

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.



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

NEW MEXICO
223 FTE
1 FTE/\$47 Million

TEXAS GLO
801 FTE
1 FTE/\$65 Million

OKLAHOMA
59 FTE
1 FTE/\$46 Million

2023 ASSET
VALUE

\$ 8,647,994,458

\$ 3,221,207,646

\$ 28,012,136,733

\$ 52,316,792,346

\$ 2,695,826,180

2023
OPERATING
REVENUE

\$ 535,700,494

\$ 146,578,644

\$ 2,750,296,730

\$ 1,900,818,720

\$ 103,047,114

Board of University and School Lands		
Comparative Financial Position (Unaudited)		
Schedule of Net Assets		
Assets by Trust:	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Common Schools	7,372,328,921.36	\$6,509,124,581
North Dakota State University	109,549,491	98,320,268
School for the Blind	18,685,287	16,891,007
School for the Deaf	28,890,380	25,713,517
State Hospital	17,892,388	16,545,968
Ellendale *	35,796,878	32,147,813
Valley City State University	20,581,193	17,907,308
Mayville State University	14,725,511	12,884,872
Youth Correctional Center	40,484,479	35,833,289
State College of Science	25,883,812	23,649,116
School of Mines **	32,614,130	29,759,932
Veterans Home	7,062,104	6,137,672
University of North Dakota	54,062,922	48,573,427
Capitol Building	9,108,331	8,841,816
Strategic Investment and Improvements	1,418,091,155	933,937,064
Coal Development	75,187,364	73,602,641
Indian Cultural Education Trust	1,545,552	1,428,585
Theodore Roosevelt Presidential Library	53,345,471	51,812,824
Total	<u><u>\$9,335,835,367</u></u>	<u><u>\$7,943,111,702</u></u>
Assets by Type:		
Cash	\$836,353,288	\$268,096,490
Receivables	6,975,951	15,237,040
Investments ***	8,403,734,906	7,596,339,539
Office Building (Net of Depreciation)	97,358	192,805
Farm Loans	2,210,591	2,373,365
Energy Development Impact Loans	6,940,116	7,780,549
School Construction Loans (Coal)	33,176,609	31,497,165
Due From Other Trusts and Agencies	46,346,548	21,594,749
Total	<u><u>\$9,335,835,367</u></u>	<u><u>\$7,943,111,702</u></u>

*** Ellendale Trust**

The following entities are equal beneficiaries of the Ellendale Trust:

Dickinson State University	School for the Blind
Minot State University	Veterans Home
Dakota College at Bottineau	State Hospital
State College of Science - Wahpeton	

**** School of Mines**

Benefits of the original grant to the School of Mines are distributed to the University of North Dakota.

***** Investments**

Includes available cash available for loans, investments, and abandoned stock.

DISCLOSURE: Investments recorded on the financials have a semi-annual and/or quarterly reporting lag due to moving from a public to private equity investment portfolio.

ND Department of Trust Lands
Statement of Changes in Fiduciary Net Position
June 30, 2024 and 2023

	2024 Indian Cultural Education Trust	2023 Indian Cultural Education Trust
Additions		
Contributions:		
Donations	\$ -	\$ -
Total Contributions	-	-
Investment income:		
Net change in fair value of investments	136,401	57,060
Interest	25,329	32,579
Less investment expense	3,838	4,383
Net Investment Income	157,892	85,256
Securities Lending Activity:		
Securities lending income	-	2,188
Net Securities Lending Income	-	2,188
Miscellaneous Income	2,649	2,528
Total Additions	160,541	89,972
Deductions		
Payments in accordance with Trust agreement	49,104	46,052
Administrative expenses	1,041	1,088
Total Deductions	50,145	47,140
Change in net position held in Trust for:		
Indian Cultural Education Trust	110,396	42,832
Total Change in Net Position	110,396	42,832
Net Position – Beginning of Year	1,372,630	1,329,798
Net Position – End of Year	\$ 1,483,026	\$ 1,372,630

See Notes to the Financial Statements



Trust Lands

Trust Funds Performance	
Calendar Year (Net)	
Year	Net Return
2024	10.35%
2023	8.83%
2022	-8.12%
2021	12.44%
2020	5.95%
2019	14.40%
2018	-5.11%
2017	12.62%
2016	8.65%
2015	-4.55%
SI*	6.48%

**Annualized since August 1995*

COMMON SCHOOLS TRUST FUND SHARE OF STATE SCHOOL PAYMENTS

The distribution of funds from the Common School Trust Fund (CSTF) has experienced a significant increase over the past 25 years.

In 1999-2001, the total distribution from the Trust Fund was \$47,550,000. Fast forward to the years 2025-2027 and we will distribute an astonishing \$585,000,000 – more than 12 times the previous amount.

Since the 2013-15 biennium, the CSTF share of state aid payments to schools has risen from 8 percent to 25.2 percent. These funds have replaced money that would normally come from the general fund.

The CSTF has provided almost \$2 billion (\$1.987B) in state aid to schools. (2013-15 through 2023-25).

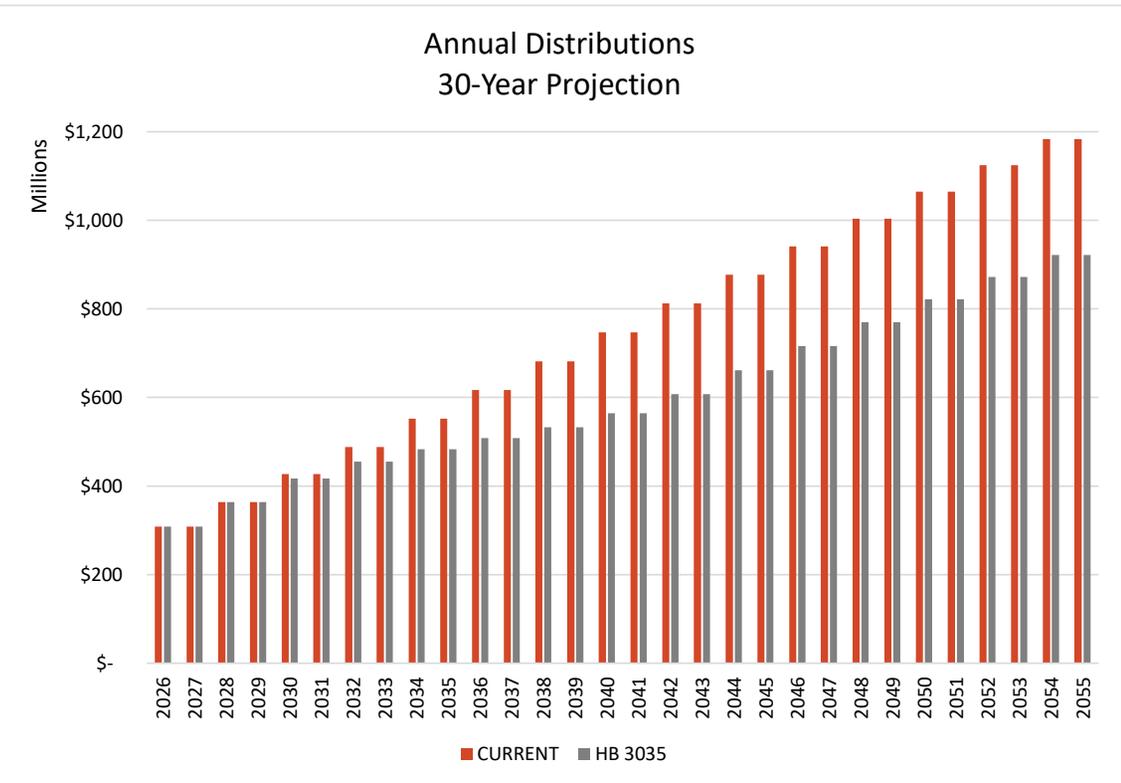
Biennium	Formula Payment	Common Schools Trust Fund	Percentage of Formula	Increase
2013-15	\$1,752,100,000	\$140,326,000	8 percent	\$38,688,000
2015-17	\$1,916,640,000	\$219,134,000	11.4 percent	\$78,808,000
2017-19	\$1,935,204,163	\$305,546,905	15.8 percent	\$86,412,905
2019-21	\$2,098,202,429	\$377,764,000	18 percent	\$72,217,095
2021-23	\$2,131,825,000	\$433,020,000	20.3 Percent	\$55,256,000
2023-25	\$2,299,674,851	\$510,860,000	22.2 Percent	\$77,840,000
2025-27	\$2,359,674,851	\$595,677,350	25.2 Percent	\$84,817,350

“Formula payment” is listed in the Legislative Council’s budget details as “Integrated Formula Payment.” This is, by far, the largest source of state support for K-12 education.

The “Common Schools” expenditures are listed in the Legislative Council’s budget documents as money from the “Tuition Fund.” The Tuition Fund expenditures include money from state fines along with the Common Schools Trust Fund distributions. The trust fund distributions make up almost all of the “tuition fund” money.

Updated March 7, 2025 with information provided by the Department of Public Instruction

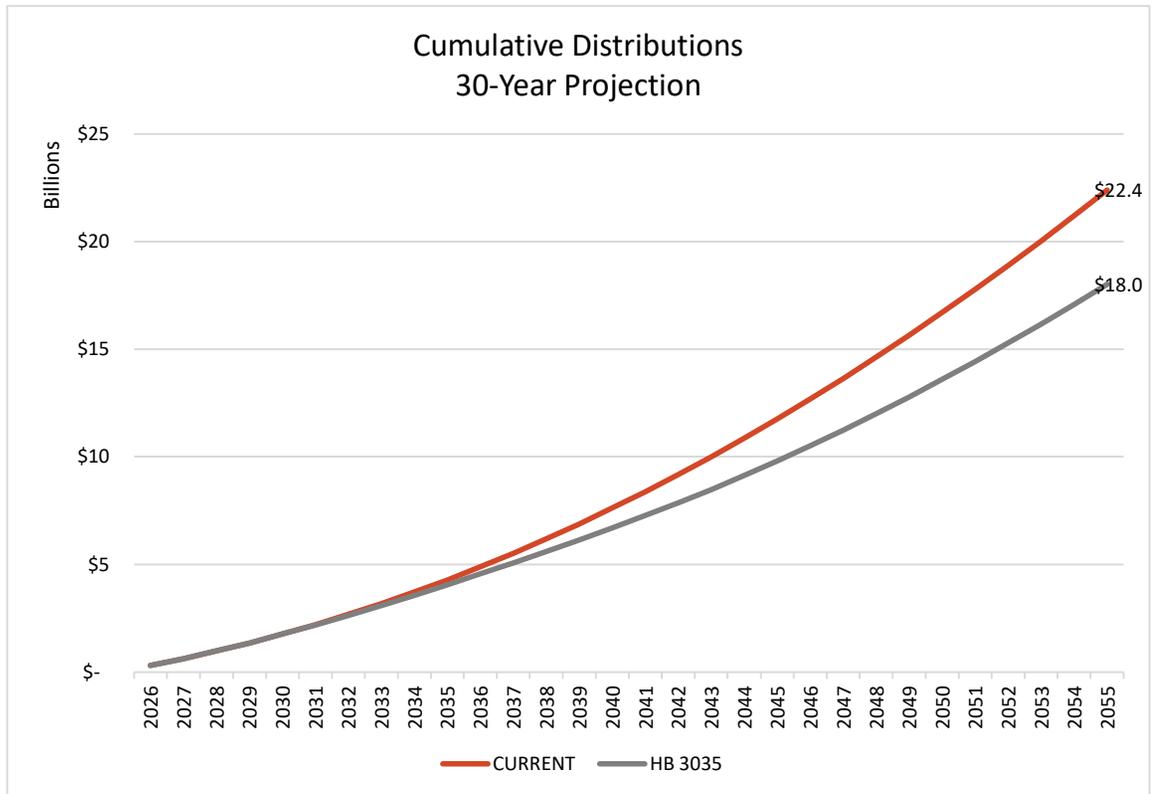
YEAR	ANNUAL DISTRIBUTIONS		BIENNIAL IMPACT
	CURRENT	HB 3035	
2026	\$ 308,642,000	\$ 308,642,000	
2027	\$ 308,642,000	\$ 308,642,000	\$ -
2028	\$ 363,568,000	\$ 363,568,000	
2029	\$ 363,568,000	\$ 363,568,000	\$ -
2030	\$ 426,937,000	\$ 417,426,000	
2031	\$ 426,937,000	\$ 417,426,000	\$ (19,022,000)
2032	\$ 488,351,000	\$ 455,286,000	
2033	\$ 488,351,000	\$ 455,286,000	\$ (66,130,000)
2034	\$ 552,131,000	\$ 483,171,000	
2035	\$ 552,131,000	\$ 483,171,000	\$ (137,920,000)
2036	\$ 616,780,000	\$ 508,724,000	
2037	\$ 616,780,000	\$ 508,724,000	\$ (216,112,000)
2038	\$ 681,912,000	\$ 532,376,000	
2039	\$ 681,912,000	\$ 532,376,000	\$ (299,072,000)
2040	\$ 747,325,000	\$ 563,953,000	
2041	\$ 747,325,000	\$ 563,953,000	\$ (366,744,000)
2042	\$ 812,505,000	\$ 607,604,000	
2043	\$ 812,505,000	\$ 607,604,000	\$ (409,802,000)
2044	\$ 877,521,000	\$ 661,691,000	
2045	\$ 877,521,000	\$ 661,691,000	\$ (431,660,000)
2046	\$ 941,547,000	\$ 716,207,000	
2047	\$ 941,547,000	\$ 716,207,000	\$ (450,680,000)
2048	\$ 1,004,043,000	\$ 769,732,000	
2049	\$ 1,004,043,000	\$ 769,732,000	\$ (468,622,000)
2050	\$ 1,064,965,000	\$ 821,639,000	
2051	\$ 1,064,965,000	\$ 821,639,000	\$ (486,652,000)
2052	\$ 1,124,768,000	\$ 872,178,000	
2053	\$ 1,124,768,000	\$ 872,178,000	\$ (505,180,000)
2054	\$ 1,183,767,000	\$ 921,596,000	
2055	\$ 1,183,767,000	\$ 921,596,000	\$ (524,342,000)



Assumptions:

6.72% annual investment return based on strategic asset allocation and capital markets assumptions.
 Cash inflows based on Mineral Tracker projections.

CUMULATIVE DISTRIBUTIONS			IMPACT
YEAR	CURRENT	HB 3035	
2026	\$ 308,642,000	\$ 308,642,000	\$ -
2027	\$ 617,284,000	\$ 617,284,000	\$ -
2028	\$ 980,852,000	\$ 980,852,000	\$ -
2029	\$ 1,344,420,000	\$ 1,344,420,000	\$ -
2030	\$ 1,771,357,000	\$ 1,761,846,000	\$ (9,511,000)
2031	\$ 2,198,294,000	\$ 2,179,272,000	\$ (19,022,000)
2032	\$ 2,686,645,000	\$ 2,634,558,000	\$ (52,087,000)
2033	\$ 3,174,996,000	\$ 3,089,844,000	\$ (85,152,000)
2034	\$ 3,727,127,000	\$ 3,573,015,000	\$ (154,112,000)
2035	\$ 4,279,258,000	\$ 4,056,186,000	\$ (223,072,000)
2036	\$ 4,896,038,000	\$ 4,564,910,000	\$ (331,128,000)
2037	\$ 5,512,818,000	\$ 5,073,634,000	\$ (439,184,000)
2038	\$ 6,194,730,000	\$ 5,606,010,000	\$ (588,720,000)
2039	\$ 6,876,642,000	\$ 6,138,386,000	\$ (738,256,000)
2040	\$ 7,623,967,000	\$ 6,702,339,000	\$ (921,628,000)
2041	\$ 8,371,292,000	\$ 7,266,292,000	\$ (1,105,000,000)
2042	\$ 9,183,797,000	\$ 7,873,896,000	\$ (1,309,901,000)
2043	\$ 9,996,302,000	\$ 8,481,500,000	\$ (1,514,802,000)
2044	\$ 10,873,823,000	\$ 9,143,191,000	\$ (1,730,632,000)
2045	\$ 11,751,344,000	\$ 9,804,882,000	\$ (1,946,462,000)
2046	\$ 12,692,891,000	\$ 10,521,089,000	\$ (2,171,802,000)
2047	\$ 13,634,438,000	\$ 11,237,296,000	\$ (2,397,142,000)
2048	\$ 14,638,481,000	\$ 12,007,028,000	\$ (2,631,453,000)
2049	\$ 15,642,524,000	\$ 12,776,760,000	\$ (2,865,764,000)
2050	\$ 16,707,489,000	\$ 13,598,399,000	\$ (3,109,090,000)
2051	\$ 17,772,454,000	\$ 14,420,038,000	\$ (3,352,416,000)
2052	\$ 18,897,222,000	\$ 15,292,216,000	\$ (3,605,006,000)
2053	\$ 20,021,990,000	\$ 16,164,394,000	\$ (3,857,596,000)
2054	\$ 21,205,757,000	\$ 17,085,990,000	\$ (4,119,767,000)
2055	\$ 22,389,524,000	\$ 18,007,586,000	\$ (4,381,938,000)

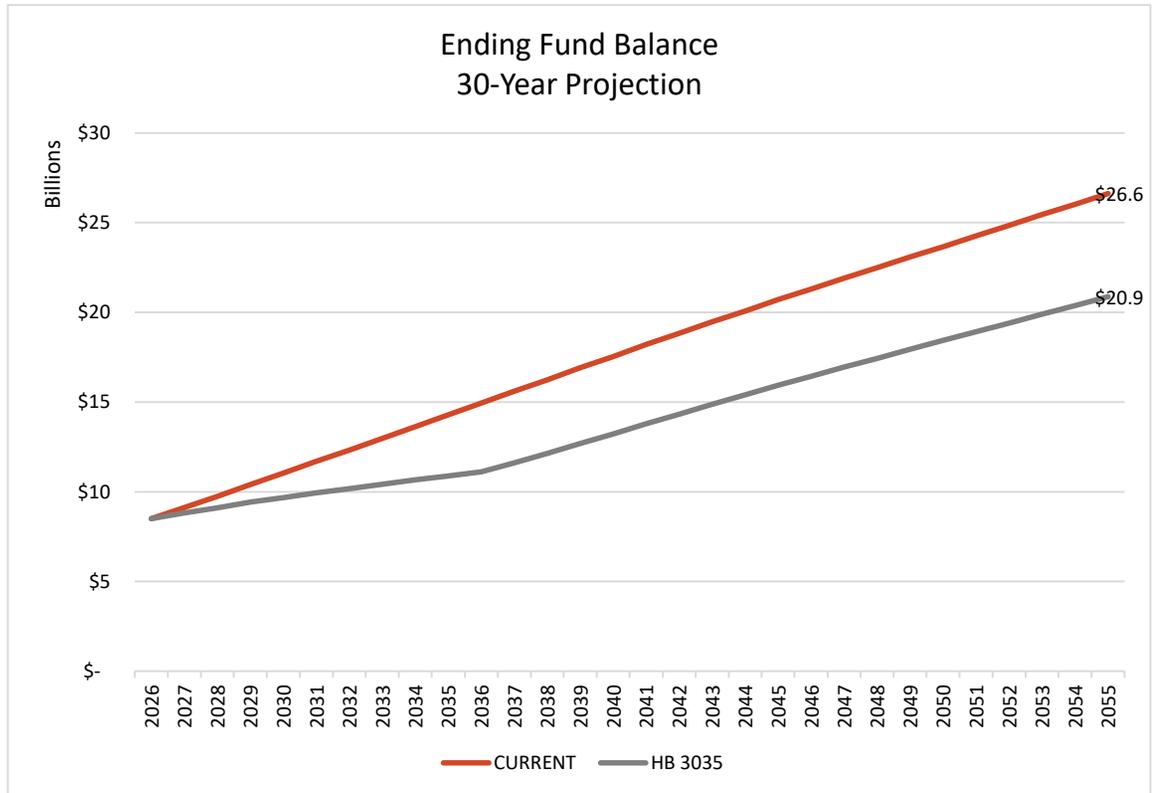


Assumptions:

6.72% annual investment return based on strategic asset allocation and capital markets assumptions.

Cash inflows based on Mineral Tracker projections.

YEAR	ENDING FUND BALANCE		IMPACT
	CURRENT	HB 3035	
2026	\$ 8,503,094,220	\$ 8,503,094,220	\$ -
2027	\$ 9,123,427,006	\$ 8,813,347,006	\$ (310,080,000)
2028	\$ 9,746,507,305	\$ 9,105,509,929	\$ (640,997,376)
2029	\$ 10,416,715,132	\$ 9,422,562,733	\$ (994,152,400)
2030	\$ 11,045,343,837	\$ 9,684,134,965	\$ (1,361,208,871)
2031	\$ 11,687,634,449	\$ 9,934,702,911	\$ (1,752,931,538)
2032	\$ 12,316,855,225	\$ 10,170,222,671	\$ (2,146,632,553)
2033	\$ 12,991,932,405	\$ 10,425,142,129	\$ (2,566,790,277)
2034	\$ 13,636,253,069	\$ 10,658,171,542	\$ (2,978,081,527)
2035	\$ 14,301,006,459	\$ 10,883,994,909	\$ (3,417,011,550)
2036	\$ 14,945,121,146	\$ 11,100,093,102	\$ (3,845,028,045)
2037	\$ 15,604,222,374	\$ 11,612,495,126	\$ (3,991,727,248)
2038	\$ 16,245,928,048	\$ 12,140,517,138	\$ (4,105,410,909)
2039	\$ 16,912,807,154	\$ 12,686,073,042	\$ (4,226,734,113)
2040	\$ 17,542,450,037	\$ 13,221,212,691	\$ (4,321,237,346)
2041	\$ 18,213,279,742	\$ 13,791,188,546	\$ (4,422,091,196)
2042	\$ 18,837,626,304	\$ 14,330,156,253	\$ (4,507,470,051)
2043	\$ 19,479,789,591	\$ 14,881,203,227	\$ (4,598,586,365)
2044	\$ 20,081,509,110	\$ 15,396,979,630	\$ (4,684,529,480)
2045	\$ 20,707,649,605	\$ 15,931,401,632	\$ (4,776,247,974)
2046	\$ 21,297,759,503	\$ 16,433,459,090	\$ (4,864,300,413)
2047	\$ 21,915,358,931	\$ 16,957,088,954	\$ (4,958,269,977)
2048	\$ 22,494,236,851	\$ 17,444,954,981	\$ (5,049,281,870)
2049	\$ 23,098,916,313	\$ 17,952,506,550	\$ (5,146,409,762)
2050	\$ 23,670,552,351	\$ 18,429,805,607	\$ (5,240,746,744)
2051	\$ 24,271,100,787	\$ 18,929,677,615	\$ (5,341,423,172)
2052	\$ 24,841,904,076	\$ 19,402,614,291	\$ (5,439,289,785)
2053	\$ 25,443,034,852	\$ 19,899,301,818	\$ (5,543,733,035)
2054	\$ 26,016,380,895	\$ 20,371,088,946	\$ (5,645,291,949)
2055	\$ 26,621,509,886	\$ 20,867,834,263	\$ (5,753,675,623)



Assumptions:

6.72% annual investment return based on strategic asset allocation and capital markets assumptions.

Cash inflows based on Mineral Tracker projections.

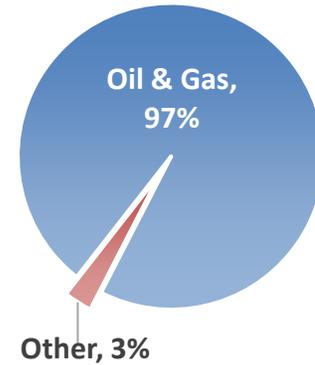
Business Plan – Diversified Revenues Officer

The goal of this position is to capitalize on new market opportunities and diversify the Department’s revenue which is heavily dependent on the Oil and Gas Industry.

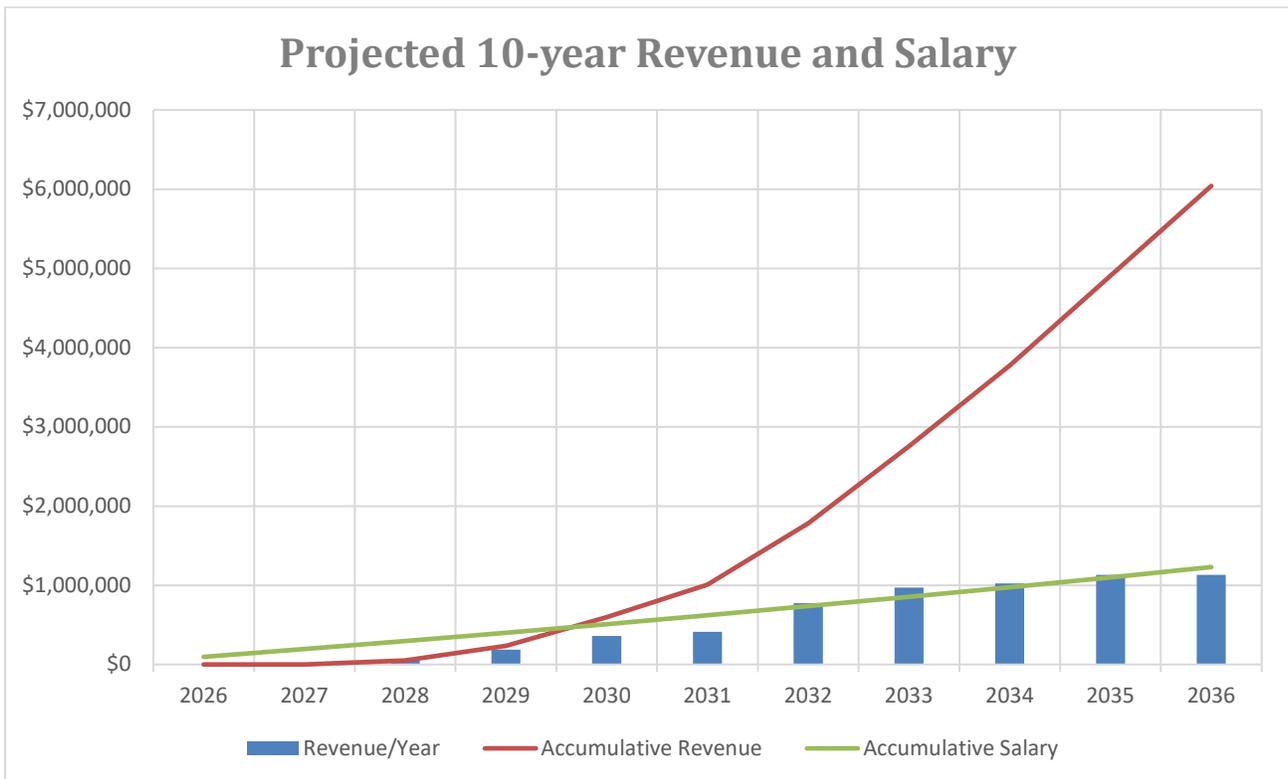
Projected New 10 Year Revenues

1. Wind (3 projects with 3 turbines each)
 - a. \$36,000/year per project
2. Soil Carbon Sequestration (3 projects)
 - a. \$50,000/year per project
3. Geological Carbon Sequestration (3 projects)
 - a. \$75,000/year per project
4. Critical Mineral Development (2 projects)
 - a. \$100,000/year per project
5. Data Centers (2 projects)
 - a. \$100,000/year per project
6. Large Industrial (1 project)
 - a. \$250,000/year

Current Annual Revenue



We believe these are conservative projections, with much more potential as markets and technologies evolve, some of which may not yet even exist. This should be viewed as a small, initial investment into what could someday be a full Diversified Revenues Department with multiple employees.



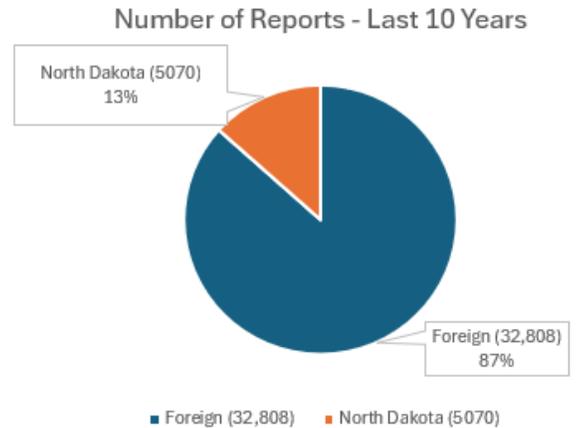
Business Plan – Unclaimed Property Compliance Officer

The enforcement of unclaimed property laws is a critical function of all unclaimed property programs.

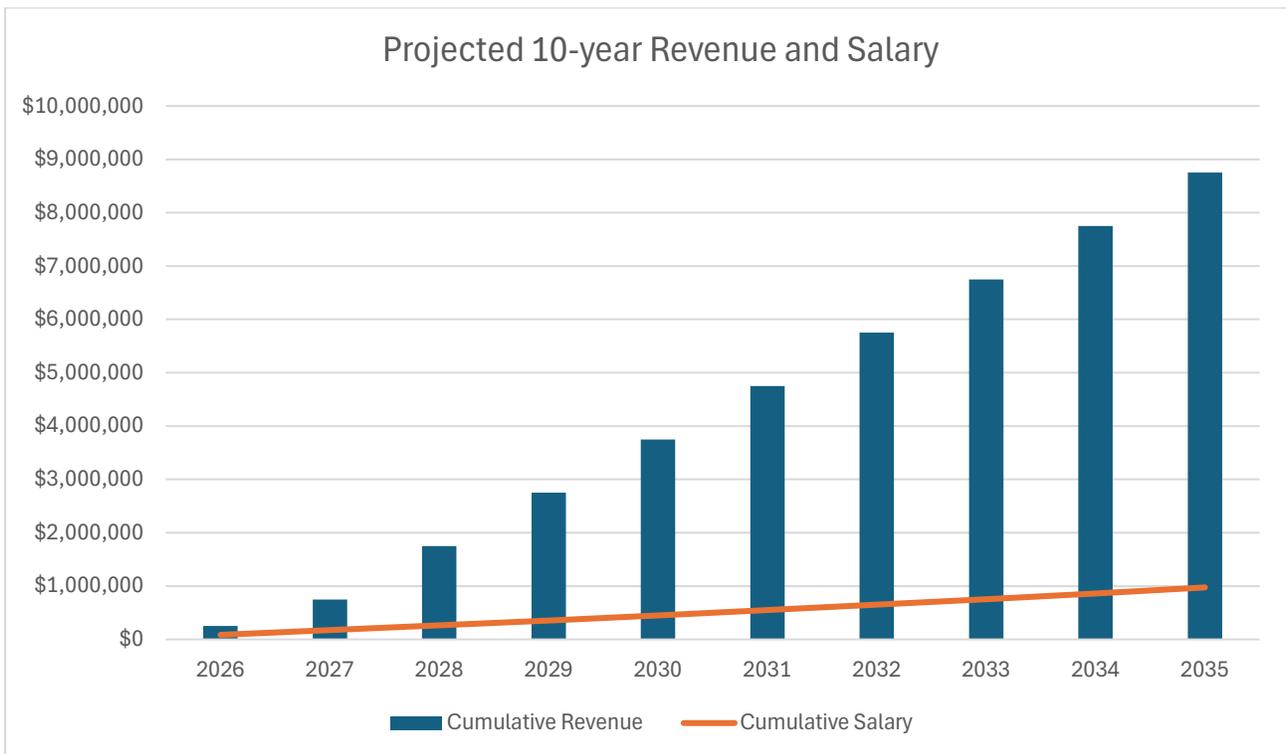
The goal of this position is to strengthen compliance oversight for North Dakota holders of Unclaimed Property, which will increase revenue for the Common Schools Trust Fund and help return more property to rightful owners.

By hiring a Compliance Officer, the Department of Trust Lands, Unclaimed Property Division can:

- Identify non-compliant businesses
- Initiate state-led audits of North Dakota holders
- Reduce dependency on third-party audit firms
- Ensure fair and transparent enforcement of state laws
- Develop compliance training programs
- Provide education and guidance to businesses
- Increase voluntary compliance efforts



Many businesses fail to report unclaimed property due to lack of awareness, not deliberate non-compliance. States with effective compliance / education programs recover millions of dollars annually from audits, voluntary disclosures, and enforcement actions.



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

DECISION POINTS

1. Pay Equity

- 12 Employees up to Minimums - \$231,216 (biennium)
- Compression Adjustments - \$443,529 (biennium)
- Total - \$674,745 (biennium)

2. New FTE - Unclaimed Property Audit / Compliance

- \$170,000 (biennium)

3. New FTE – Diversified Revenues Officer

- \$192,000 (biennium)

4. Restore Operating Expense Cut - \$177,174