,600 OF ND'S 17,400 PRODUCING WELLS WITH APPROX. 8300 LEASES.**

**SURFACE**
**WE MANAGE MORE THAN 700,000 SURFACE ACRES IN 50 of NORTH DAKOTA'S 53 COUNTIES WITH APPROX. 4400 LEASES.**

## CURRENT AGENCY TEAM MEMBER STATS

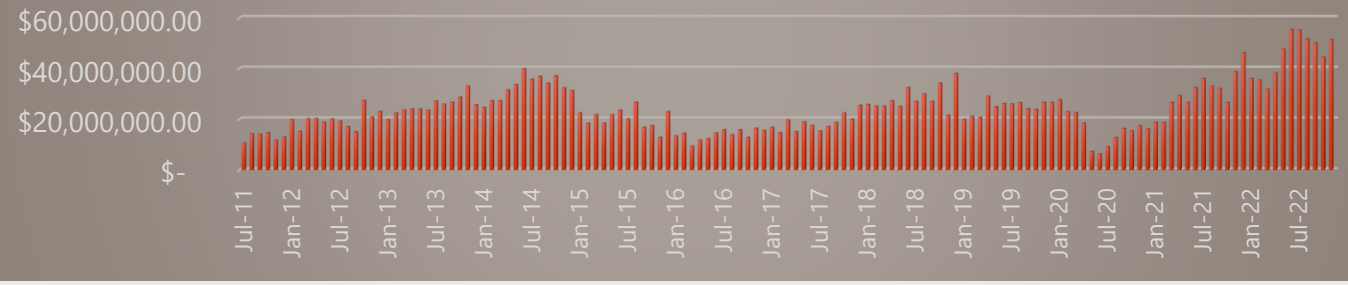
| | |
|---|---|
| **30** | FTE Count |
| **6.4** | average yrs of service |
| **62%** | turnover since 2019 |
| **3** | retirement eligible |

## HOW WE COMPARE TO OTHER PEER STATES TRUST LAND DEPARTMENTS

| | ND DTL | UTAH | MINNESOTA | TEXAS GLO |
|---|---|---|---|---|
| STAFFING | **30 FTE** | **68 FTE** | **82 FTE** | **744 FTE** |
| 2021 ASSET VALUE | **$ 7,101,953,058** | **$ 3,108.093,074** | **$ 1,900,000,000** | **$ 55,624,100,000** |
| 2021 ANNUAL REVENUE | **695,000,000** | **$89,138,239** | **$54,500,000** | **$1,842,756,144** |

# DEPARTMENT HIGHLIGHTS

## OVER $3 BILLION IN ROYALTY REVENUE DEPOSITED IN DTL TRUSTS & FUNDS




## COMMON SCHOOLS TRUST FUND (CSTF) FUNDING OF K-12 EDUCATION

**$2,142**
CSTF funding per K-12 student

The CSTF distributions to the State Tuition Fund have totaled more than $1.8 billion over the last 10 years; helping to alleviate the financial responsibility of the General Fund and North Dakota property tax payers.

The 2023-2025 Biennium alone will see an 18.7% increase in distributions totaling nearly $500 million translating to approximately $2,142 in funding per K-12 student.

CSTF MAIN SOURCES OF REVENUE: 10% OF OIL EXTRACTION TAX, 8,600 BAKKEN WELL ROYALTIES, OIL & GAS LEASE BONUS PAYMENTS, SURFACE RIGHTS OF WAY, SURFACE RENTAL INCOME, AGGREGATE.

$500 MILLION TO BE DISTRIBUTED IN 2023-25 BIENNIUM

18.7% INCREASE IN DISTRIBUTION OVER LAST BIENNIUM

$5.66 BILLION VALUE AS OF FISCAL END 2022

## ADDITIONAL DEPARTMENTS MANAGED UNDER DTL

### ENERGY INFRASTRUCTURE & IMPACT OFFICE (EIIO)

- **EIIO did not have additional funding allocated in the last Legislative Session.**
- **The office has paid all grants in full and does not have an FTE solely for EIIO**

### UNCLAIMED PROPERTY

- **3 FTEs dedicated out of the 30 allocated to the Department of Trust Lands.**
- **Unlimited FREE Unclaimed Property Searches at: https://unclaimedproperty.nd.gov**

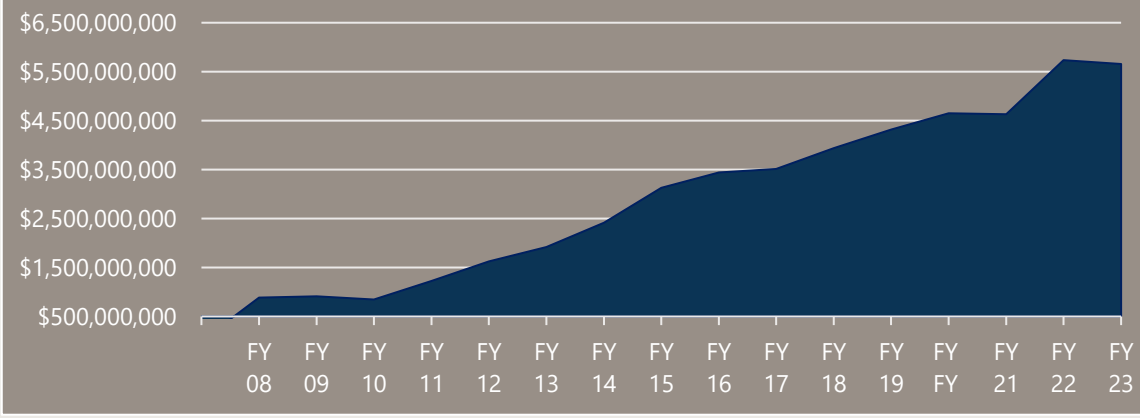
# COMMON SCHOOLS TRUST FUND (CSTF)

$500 MILLION TO BE DISTRIBUTED IN 2023-25 BIENNIUM

18.7% INCREASE IN DISTRIBUTION OVER LAST BIENNIUM

$5.66 BILLION VALUE AS OF FISCAL END 2022

## COMMON SCHOOLS TRUST FUND GROWTH




**$1.8 BILLION IN K-12 DISTRIBUTIONS OVER LAST 10 YEARS REDUCING FUNDING REQURIED FROM GENERAL FUND AND PROPERTY TAXES FOR THE STATE TUITION FUND.**

**THE CSTF HAS GROWN 362% SINCE 2010!**

## DEPARTMENT OF TRUST LANDS REVENUE STREAMS CONTRIBUTING TO CSTF

### MINERALS
- 10% OF OIL EXTRACTION TAX
- 8,600 BAKKEN WELL ROYALTIES
- OIL & GAS LEASE BONUS PAYMENTS

### SURFACE
- RIGHTS OF WAY INCOME
- SURFACE RENTAL INCOME
- AGGREGATE LEASING

## COMMON SCHOOLS TRUST FUND DISTRIBUTION CALCULATION

**10% OF FIVE-YEAR AVERAGE VALUE OF TRUST INVESTMENTS (N.D. CONST ART. 9, SEC. 2)**

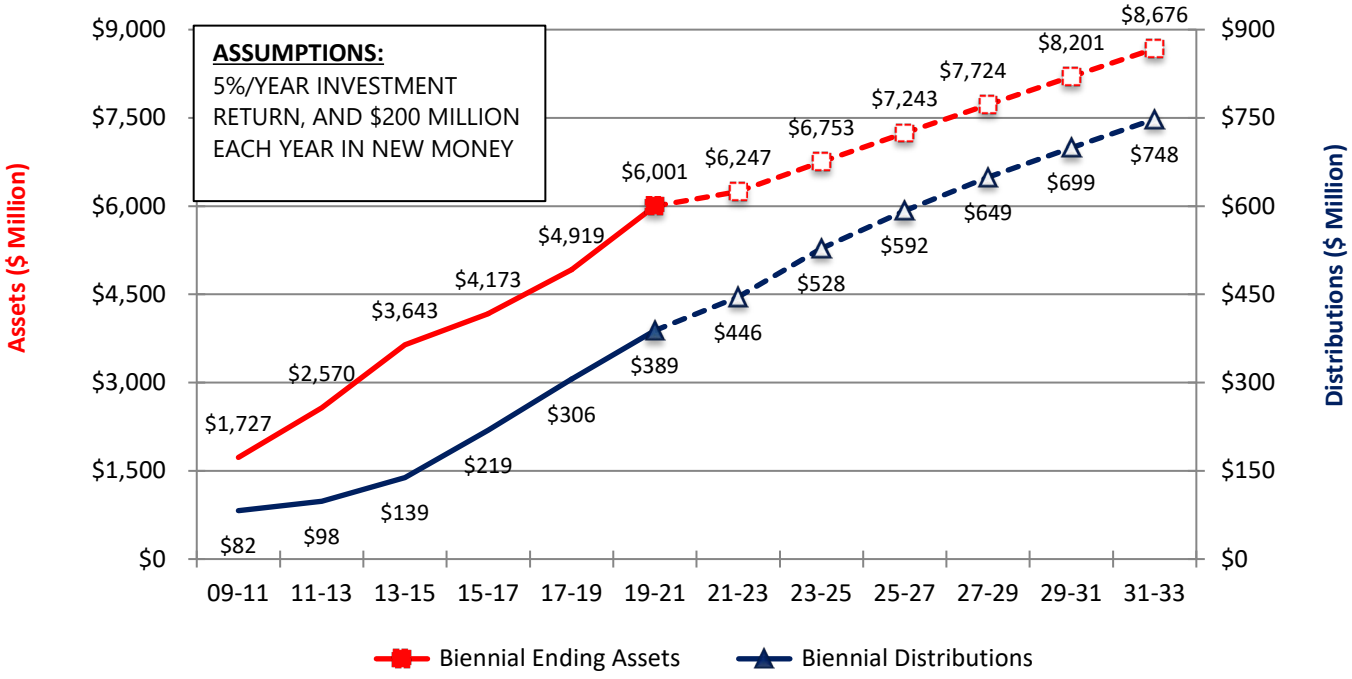
**2.88% NET AVERAGE ANNUAL DISTRIBTUION OVER PAST 10 YEARS**

**PERCENTAGE OF ROLLING AVERAGE VALUE FORMULA SMOOTHS DISTRIBUTIONS FOR LONG-TERM GROWTH**

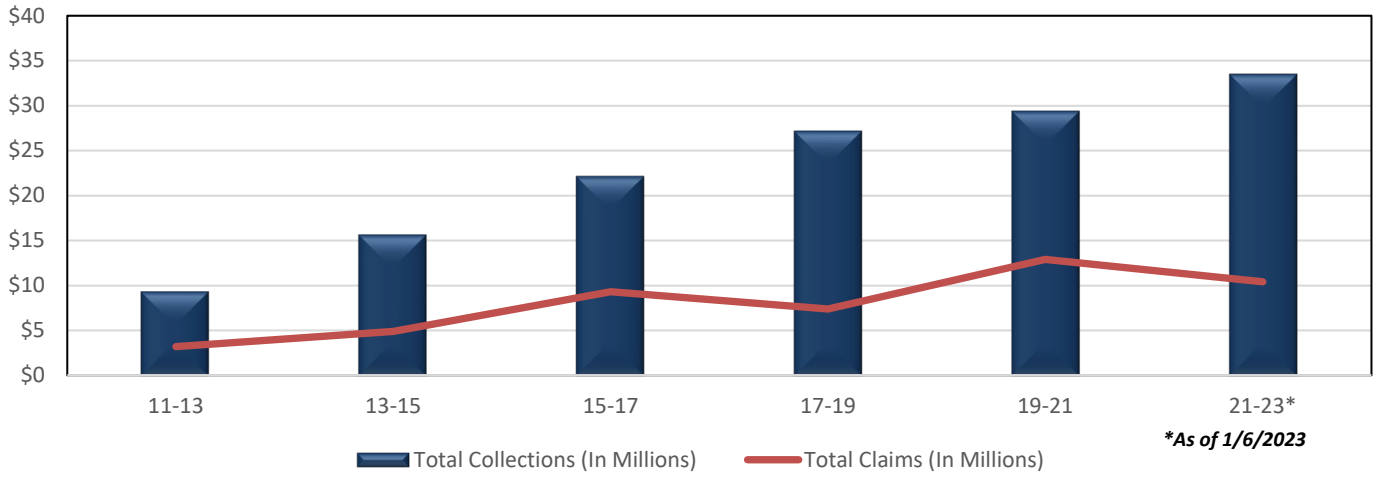
*** LOWER FUND VALUES IN THE EARLY YEARS OF THE FORMULA PERIOD RESULTS IN A NET ANNUAL DISRIBTUION OF LESS THAN 5%**

NORTH Dakota | Trust Lands
Be Legendary.

## 13 PERMANENT TRUST FUNDS
### ASSET AND DISTRIBUTION TRENDS




## UNCLAIMED PROPERTY INCREASES
## (Cash only properties)



**3. REPORT ANY FINANCIAL AUDIT FINDINGS INCLUDED IN THE MOST RECENT AUDIT OF YOUR DEPARTMENT OR INSTITUTION AND ACTION TAKEN TO ADDRESS EACH FINDING.**

Eide Bailly recently completed its audit of Department financial statements for the year ended June 30, 2022, with one minor finding regarding how refunds from SIIF for the acreage adjustment project were accounted for. Corrective entries were made with no material impact on the Department's financial statements.

**4. DISCUSS CURRENT BIENNIUM ACCOMPLISHMENTS AND CHALLENGES AND NEXT BIENNIUM GOALS AND PLANS.**

Accomplishments

- Completed Missouri River Acreage Adjustment Project under budget and ahead of schedule. Two-year project working with operators and lessees to adjust the acreage for 510 riverbed oil and gas leases covering 39,500 acres along the Missouri River west of the Fort Berthold Indian Reservation. Adjustments were made pursuant to the new ordinary high water mark survey commissioned by the Legislature in 2017. Came in $86 million under original estimated cost of $187 million.
- Record $483 million oil and gas royalties for fiscal year 2021-22
- Record $500 million CSTF distribution for upcoming 2023-25 biennium; 19% increase over current biennium amount which was also a record
- Continued diversification of $7 billion investment portfolio for more consistent performance through all market cycles
- Own interest in 8,600, or 49%, of total 17,400 producing oil and gas wells in North Dakota
- Own interest in 16 million, or 52%, of total 31 million oil barrels produced each month
- Own 1.40% of all oil & gas produced each month in North Dakota
- The Unclaimed Property Division returned $12.9 million to owners during the 2019-2021 biennium by paying 8,807 claims. Additionally, the Unclaimed Property Division processed 6,787 holder reports totaling $29.4 million. Implemented a Voluntary Disclosure Program to enhance the compliance program
- New Surface Management System went live in November 2021

Goals/Plans

- New Minerals Management system go live in Q1 2023
- Continue to increase operational efficiencies with new systems/technologies
- Reduce unnecessary red tape
- New online customer portal with electronic payment processing
- Continued improvement of information available to public via website
- Continued growth of revenue and investments
- Fully implement new Board Investment Policy Statement with new asset classes and broader diversification
- Increase return rate of unclaimed property by increasing owner outreach

Challenges

- Talent recruitment and retention
- Managing workload with continually increasing responsibilities:
    - Record number of leases to manage

- Record high in revenues to manage
- Record value of trust funds to manage
- More unclaimed property holder reports and claims to process

- Full implementation and enhancements to IT upgrades

**5. COMPARE THE AGENCY'S REQUEST TOTAL, INDLUCING FTE POSITIONS, FOR THE NEXT BIENNIUM COMPARED TO THE CURRENT BIENNIUM**

**6. EXPLAIN THE FUNDING INCLUDED IN EACH PROGRAM/LINE ITEM EITHER IN TOTAL OR BY DIVISION DEPENDING ON THE SIZE OF THE AGENCY:**

The Department is requesting a -$462,578 decrease in operating expenses from the current biennium due to achieved administrative efficiencies and reduced legal costs. We are requesting a $1,854,865 increase in salary and benefits. Of that amount, approximately $750,000 is to add three much needed FTEs from 30 to 33, and the balance of approximately $1,100,000 is for anticipated retirement payouts, health insurance cost increases, and increased salaries/benefits for cost of living and to help recruit and retain qualified employees. (performance and equity increases) Our request for 3 additional FTEs compares to the 2 additional recommended in the Governor's Executive Budget, and the 4 additional in our original request.

The additional Mineral Title Specialist is needed for the increasing workload of our Minerals Division. As the Department's number of oil and gas leases and wells continues to increase, so does the workload to properly monitor and manage them and the hundreds of millions of dollars in revenue they generate each year. Our Minerals Division currently manages all of this with a team of just three, which when comparing to similar divisions in other states, and looking at their work volume, we are understaffed.

The additional Investment Analyst is needed for the increasing and more complex workload of our Investment Division. The Department's current investment team consists of the Investment Manager and one Investment Analyst. Based on industry standards, for the size portfolio we manage ($7 billion) and number of strategies we employ, we are understaffed. The addition of a second Investment Analyst would move us toward a more appropriate staffing level. The additional position would support oversight of the 26 investment managers and 33 investment strategies. In addition, in the past two years the Board has approved several new private asset classes (private equity, private debt, and private infrastructure), which require more detailed analysis and monitoring than traditional publicly traded asset classes. The new role will also support expanded investment sourcing, manager searches, and due diligence. Furthermore, the position will assist the incumbent investment analyst with operational duties, particularly involving such tasks as reporting, accounting, legal review, documentation, and the management of fund flows and cash.

The additional Unclaimed Property Claims Processor is needed to manage the increasing number of claims and provide staff capacity for expanded outreach initiatives. The Unclaimed Property Division has continued to increase its claims payments consistently over the last 5-7 years with little owner outreach beyond what is statutorily required. For the Division to meet its goal of a 50% return rate, additional claims processing staff is needed. Adding a claims processor will free up existing staff to increase outreach activities throughout the State to bring more awareness to the program. This will in turn, return more money to the citizens of North Dakota. The Unclaimed Property Division

has also increased its holder compliance activities, which will increase the volume of property coming into the division, also increasing the number of claims. Additionally, the implementation of the Revised Uniform Unclaimed Property Act in 2021 allows for property to be intercepted by such agencies as Child Support, the Court System, and the Tax department. These types of claims are more complex and require more staff time to process.

| DESCRIPTION | LEGISLATIVE BASE 2021-23 | DEPARTMENT REQUEST 2023-25 | DOLLAR CHANGE | PERCENTAGE CHANGE |
|---|---|---|---|---|
| SALARY & WAGES | 6,473,127 | 8,327,992 | 1,854,865 | 28.7% |
| OPERATING EXP. | 2,229,872 | 1,767,294 | (462,578) | (20.7%) |
| CAPITAL ASSETS | 0 | 2,549,500 | | |
| CONTINGENCY | 100,000 | 100,000 | 0 | 0% |

| BIENNIUM | FTE | ASSETS | OIL/GAS PRODUCING PROPERTIES |
|---|---|---|---|
| 11 - 13 | 25 | $3.7 B | 2,932 |
| 13 - 15 | 31 | $4.6 B | 5,080 |
| 15 - 17 | 33 | $4.7 B | 5,884 |
| 17 - 19 | 31 | $6.1 B | 6,937 |
| 19 - 21 | 29 | $5.7 B | 7,511 |
| 21 -23 | 30 | $7.1B* | 8,600 |
| | | | |
| | | ** as of June 30, 2022* | |

It is important to note that the Department's peer states have significantly more FTE's than the Department while we manage more assets than most of our peers.

**7. DISCUSS THE PURPOSE AND USE OF ANY ONE-TIME FUNDING ITEMS FOR THE CURRENT BIENNIUM.**

**8. IDENTIFY AND JUSTIFY THE NEED FOR ANY ONE-TIME FUNDING BEING REQUESTED.**

**$2.5 million IT Projects Completion**

**A. Systems Overhaul Completion & Enhancements**

This funding is critical to complete the Department's overhaul of its antiquated IT systems that was started in the 2017-19 biennium, and to be good stewards of the $5.2 million already allocated to these projects. Through this process the Department has successfully designed and implemented the new IT systems for each of the following divisions: 1) revenue & accounting 2) unclaimed property and 3) surface management. We recently completed the redesign of our minerals

management system and are in the midst the launch process for that new system as we speak. The Department and our constituents have benefitted greatly from these new systems with efficiencies created, expanded and more responsive services, improved data management, and greater access to information.

With this work the Department will have replaced the foundation of our 30+ year old systems, and now we desire to build on that new foundation with continued improvements. Our systems may be enhanced to include the expansion of audit history with only a portion of the processes storing complete user activity currently. The expansion of data management and linking of connections in data (example – the Rights of Way application screen would also include leases associated with the tracts in the application). The Department's legacy systems operated as separate surface and minerals databases and are now combined into one system but still have related data running parallel rather than showing connections in one view. A portion of this funding would allow for the cleanup of one hundred years' worth of permanent retention data related to School Trust Lands. Our land and financial management systems are integrated, but through further development manual and complex processes would be streamlined. Current invoicing does not allow for editing/corrections of invoices. The current process involves multiple Department divisions to process invoices out of both the land and financial management systems; the Department handles hundreds of millions of dollars per year in financial transactions. Further sharing of information between systems would be beneficial to the cash management processes for the trusts and funds managed by the Department.

**B. Online Payment & Credit Card Processing**

Development of online payment processing that would integrate with both our land and financial management systems allowing the Department, for the first time ever, to accept credit card payments. This will make our application approval process more efficient and increase convenience for constituents.

**C. Customer Online Portal**

This funding would also allow the Department to continue moving forward with our current Microsoft Dynamics platform portal. The State is considering an enterprise solution for a statewide customer portal for multiple agencies to participate in. The current development of the customer portal that the Department will debut is not intuitive for the user and their experience. The application pages do not allow for customization of language/descriptions on fields where simple explanation or direction would greatly help the customer filling out the application. Navigation of the system is a series of menu items and tabs without a logical flow that may only be achieved through full customization. An example of current applicant frustration is that a lessee who rents eight quarters of land that would like to apply for weed and pest control cost share must submit eight applications for single tracts, not one application for all eight tracts. In turn, the integration between systems triggers eight checks to be requested through PeopleSoft rather than one check for the customer. The fully customized portal has the capability to include URL linked tiles that direct the customer to other state agency websites. For example – Applicants could log in through their ND Log In and apply for a right of way with the Department of Trust Lands, then search for their unclaimed property, look at current state employment opportunities or click to navigate to ND Game & Fish to apply for their hunting license. The Department generated three quarters of a billion in oil and gas royalty revenue alone over the 2021-2023 biennium. This portal allows operators to upload royalty reports that we can view directly in our Land Management System but if the operator

would run into an upload error staff will need to comb through potentially thousands of lines of data to find the error. Customization would create additional validations against the report to help mitigate tedious reviews. Surface and mineral lessees, operators, rights of way customers and the general public may access Department records related to over 700,000 surface acres and approximately 2.6 million mineral acres of State Trust Lands.

The original budget request for one time funding for our large IT projects was $4.9 million. The Governor's executive budget recommends $2.5 million. The Department will continue to work in a phased approach with software development and enhancement with the determined appropriation.

**$49,500 New UTV & Trailer**

The Department of Trust Lands manages over 700,00 acres of agricultural land in North Dakota. These lands are located in 50 of the 53 counties within North Dakota. The Department manages these lands for the benefit of public education funding. The Department inspects these lands and must travel very rough terrain to access them. A utility terrain vehicle (UTV) is essential in accessing school trust land where the topography is not conducive to traveling with a pickup truck. It is also essential to utilize UTV tracks systems that allow the UTV to travel in deep snow or muddy conditions.

**9. DISCUSS AGENCY COLLECTIONS THAT ARE DEPOSITED IN THE GENERAL FUND, OR A SPECIAL FUND, AND ANY ANTICIPATED CHANGES FROM 2021 LEGISLATIVE SESSION ESTIMATES DURING THE 2021-23 BIENNIUM AND ESTIMATED CHANGES FOR THE 2023-25 BIENNIUM.**

| | 2021-23 Legislative Appropriation | 2023-25 Executive Budget | Increase | Increase % |
|---|---|---|---|---|
| Common schools | $421,020,000 | $499,860,000 | $78,840,000 | 18.7% |
| North Dakota State University | 6,620,000 | 7,648,000 | 1,028,000 | 15.5% |
| University of North Dakota | 5,084,000 | 5,986,000 | 902,000 | 17.7% |
| Youth Correctional Center | 2,228,000 | 2,662,000 | 434,000 | 19.5% |
| School for the Deaf | 2,014,000 | 2,198,000 | 184,000 | 9.1% |
| North Dakota State College of Science | 1,941,000 | 2,259,700 | 318,700 | 16.4% |
| State Hospital | 1,673,000 | 1,835,700 | 162,700 | 9.7% |
| Veterans' Home | 795,000 | 893,700 | 98,700 | 12.4% |
| Valley City State University | 1,178,000 | 1,354,000 | 176,000 | 14.9% |
| North Dakota Vision Services - School for the Blind | 1,375,000 | 1,679,700 | 304,700 | 22.2% |
| Mayville State University | 742,000 | 894,000 | 152,000 | 20.5% |
| Dakota College at Bottineau | 285,000 | 343,700 | 58,700 | 20.6% |
| Dickinson State University | 285,000 | 343,700 | 58,700 | 20.6% |
| Minot State University | 285,000 | 343,700 | 58,700 | 20.6% |
| Total | $445,525,000 | $528,301,900 | $82,776,900 | |

**10. DISCUSS THE NEED FOR ANY OTHER SECTIONS THAT ARE INCLUDED OR ARE REQUESTED/RECOMMENDED TO BE INCLUDED IN THE AGENCY APPROPRIATION BILL.**

N/A

**11. DISCUSS ANY OTHER BILLS BEING CONSIDERED BY THE LEGISLATIVE ASSEMBLY AND THEIR POTENTIAL BUDGETARY IMPACT ON THE AGENCY.**

Nothing material we are aware of at this time.

**12. PROVIDE AN ITEMIZED LISTING OF THE CHANGES YOUR AGENCY IS REQUESTING THE COMMITTEE TO MAKE TO THE EXEUCTIVE RECOMMENDATION.**

Only change is the inclusion of an additional Unclaimed Property Claims Processor FTE for a biennial cost of $165,786. However, this does not change the Department's total Salary and Wages line-item request of $8,327,992 as we believe the position can be absorbed into that total amount.

**13. PROVIDE A COMPARISON OF YOUR AGENCY'S MAJOR REQUESTS TO THOSE RECOMMENDED IN THE EXECUTIVE BUDGET.**

Only change is that requested in #12 above.

**14. IDENTIFY THE PURPOSE AND AMOUNT OF FEDERAL STATE FISCAL RECOVERY FUNDING APPROPRIATED TO YOUR AGENCY DURING THE NOVEMBER 2021 SPECIAL LEGISLATIVE SESSION . . .**
N/A

**15. IDENTIFY THE AMOUNT OF FEDERAL FUNDING AVAILABLE TO YOUR AGENCY FOR THE 2023-25 BIENNIUM . . .**
N/A

**16. PROVIDE ADDITIONAL INFORMATION AS NECESSARY.**

**We look forward to working with the Committee on this bill and would be happy to answer any questions.**