



**TESTIMONY OF JOSEPH A. HERINGER
COMMISSIONER
North Dakota Department of Trust Lands**

House Bill No. 1013

**Supplemental Information
February 3, 2023**

Department Costs as a Percentage of Assets Under Management

\$10.1 million proposed total Salary & Operations Budget

Divided by

\$10.6 billion in Assets Under Management

Equals = **0.01% or 1/10th of one percent**

Extraordinary Value compared to industry and financial standards

Ellendale Trust History

Article IX of the ND Constitution designated 40,000 acres of Trust Land to the School for Manual Training located in Ellendale, ND and the school was opened in September 1899. Later, the school was designated as a Normal School with the main objective to train teachers. The school operated for over 70 years but was closed in 1971. In 1972, the citizens of North Dakota approved a constitutional amendment that removed the reference to the Ellendale Trust. In the 1973 Legislative Assembly, HB 1052 was passed to reallocate the Ellendale Trust funds equally to the following beneficiaries: Veterans Home, School for the Blind, Dakota College at Bottineau, State School of Science - Wahpeton, State Hospital, Minot State University, and Dickinson State University.

Currently, the Ellendale Trust has approximately 4,919 surface acres and 21,028 mineral acres. As of June 30, 2022, the Ellendale Trust had a balance of \$27,560,418. Below is the trust's recent distribution history.

	ELLENDALE TRUST FUND DISTRIBUTIONS		
	2019-21	2021-23	2023-25
Beneficiary name	Distribution	Distribution	Distribution
SCHOOL FOR THE BLIND	242,000	285,000	343,700
STATE HOSPITAL	242,000	285,000	343,700
STATE COLLEGE OF SCIENCE	242,000	285,000	343,700
VETERANS HOME	242,000	285,000	343,700
DICKINSON STATE UNIVERSITY	242,000	285,000	343,700
MINOT STATE UNIVERSITY	242,000	285,000	343,700
DAKOTA COLLEGE AT BOTTINEAU	242,000	285,000	343,700
	\$1,694,000	\$1,995,000	\$2,405,900

Abandoned Railroad Reversions

Railroad rights-of-way have been granted by the Commissioner across trust lands since statehood. Typically, if the railroad was not built within 5 years, or if the rail line was abandoned for 1 year, the land would revert back to the state. This makes sense if the state still owns the adjacent property. However, there are situations where a railroad right-of-way was granted on trust land and the adjacent property was later sold to a private individual, excluding the railroad right-of-way acres from the sale. If the railroad was abandoned, the land would revert back to the state, but the state no longer owned the adjacent property. In these situations, the Board of University and School Lands concluded that the intent was to sell the entire property, including the railroad right-of-way, so the abandoned railroad right-of-way would revert back to the adjacent landowner and not the state. The Board received appraised value for land acquired by the railroads and also received a price at auction for the remainder of the quarter section. Therefore, the trusts are whole and the land is owned as intended.

CONSTITUTIONAL AMENDMENTS, APPROVED

CHAPTER 526

CONSTITUTIONAL STATUS OF UND-ELLENDALE BRANCH

House Concurrent Resolution No. 3045, chapter 623, 1971 Session Laws, proposed by the Forty-second Legislative Assembly of the State of North Dakota, providing for the amendment of section 216 of the Constitution of the State of North Dakota, and subsection 1 of article 54 of the amendments to the Constitution of the State of North Dakota, relating to the removal of the constitutional status of the Ellendale Branch of the University of North Dakota, to read as follows:

BE IT ENACTED BY THE PEOPLE OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 216 of the Constitution of the state of North Dakota is hereby amended and reenacted to read as follows:

Section 216. The following named public institutions are hereby permanently located as hereinafter provided, each to have so much of the remaining grant of one hundred seventy thousand acres of land made by the United States for "other educational and charitable institutions" as is allotted by law, namely:

First: A soldiers' home, when located, or such other charitable institution as the legislative assembly may determine, at Lisbon, in the county of Ransom, with a grant of forty thousand acres of land.

Second: The blind asylum shall be known as the North Dakota school for the blind and may be removed from the county of Pembina to such other location as may be determined by the board of administration to be in the best interests of the students of such institution and the state of North Dakota.

Third: A school of forestry, or such other institution as the legislative assembly may determine, at such place in one of the counties of McHenry, Ward, Bottineau, or Rolette, as the electors of said counties may determine by an election for that purpose, to be held as provided by the legislative assembly.

Fourth: A scientific school or such other educational or charitable institution as the legislative assembly may prescribe, at the city of Wahpeton, county of Richland, with a grant of forty thousand acres.

Fifth: A state normal school at the city of Minot in the county of Ward.

Sixth: (a) A state normal school at the city of Dickinson, in the county of Stark. (b) A state hospital for the insane at such place within this state as shall be selected by the legislative assembly, provided, that no other institution of a character similar to any one of those located by this article shall be established or maintained without a revision of this Constitution.

SECTION 2. AMENDMENT.) Subsection 1 of article 54 of the amendments to the Constitution of the state of North Dakota is hereby amended and reenacted to read as follows:

1. A board of higher education, to be officially known as the State Board of Higher Education, is hereby created for the control and administration of the following state educational institutions, to-wit:

(1) The State University and School of Mines, at Grand Forks, with their substations.

(2) The State Agricultural College and Experiment Station, at Fargo, with their substations.

(3) The School of Science, at Wahpeton.

(4) The State Normal Schools and Teachers Colleges, at Valley City, Mayville, Minot, and Dickinson.

(5) The School of Forestry, at Bottineau.

(6) And such other State institutions of higher education as may hereafter be established.

Approved September 5, 1972.

68,575 to 41,350

NOTE: This was constitutional measure No. 2 on the primary election ballot.

CHAPTER 176

HOUSE BILL NO. 1052
(Solberg, Strinden, L. Hausauer)
(From Legislative Council Study)

REALLOCATION OF ELLENDALE GRANT LANDS

AN ACT to reallocate the grant lands and assets of the Ellendale fund and to direct the deposit of the remainder of the Ellendale branch fire proceeds in the state's general fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1.) The grant lands and other assets of the Ellendale fund, maintained by the state land department and previously allocated under section 216 of the North Dakota Constitution to an institution at Ellendale, are hereby reallocated to the soldiers' home, the North Dakota school for the blind, the forestry school, the state school of science, the state hospital, Minot state college, and Dickinson state college.

The board of university and school lands shall allocate the income in equal proportions to the above-mentioned institutions.

SECTION 2.) It is hereby directed that one hundred twelve thousand four hundred four dollars and fifty-four cents of the fire insurance proceeds from the university of North Dakota-Ellendale branch, or so much thereof as remains, including the appropriation authorized by chapter 209 of the 1971 session laws, be deposited in the general fund in the state treasury.

Approved February 6, 1973