

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 Senate Bill 2013

1. 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 8,600 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 \$7 billion as of June 30, 2024.

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 Strategic Investment and Improvements Fund (SIIF), was created in 2011 to replace the Lands and Minerals Trust Fund. The Land and Minerals Trust Fund was created in during the 1977 legislative session and was managed for its entirety by the Board of University and School Lands. SIIF now holds over 700,000 mineral acres previously held in the Lands and Minerals Trust Fund. These mineral acres include those formerly owned by the Bank of North Dakota and State Treasurer in addition to the minerals located under navigable rivers and lakes. These minerals assets now held is SIIF generated over \$200 million in revenue during fiscal year 2024.

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 four FTEs consisting of the division director and three staff members who are dedicated to reviewing historical records, assessing the unique leasing arrangements, processing leases, division orders and assignments.

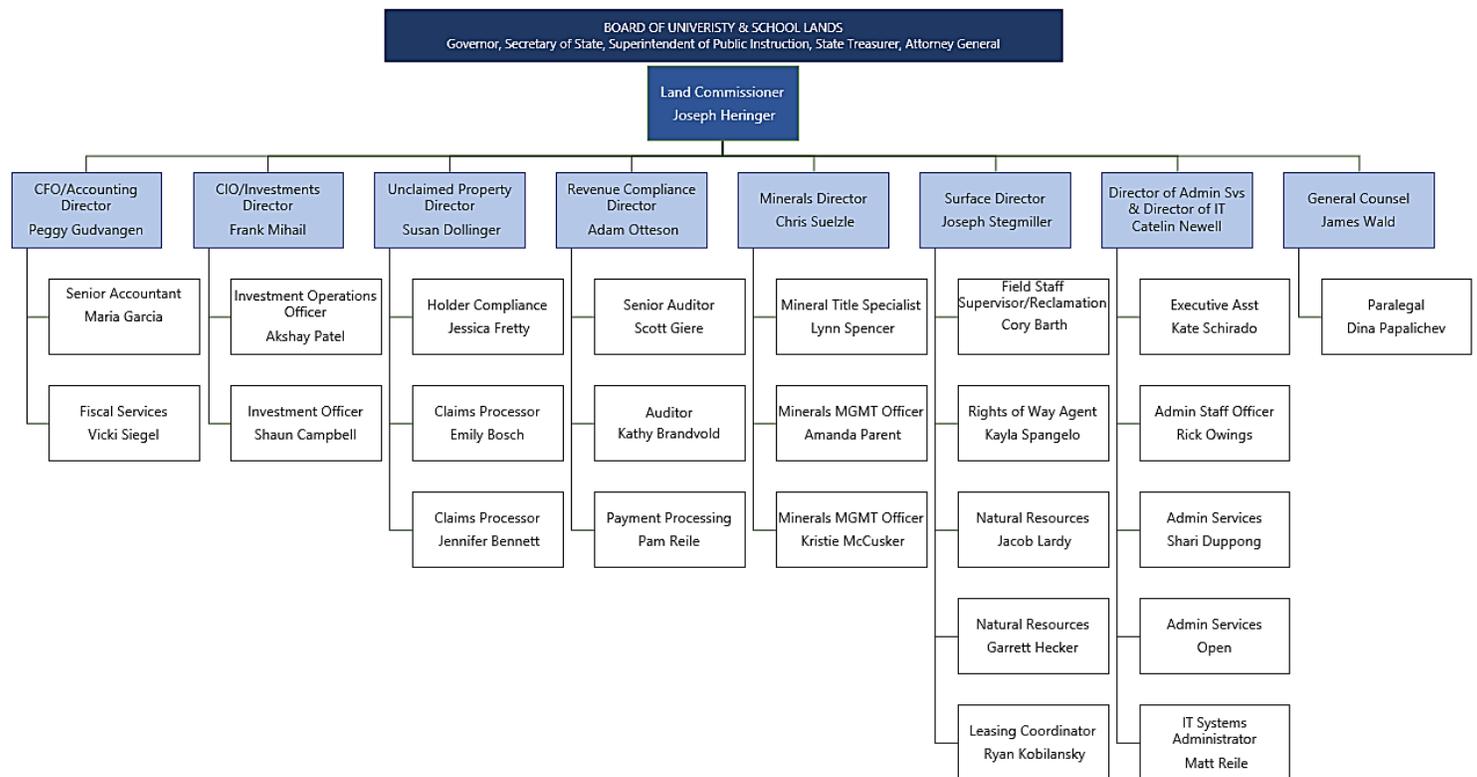
The Surface Division is responsible for leasing and managing 706,600 surface acres held in trust for various schools and institutions. The division has six FTEs including the division director, and nine temporary, non-classified employees who help inspect the vast acreage we manage. The major source 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 Accounting Division is responsible for fulfilling the agency's constitutional, statutory laws and rules, and governmental accounting standard board requirements for budgeting, accounting practices, payroll, financial data management, investments, calculating distributions for beneficiaries, and safeguarding over \$8.8 billion in assets of 19 different trusts and funds plus two additional departments (Energy Infrastructure & Impact Office and Unclaimed Property).

The Investment Division is responsible for directing, implementing, coordinating, and monitoring all aspects of the Land Board's investment program. The division has three 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, SIF, 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. Unclaimed Property has four FTEs including the division director.



DEPARTMENT OF TRUST LANDS (DTL) ORG CHART



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?

WE MANAGE 2.6 MILLION MINERAL ACRES WITH INTEREST IN MORE THAN 9,700 OF ND'S APPROXIMATELY 19,000 PRODUCING WELLS WITH MORE THAN 8,600 LEASES.



WE MANAGE MORE THAN 700,000 SURFACE ACRES IN 50 OF NORTH DAKOTA'S 53 COUNTIES WITH APPROX. 4,400 LEASES.



CURRENT AGENCY TEAM MEMBER STATS

33

FTE count

6

average yrs of service

45%

turnover since 2021

4

retirement eligible

HOW WE COMPARE TO OTHER PEER STATES TRUST LAND DEPARTMENTS

STAFFING

ND DTL
33 FTE
1 FTE/\$262 Million

UTAH
68 FTE
1 FTE/\$47 Million

MINNESOTA
88FTE
1 FTE/\$21 Million

TEXAS GLO
801 FTE
1 FTE/\$65 Million

2023 ASSET VALUE

\$ 8,647,994,458

\$ 3,221,207,646

\$ 1,889,600,000

\$ 52,316,792,346

2023 OPERATING REVENUE

\$ 535,700,494

\$ 146,578,644

\$ 30,000,000

\$ 1,900,818,720

DEPARTMENT HIGHLIGHTS

\$2 BILLION IN ROYALTY REVENUE DEPOSITED INTO DTL TRUSTS AND FUNDS



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

\$2,501

CSTF funding per
K-12 student

The CSTF distributions to the State Tuition Fund total \$2.2 billion over a 10-year span (2018-2027); helping to alleviate the financial responsibility of the General Fund and North Dakota property tax payers.

The 2025-2027 Biennium alone will see an 17% increase in distributions totaling nearly \$585 million translating to approximately \$2,501 in funding per K-12 student. This translates to the Department covering nearly 25% of the State's financial responsibility per student.



CSTF MAIN SOURCES OF REVENUE: 10% OF OIL EXTRACTION TAX, 9,700 BAKKEN WELL ROYALTIES, OIL & GAS LEASE BONUS PAYMENTS, INVESTMENT INCOME, SURFACE RIGHTS OF WAY, SURFACE RENTAL INCOME, AGGREGATE.



**\$7 BILLION VALUE AS
OF FISCAL YEAR 2025**

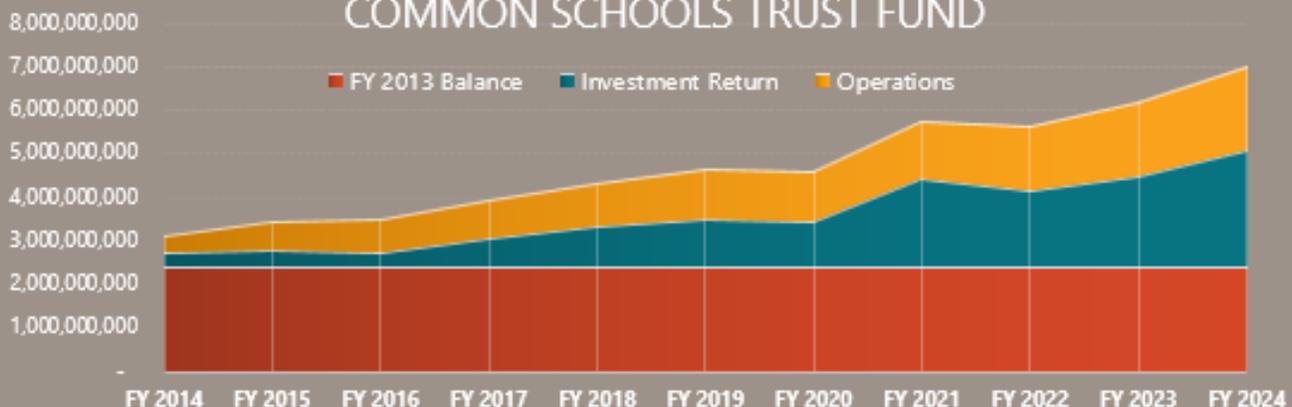


**\$585 MILLION TO BE
DISTRIBUTED IN
2025-27 BIENNIUM**



**17% INCREASE IN
DISTRIBUTION OVER
LAST BIENNIUM**

COMMON SCHOOLS TRUST FUND





COMMON SCHOOLS TRUST FUND (CSTF)



\$7 BILLION VALUE AS OF FISCAL YEAR 25

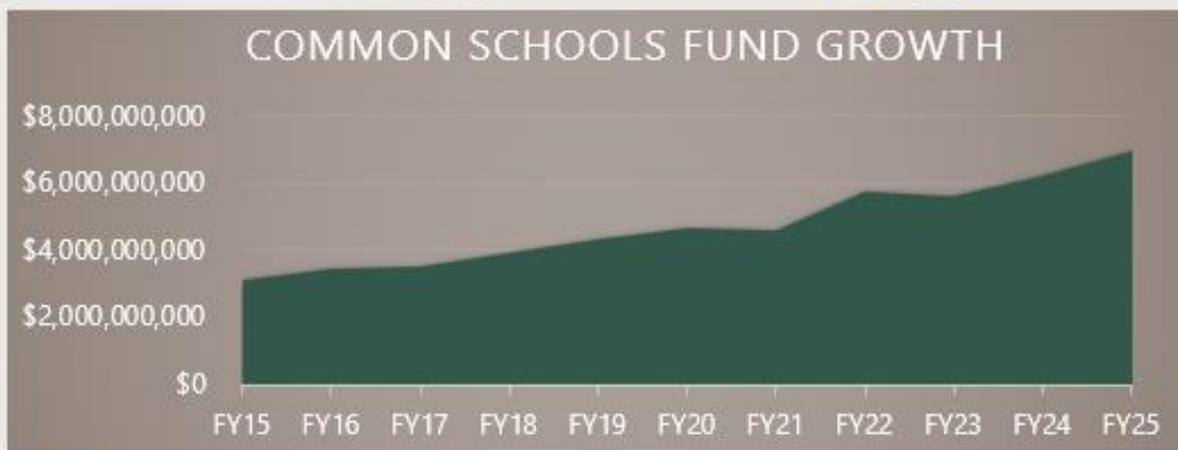


\$585 MILLION TO BE DISTRIBUTED IN 2025-27 BIENNIUM



17% INCREASE IN DISTRIBUTION OVER LAST BIENNIUM

COMMON SCHOOLS FUND GROWTH



\$2.2 BILLION IN K-12 DISTRIBUTIONS FROM 2018 - 2027 DIRECTLY OFFSETTING THE LEVEL OF FINANCIAL RESPONSIBILITY REQUIRED OF THE GENERAL FUND AND PROPERTY TAXES.

DEPARTMENT OF TRUST LANDS REVENUE STREAMS CONTRIBUTING TO CSTF

MINERALS

- 10% OF THE OIL EXTRACTION TAX
- MINERAL LEASE BONUSES
- ROYALTY REVENUE



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)

3.17% NET AVERAGE ANNUAL DISTRIBUTION 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 DISTRIBUTION OF LESS THAN 5%**



ND LAND BOARD INVESTMENT PROGRAM



PERFORMANCE HIGHLIGHTS

9.42%

FY 2024
Return

\$606m

FY 2024
Gains

0.58%

3-Year
Excess Return

BOARD ACCOMPLISHMENTS



NEW ASSET ALLOCATION
REDUCING REAL ESTATE,
INCREASING HEDGE FUNDS



\$2.25B PROFIT DURING
5-YR PERIOD ENDING
JUNE 2024



\$264M DEPLOYED TO
ALTERNATIVE STRATEGIES
IN FY 2024



APPROVED 20 NEW
INVESTMENTS FOR \$4B
IN CY 2023 & 2024



ASSET ALLOCATION (JUNE 30, 2024)

LONG/SHORT ACTIVE MGMT
 Protects during crisis periods by expanding the toolkit to profit during market declines

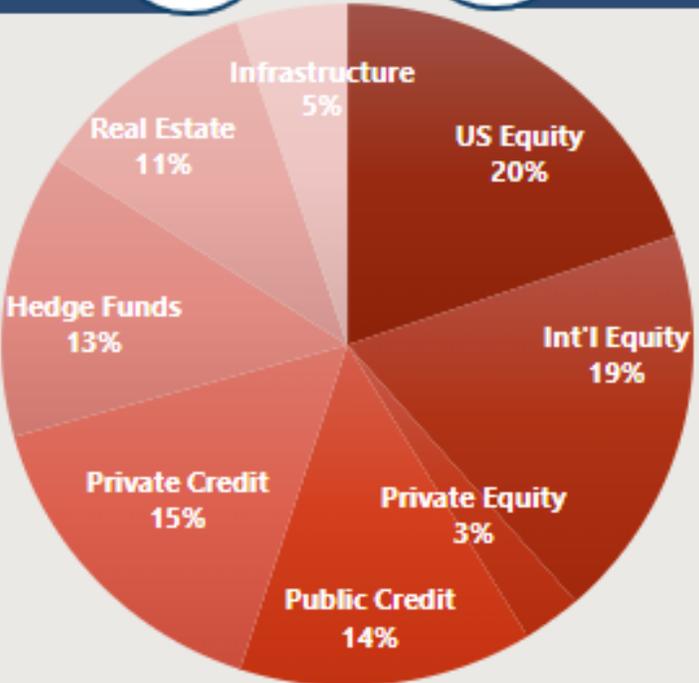
30%

PRIVATE MARKETS
 Reduces volatility and aligns with the long-term time horizon of an endowment

34%

NEW

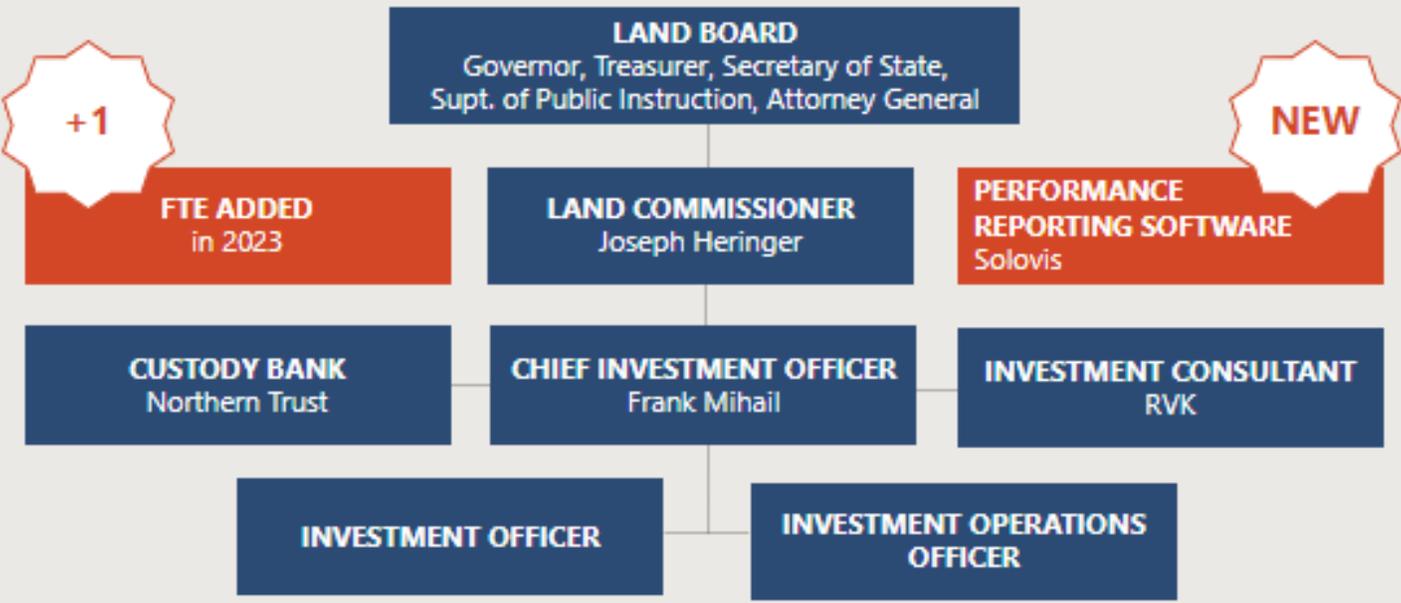
ASSET CLASSES
 Venture Capital
 Active Extension
 Bond Overlay
 Credit Secondaries
 Digital Infrastructure



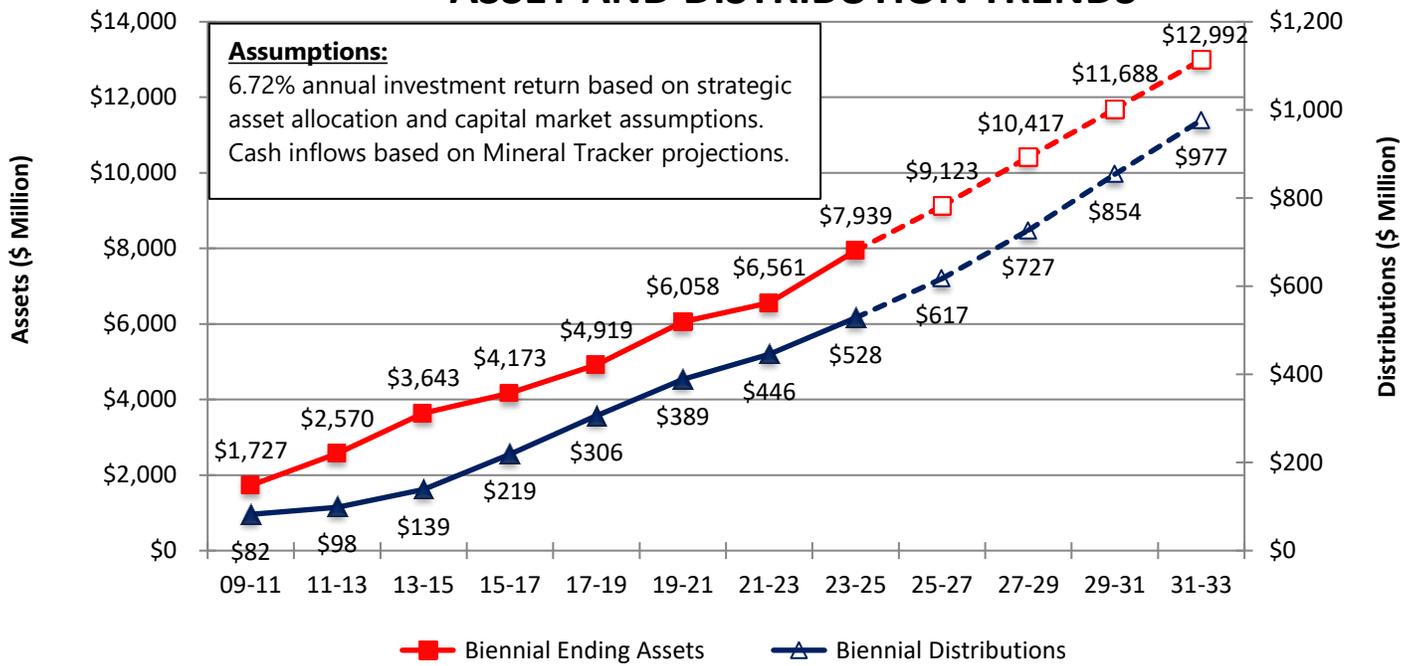
6-8%

LONG-TERM EXPECTED RETURN
 Based on current asset allocation and capital market assumptions

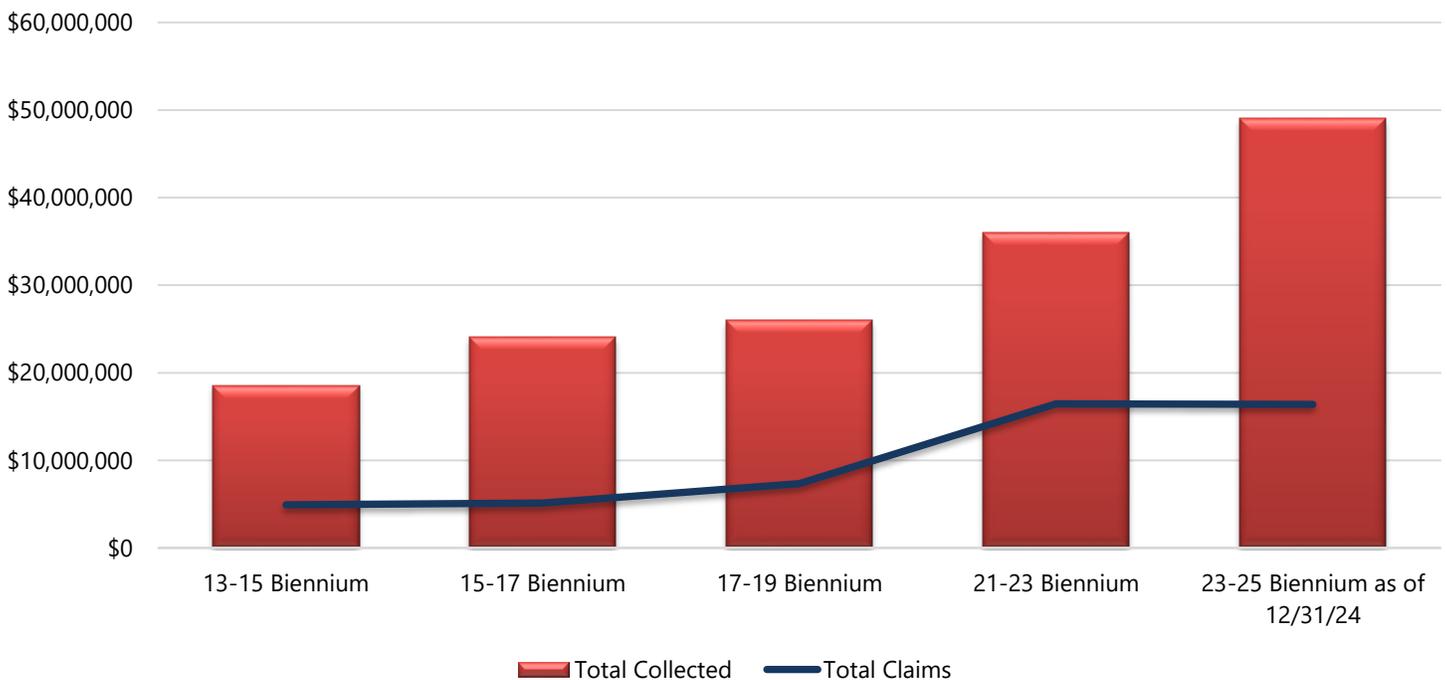
INVESTMENT TEAM



13 PERMANENT TRUST FUNDS ASSET AND DISTRIBUTION TRENDS



UNCLAIMED PROPERTY INCREASES (Cash Only Properties)



2. 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, 2024. It was a clean audit with three minor misstatements identified that were corrected.

3. DISCUSS CURRENT BIENNIUM ACCOMPLISHMENTS AND CHALLENGES AND NEXT BIENNIUM GOALS AND PLANS.

Accomplishments

- Generated a record \$1 billion in oil and gas royalties
- Record \$585 million CSTF distribution for upcoming 2025-27 biennium; 17% 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 9,700, or 51%, of total 19,00 producing oil and gas wells in North Dakota
- Own interest in 18 million, or 49%, of total 37 million oil barrels produced each month
- Own 1.20% of all oil & gas produced each month in North Dakota
- New Mineral Management System went live in January 2023
- New online customer portal with electronic payment processing go live May 2025
- Achieved numerous oil & gas royalties settlements totaling tens of millions of dollars
- Significant litigation reduction
- The Unclaimed Property Division returned a record \$16.5 million to owners during the 2022-2023 biennium by paying 31,975 claims. Additionally, the Unclaimed Property Division processed 7,054 holder reports totaling \$36 million. This is due to increased outreach efforts.
- Re-structured Unclaimed Property 3rd party auditor contracts to promote increased holder compliance

Goals/Plans

- Develop alternative revenue sources
- Start unclaimed property internal audit program
- Continue to increase operational efficiencies with new systems/technologies
- Reduce unnecessary red tape
- Continued improvement of information available to public via website
- Continued growth of revenue and investments
- 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

4. COMPARE THE AGENCY’S REQUEST/RECOMMENDATION TOTALS, INCLUDING FTE POSITIONS, FOR THE NEXT BIENNIUM COMPARED TO THE CURRENT BIENNIUM.

See included slide deck

BIENNIUM	FTE	ASSETS	OIL/GAS PRODUCING PROPERTIES
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	\$7.1 B	8,600
23-25	33	\$8.8 B*	9,700
		<i>* as of June 30, 2024</i>	

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.



5. DISCUSS ANY NEW POSITIONS APPROVED FOR YOUR AGENCY FOR THE 2023-25 BIENNIUM BY THE 2023 LEGISLATIVE ASSEMBLY, THE TIMING OF FILLING THE POSITIONS, AMOUNTS TRANSFERRED FROM THE OMB POOL FOR THE FILLED POSITIONS, AND FUNDING APPROPRIATED AND THE AMOUNT ESTIMATED TO BE SPENT FOR EACH POSITION FOR THE 2023-25 BIENNIUM.

POSITION	DATE FILLED	FTE FUNDING POOL TRSFR	DATE TERMINATED	DATE FILLED	APPROPRIATED FUNDING	ESTIMATED FUNDING
Unclaimed Property Processor	07/01/23	\$149,207	11/15/24	12/16/24	\$154,886	\$166,811
Minerals Management Officer	09/05/23	\$215,194	-	-	\$239,104	\$228,033
Investment Operations Officer	10/01/23	\$292,987	01/31/24	05/01/24	\$334,842	\$233,775
<u>VACANT POSITION</u>						
Minerals Management Officer	09/01/23	\$161,158	06/21/24	10/07/24	\$201,588	\$333,875
		\$818,546			\$930,420	\$962,494

6. **DISCUSS EMPLOYEE TURNOVER AND THE NUMBER OF VACANT POSTIONS DURING THE 2023-25 BIENNIUM TO DATE, THE AMOUNT OF SAVINGS RELATIVN TO THE VACANT POSITIONS AND EMPLOYEE TURNOVER TO DATE COMPARED TO THE VACANT POSITION SAVINGS REMOVED FROM YOUR AGENCY’S BUDGET BY THE 2023 LEGILSATIVE ASSEMBLY, THE AMOUNT OF VACANT POSITION SAVING SPENT FOR OTHER PURPOSES, AND ANY AMOUNTS TRANSFERRED OR ANTICIPATED TO BE TRANSFERRED FROM THE OMB POOL.**

Position	Reason	Date Terminated	Date Filled
Administrative Assistant	Retirement	5/16/2024	09/03/24
Investment Operations Officer	Private Sector	12/13/2024	VACANT

Agency Vacancy Saving Worksheet

Est. Vacancy Savings \$ 197,237.00

Use of vacant position savings:

Accrued Leave Payouts	519
Extra Salary Increases	86,638
Bonuses	8,000
Incentive/location Pay	-
Reclassifications	24,238
Extra Temporary salary Funding	-
Extra Overtime Funding	-
Other (identify)	-

EST. TOTAL SAVINGS (as of 12/31/24) \$ 77,842.00

Vacant Positions (as of 12/31/24) 1

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

SEE #4 ABOVE

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

Our IT systems project is proceeding on-time and within budget, with completion scheduled for May 2025. A new UTV for land inspections was purchased in 2024.

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

N/A

10. 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 2023-25 BIENNIUM AND ESTIMATED CHANGES FOR THE 2025-27 BIENNIUM.

	2023-25 Legislative Appropriation	2025-27 Executive Budget	Increase	Increase %
Common schools	\$499,860,000	\$584,677,350	\$84,817,350	17%
North Dakota State University	7,648,000	8,770,000	1,122,000	14.7%
University of North Dakota	5,986,000	6,948,000	962,000	16.1%
Youth Correctional Center	2,662,000	3,136,000	474,000	17.8%
School for the Deaf	2,198,000	2,388,000	190,000	8.6%
North Dakota State College of Science	2,259,700	2,570,284	310,584	13.7%
State Hospital	1,835,700	1,976,284	140,584	7.7%
Veterans' Home	893,700	994,284	100,584	11.3%
Valley City State University	1,354,000	1,566,000	212,000	15.7%
North Dakota Vision Services - School for the Blind	1,679,700	1,936,284	256,584	15.3%
Mayville State University	894,000	1,102,000	208,000	23.3%
Dakota College at Bottineau	343,700	406,284	62,584	18.2%
Dickinson State University	343,700	406,284	62,584	18.2%
Minot State University	343,700	406,284	62,584	18.2%
Total	\$528,301,900	\$617,283,338	\$88,981,438	

11. IDENTIFY AND FEDERAL STATE FISCAL RELIEF FUNDS REMAINING TO BE SPENT BY YOUR AGENCY BY DECEMBER 2026.

N/A

12. DISCUSS THE NEED FOR ANY OTHER SECTIONS TO BE ADDED TO THE APPROPRIATION BILL.

N/A

13. 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.

14. PROVIDE A ONE-PAGE ITEMIZED LISTING ANY CHANGES YOUR AGENCY IS REQUESTING THE COMMITTEE TO MAKE TO THE EXECUTIVE BUDGET RECOMMENDATION.

The executive budget recommendation does not include the two new FTEs discussed in the supplemental slide deck: 1) Diversified Revenue Officer and 2) Unclaimed Property

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

DIVERSIFIED REVENUES OFFICER

FTE Request

New position to capitalize on emerging revenue opportunities

- Carbon capture/storage
- Soil carbon markets
- Rare earth minerals
- Wind, solar, etc.

Currently, 97% of revenues are from oil & gas, with projected decline in early 2030's

Long-term, prudent planning to diversify revenues

- \$192,000 for biennial salary
- If granted, legislative council will calculate the additional funding needed for benefits

UNCLAIMED PROPERTY

FTE Request

February 27th - Land Board voted 3-1 to oppose move to Treasurer's office

Requesting 1 additional FTE – Internal Auditor

- Fill gap with external contracted auditors
- Provide additional compliance support
- \$170,000 for biennial salary
- If granted, legislative council will calculate the additional funding needed for benefits

CBIZ COMPENSATION STUDY

- Directed by Land Board; completed in February 2025
- Very thorough; interviewed all 33 employees
- Compared to both public & private sectors
- Weighted to North Dakota / Bismarck comparables
- Three main recommendations:
 1. Bring 12 employees up to recommended salary range minimums
 2. Alleviate salary compression based on experience & tenure
 3. Implement incentive compensation plan
- Board approved requests for recommendations 1 & 2
- Board approved introducing incentive compensation topic, with no formal request at this time; will research further

EQUITY FUNDING REQUEST

- \$674,745 base pay equity for 2025-27 biennium; equates to 0.03% of last two years' revenue
- Includes \$231,216 for 12 employees identified in CBIZ compensation study as "at risk of losing due to pay"
- Balance of \$443,529 is to bring employees within market ranges based on experience and tenure
- If granted, legislative council will calculate the additional funding needed for benefits

INCENTIVE COMPENSATION PLAN

The Department of Trust Lands is well suited for incentive pay as one of North Dakota's four main revenue generating agencies

- Bank of North Dakota (retention bonus plan in place; developing incentive plan)
- Retirement and Investment Office (incentive plan in place)
- Mill & Elevator (profit sharing plan in place)

FY23 & FY24 DTL generated \$2.2 billion in revenues

- \$1.03 billion mineral royalties & bonus
- \$1.11 billion investment returns
- \$80 million other (rent, unclaimed property, securities lending)

Clear metrics to measure high performance that financially benefits the state

- For example, 10% growth of Common Schools Trust Fund equates to over \$700 million

Things to consider before moving the Unclaimed Property Division to the Treasurer's Office.

<p>Actual number of FTE's required to administer the program.</p>	<p>The Dept. of Trust Lands has 4 designated FTEs for Unclaimed Property, in addition, in FY 2024 the department averaged 95 hours/month spread out among 14 additional employees. <i>See attached.</i></p> <p>SB2013 originally requested a 5th FTE for compliance purposes.</p> <p>In order to function properly, the Division would need 5 FTE's for sure, if not 6.</p>
<p>Relationship with Northern Trust</p>	<p>Northern Trust is the Custodian for over 1300 individual positions (equities and mutual funds). The fees Unclaimed Property pays are \$250/quarter and \$50/claimant registration which totals approximately \$2,000/year.</p> <p>Northern would have to open a new account under the Treasurer's office and individually re-register each position. Or, move custody altogether. This would be a heavy lift for Northern as well as Unclaimed Property.</p> <p>Unclaimed Property received a quote from its IT vendor, Kelmar to manage our securities custody through Wells Fargo in 2022. The quote at that time was \$7,500/month or \$90,000/year. See attached.</p>
<p>Accounting and cash management associated with the Common Schools Trust Fund</p>	<p>Unclaimed Property maintains its own DDA at BND for incoming cash. It also has its own account at the Treasurer's office (418).</p>
<p>Legal Counsel</p>	<p>Treasurer's Office would need legal support to address various issues that arise which would be additional cost.</p>
<p>Moving Tangible Items</p>	<p>Is there sufficient space for 6 very heavy fireproof cabinets, and can the floor support the weight? Is there adequate space for inventorying tangible items? Is there adequate security for this space? Handling of tangible property is handled under STRICT DUAL CONTROL.</p> <p>There will be a cost to moving these very heavy safes.</p>

Constituent Experience	The Trust Lands building is conveniently located with street parking directly in front. Upon entering, claimants can use a small office dedicated to their meetings. If unclaimed property were stored at the Capitol, constituents would have to manage parking, go through security, and then find the Treasurer's office. Additionally, the Treasurer's office would need a designated meeting space for walk-in claimants, as well as increased public hours.
Funds to Remodel Treasurer's Office	Will either be continuing authority under N.D.C.C. 47-30.2 or a special appropriation. Undetermined at this time.
Numerous Statutes and Administrative Rules to update	See attached
Update vendor contracts	8-3 rd party examiners, Kelmar for IT system, NCR (third party payor), LexisNexis, SURCH

Duties performed by individuals other than Unclaimed Property staff.

System Administrator	<p>The unclaimed property IT system (KAPS) is the first and only State system that was purchased "off the shelf". Its database is not housed with NDIT. Our System Administrator serves as the "administrator" of the Unclaimed Property IT system. This ensures the strict separation of duties.</p> <p>IT, responsibilities for the entire office but would charge to UP on timesheets if performing the following tasks specifically for UP staff:</p> <ul style="list-style-type: none"> • Local Drive Permissions • Data clean up as requested • Basic desktop support • Security Roles/Permissions in KAPS • Submit tickets for KAPS if there are issues, we do not support the software in house • Some NDIT coordination re: certificate update for unclaimedproperty.nd.gov website. Website managed by Kelmar. • Data clean up as requested
Administrative Staff	<p>Admin, Unclaimed Property Specific:</p> <ul style="list-style-type: none"> • Mail outgoing claim checks and supporting documentation (the majority of outgoing checks are for Unclaimed Property) • Upload Deposit report into KAPS and On-Base • Deposit checks into Unclaimed Property account at BND • Walk in and phone call handling – a large portion of walk in traffic is unclaimed property related outside of when surface rent is due and there is an uptick in surface customers. Unclaimed Property

	<p>has their own section on the phone menu when customers call. If calls come into the front office it is typically overflow during busy times.</p> <ul style="list-style-type: none"> • UP Records Management – Admin Officer <ul style="list-style-type: none"> ○ RecordKeepers UP records offsite storage ending in the year 2033 when the final records would be destroyed, records since 2019 are held in KAPS. ○ Approx \$36/month storage and \$50 annual destruction. • Vault Access by double authentication (1 person from admin and 1 person from UP) <p>Admin, responsibilities for the entire office but would charge to UP on timesheets if performing the following tasks specifically for UP staff:</p> <ul style="list-style-type: none"> • Process incoming mail, peak season October/November (most “normal” days mail opening duties would be charged to operations on timesheets) • Process outgoing mail, USPS, UPS, FedEx. • HR hiring process assistance – job posting, employee onboarding, payroll. • Designing new State forms and editing current forms • Order supplies, envelopes, letter head, Etc. • Notarizing documents • Surplus items to State surplus • Asset tagging/cataloging assets
Accounting Assistant	<ul style="list-style-type: none"> • Creates journal entries for cash receipts in accounting system (FMA) • Processes holder refunds • Reconciles cash with bank • Verifies void and reissued checks with Treasurer Office • Transfers cash to Treasurer’s Office to cover expenditures and claim payments
Senior Accountant	<ul style="list-style-type: none"> • Finalizes journal entries in accounting system (FMA) • Prepares footnotes for financial statements
Chief Financial Officer	<ul style="list-style-type: none"> • During fiscal year 2023, spent a significant amount of time, along with the Legal Division, amending and updating the software contract and licenses for the KAPS • Serves as the procurement officer for the Department including Unclaimed Property • Identify and allocate expenditures, including salaries, that are Unclaimed Property to ensure compliance with Article IX on monthly basis • Collaborate with the Treasurer’s Office to request stop payments, reissue requests, and copies of cashed checks for claimants • Work with the Treasurer’s Office on outstanding checks • Finalize footnotes for financial statement • Manages payroll

Paralegal	<p>Manages Bankruptcies reported to Unclaimed Property. Handles Unclaimed Property garnishments Manages open records requests for Unclaimed Property. Conducts various research projects. Notarized documents</p>
General Counsel	<p>Represents Unclaimed Property in multi-state issues. Reviews correspondence to holders resisting examination. Instrumental in writing statute that has lead the way for change in multiple states.</p> <p>Provides guidance on all areas of unclaimed property not only to defend when legal issues arise, but to prevent litigation before it happens. Reviews legal documents on difficult estate claims. Provides guidance on updates to statutes, and is active with the NAUPA legal committee.</p>
Commissioner	<p>Approves transactions with Northern Trust Overall authority for the program. Is the Administrator of the Unclaimed Property Program by statute.</p>
Investments Officer	<p>Liaison between Unclaimed Property and Northern Trust</p>
Chief Investment Officer	<p>Approved transactions in the absence of the commissioner. Replies to call back verification with Northern on re-registration transactions.</p>

Admin Rules

Title 85 – Unclaimed Property

Title 70 – Real Estate Commission – 70-02-01-15-2.d

Century Code

N.D.C.C. Ch. 47-30.2 – Revised Uniform Unclaimed Property Act

N.D.C.C. Ch. 15-01 – Board of University and School Lands

N.D.C.C. § 15-02-05 – Duties of the Commissioner of University and School Lands

N.D.C.C. § 54-11-01 – Duties and powers of the state treasurer

N.D.C.C. § 44-04-18.25 – Open Records

N.D.C.C. Ch. 26.1-55 - Unclaimed Life Insurance Benefits

N.D.C.C. § 6-07.2-19 - Voluntary liquidation of a credit union

N.D.C.C. § 10-15-49 - Cooperative Associations – Amounts due unknown persons

N.D.C.C. § 9-12-29 - Contracts and Obligations – Claim of money by creditor—Extinguishment of lien

N.D.C.C. § 54-27-15.1 – State Treasurer Checks – Provide a list to Unclaimed Property

N.D.C.C. § 57-28-20 - Taxation – Disposition of proceeds of sales

N.D.C.C. § 30-1-20-14 – Uniform Probate Code – Disposition of unclaimed assets

N.D.C.C. § 57-39-2-23 – Taxation – Information Deemed confidential – Certain releases of information

N.D.C.C. § 57-38-57 – Income Tax – Information sharing