Department 226 - Department of Trust Lands
House Bill No. 1013

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	$0	$14,834,222	$14,834,222
2023-25 Base Level	0	8,802,999	8,802,999
Increase (Decrease)	$0	$6,031,223	$6,031,223

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

Selected Bill Sections Included in the First Chamber Version

Fund distributions - Section 3 provides permanent fund income distributions to state institutions as follows:

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

Continuing Appropriations

Unclaimed property - North Dakota Century Code Section 47-30.1-23 - Payments made to owners of unclaimed property.

Investments and farm loans - Section 15-03-16 - Money manager and custodial fees and loan administration fees to maintain and enhance income earning potential of trusts' financial assets.

County services - Section 15-04-23 - Payments made to counties for various services provided that benefit school trust lands.

Land expenses - Sections 15-04-24, 15-06-22, 15-07-22, 15-08-04, and 15-68-06 - Payments for appraisal fees, survey costs, surface lease refunds, weed and insect control, cleanup costs, capital improvement rent credits, fire protection, land rent, value survey costs, and other expenses.

Mineral expenses - Section 15-05-19 - Payments for appraisal fees, consulting fees, refunds, and other expenses to manage the value of the minerals and trust assets.

In lieu of taxes - Section 57-02.3-07 - Payments made in lieu of property taxes on certain state lands managed by the department.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

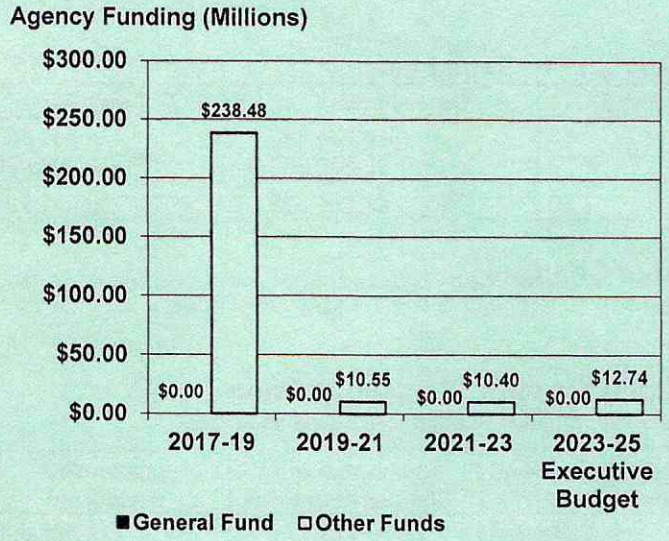
The financial statement audit for the Department of Trust Lands conducted by Eide Bailly LLP, Certified Public Accountants, during the 2021-22 interim identified no significant findings.

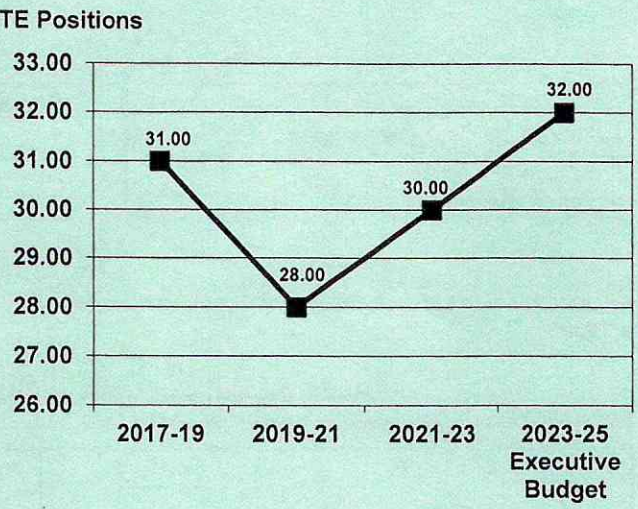
Major Related Legislation

House Bill No. 1360 - Updates provisions relating to unclaimed property to align with revisions approved by the Uniform Laws Commission.

Historical Appropriations Information

Agency Appropriations and FTE Positions





Ongoing Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing other funds appropriations	$108,243,153	$7,881,273	$8,108,401	$8,802,999	$10,191,686
Increase (decrease) from previous biennium	N/A	($100,361,880)	$227,128	$694,598	$1,388,687
Percentage increase (decrease) from previous biennium	N/A	(92.7%)	2.9%	8.6%	15.8%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(92.7%)	(92.5%)	(91.9%)	(90.6%)

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2017-19 Biennium

1. Added 1 FTE geographic information system specialist position, including $177,080 for salaries and wages and $23,025 for operating expenses — $200,105
2. Removed 3 FTE positions, including 1 FTE energy infrastructure and impact office position ($151,237), 1 FTE natural resources director position ($259,307), and 1 FTE project manager position ($206,550) — ($617,094)
3. Adjusted funding for operating expenses, including increases for building maintenance and utility costs ($93,746); increases for professional development ($45,000); and decreases for professional development, information technology (IT) services, and travel ($405,685) — ($266,939)
4. Removed funding for Energy Infrastructure and Impact Office administrative expenses — ($389,217)
5. Removed funding for grants to political subdivisions from the oil and gas impact grant fund — ($99,300,000)

2019-21 Biennium

1. Removed 3 FTE positions, including 2 administrative assistants and an audit technician — ($288,863)
2. Added funding for 2 FTE positions, including an administrative assistant ($123,361) and an attorney ($248,461), and related operating expenses ($43,670) — $415,492
3. Transferred 2 FTE programmer analyst positions to the Information Technology Department for the IT unification initiative resulting in an increase in operating expenses for the agency — $19,739
4. Reduced funding for operating expenses primarily related to travel, equipment, IT costs, professional development, and other services — ($504,949)
5. Added funding for legal and audit costs related to the implementation of administrative rules, compliance requirements for internal controls and fraud risks, and financial statement audits — $384,564
6. Increased funding for operating expenses associated with new financial software ($175,000) and Microsoft Office 365 licensing costs ($23,342) — $198,342

2021-23 Biennium

Added 2 FTE positions, including a mineral title specialist ($211,665) and a compliance auditor ($264,550), and related operating expenses ($70,900)	$547,115

2023-25 Biennium (Executive Budget Recommendation)

1. Adds funding for 1 FTE mineral title specialist position ($239,104) and 1 FTE investment analyst position ($343,942)	$583,046
2. Transfers $538,878 from the operating expenses line item to the salaries and wages line item for salary adjustments	$0
3. Increases funding for shared software and service rate changes	$49,000

One-Time Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
One-time general fund appropriations	$40,000,000	$230,600,000	$2,445,640	$1,600,000	$2,553,100

Major One-Time Other Funds Appropriations

2017-19 Biennium

1. Added one-time funding for mineral revenue repayments including $100 million from the strategic investment and improvements fund and $87 million from a Bank of North Dakota line of credit (Senate Bill No. 2134)	$187,000,000
2. Added one-time funding for grants to airports including $25 million from the oil and gas impact grant fund and $15 million from the energy impact fund	$40,000,000
3. Added one-time funding for an IT system replacement project	$3,600,000

2019-21 Biennium

1. Added one-time funding from the oil and gas impact grant fund for grants to oil-impacted political subdivisions	$2,000,000
2. Added one-time funding from the state lands maintenance fund for a mineral valuation study to hire a consultant to estimate the value of the state's mineral resources	$350,000
3. Provided a supplemental appropriation of $95,640 of federal coronavirus relief funds for service fees associated with an online surface lease auction platform and costs associated with an analysis of oil and gas royalty cashflows due to an increase in shut-in wells	$95,640

2021-23 Biennium

Added one-time funding from the state lands maintenance fund to complete an IT project	$1,600,000

2023-25 Biennium (Executive Budget Recommendation)

1. Adds one-time funding to continue the development of an IT project	$2,500,000
2. Adds one-time funding for a utility vehicle and trailer	$49,500

Department of Trust Lands - Budget No. 226
House Bill No. 1013
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	30.00	$0	$8,802,999	$8,802,999	30.00	$0	$8,802,999	$8,802,999
2023-25 Ongoing Funding Changes								
Cost to continue salaries			$50,995	$50,995			$50,995	$50,995
Salary increase			531,600	531,600			395,524	395,524
Health insurance increase			159,446	159,446			163,114	163,114
Adds FTE mineral title specialist position	1.00		253,704	253,704				0
Adds FTE investment analyst position	1.00		343,942	343,942				0
Adds FTE mineral specialist position				0	1.00		253,704	253,704
Adds FTE unclaimed property position				0	1.00		165,786	165,786
Transfers $538,878 from operating expenses to salaries				0				0
Increases funding for shared software and service rate changes			49,000	49,000			49,000	49,000
Total ongoing funding changes	2.00	$0	$1,388,687	$1,388,687	2.00	$0	$1,078,123	$1,078,123
One-Time Funding Items								
Adds one-time funding for IT equipment for new FTE positions			$3,600	$3,600			$3,600	$3,600
Adds one-time funding to continue the development of an IT project			2,500,000	2,500,000			4,900,000	4,900,000
Adds one-time funding for utility vehicle and trailer			49,500	49,500			49,500	49,500
Total one-time funding changes	0.00	$0	$2,553,100	$2,553,100	0.00	$0	$4,953,100	$4,953,100
Total Changes to Base Level Funding	2.00	$0	$3,941,787	$3,941,787	2.00	$0	$6,031,223	$6,031,223
2023-25 Total Funding	32.00	$0	$12,744,786	$12,744,786	32.00	$0	$14,834,222	$14,834,222
Federal funds included in other funds			*$0*				*$0*	
Total ongoing changes as a percentage of base level	*6.7%*		*15.8%*	*15.8%*	*6.7%*		*12.2%*	*12.2%*
Total changes as a percentage of base level	*6.7%*		*44.8%*	*44.8%*	*6.7%*		*68.5%*	*68.5%*

Other Sections in Department of Trust Lands - Budget No. 226

	Executive Budget Recommendation	House Version
Fund distributions	Section 3 would provide the permanent fund income distributions to state institutions.	Section 3 provides the permanent fund income distributions to state institutions.