

**DEPARTMENT 226 - DEPARTMENT OF TRUST LANDS
2025-27 BASE-LEVEL BUDGET**

Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$8,005,331
Operating expenses	1,763,694
Contingencies	<u>100,000</u>
Total special funds	\$9,869,025
Full-time equivalent (FTE) positions	33.00

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for state employee salary and benefits for 33 FTE positions	\$0	\$8,005,331	\$8,005,331
2. Includes funding for operating expenses, primarily related to information technology (IT) costs (\$581,894), operating and professional services for property taxes and audit and legal fees (\$436,980), travel and professional development (\$250,000), and rents and repairs (\$235,614)	\$0	\$1,763,694	\$1,763,694
3. Includes funding for contingencies, primarily for executive searches or other unanticipated expenses	\$0	\$100,000	\$100,000

Distribution of Income From Permanent Trust Funds

Pursuant to Article IX of the Constitution of North Dakota, the Department of Trust Lands distributed the income from permanent trust funds to state institutions as follows:

	2021-23 Biennium	2023-25 Biennium	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.

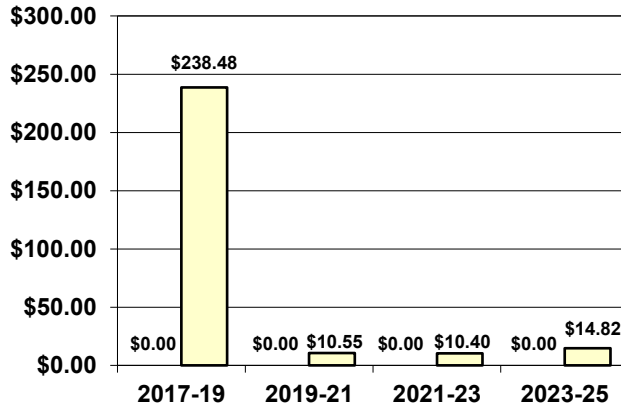
As reported in the June 30, 2023, financial statements for the Department of Trust Lands, expenditures under continuing appropriation authority for the 2021-23 biennium totaled \$90,142,602 as shown below.

	Fiscal Year 2022	Fiscal Year 2023	2021-23 Biennium
Investments	\$49,376,155	\$36,013,561	\$85,389,716
Land management	375,385	1,817,839	2,193,224
County services	130,368	115,928	246,296
In lieu of property tax payments	137,357	141,339	278,696
Strategic investment and improvements fund	395,668	407,859	803,527
Office building	53,885	87,323	141,208
Unclaimed property	322,208	767,727	1,089,935
Total	\$50,791,026	\$39,351,576	\$90,142,602

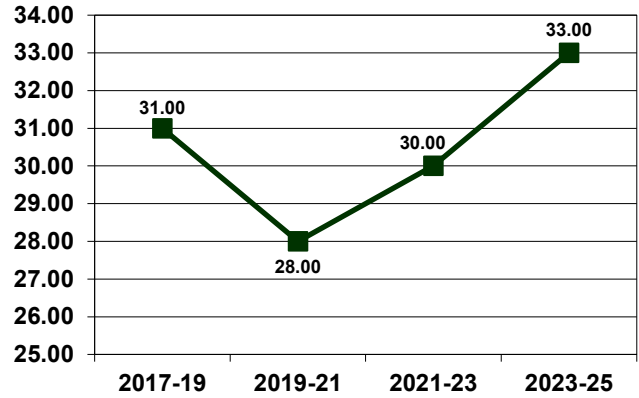
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



■ General Fund □ Other Funds

Ongoing Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing other funds appropriations	\$108,243,153	\$7,881,273	\$8,108,401	\$8,802,999	\$9,869,025
Increase (decrease) from previous biennium	N/A	(\$100,361,880)	\$227,128	\$694,598	\$1,066,026
Percentage increase (decrease) from previous biennium	N/A	(92.7%)	2.9%	8.6%	12.1%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(92.7%)	(92.5%)	(91.9%)	(90.9%)

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2017-19 Biennium

- Added 1 FTE geographic information system specialist position, including \$177,080 for salaries and wages and \$23,025 for operating expenses \$200,105
- 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)
- 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, IT services, and travel (\$405,685) (\$266,939)
- Removed funding for Energy Infrastructure and Impact Office administrative expenses (\$389,217)
- Removed funding for grants to political subdivisions from the oil and gas impact grant fund (\$99,300,000)

2019-21 Biennium

- Removed 3 FTE positions, including 2 administrative assistants and an audit technician (\$288,863)
- 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
- 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
- Reduced funding for operating expenses primarily related to travel, equipment, IT costs, professional development, and other services (\$504,949)
- 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
- 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

- 1. 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

- 1. Added funding for 1 FTE investment analyst position (\$343,942), 1 FTE mineral title specialist position (\$253,704), and 1 FTE unclaimed property position (\$165,786) \$763,432
- 2. Transferred \$538,878 from the operating expenses line item to the salaries and wages line item for salary adjustments \$0
- 3. Increased 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
One-time other funds appropriations	\$40,000,000	\$230,600,000	\$2,445,640	\$1,600,000	\$4,954,900

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

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

2023-25 Biennium

- 1. Added one-time funding to complete an IT project initially approved by the 2019 Legislative Assembly \$4,900,000
- 2. Added one-time funding for a utility vehicle and trailer (\$49,500) and IT equipment for new FTE positions (\$5,400) \$54,900