

DEPARTMENT 226 - DEPARTMENT OF TRUST LANDS 2027-29 BASE-LEVEL BUDGET

Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$9,840,929
New and vacant FTE pool	419,754
Operating expenses	1,599,332
Contingencies	<u>100,000</u>
Total all funds	\$11,960,015
Less other funds	<u>11,960,015</u>
Total general fund	\$0
FTE positions	34.00

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for state employee salary and benefits for 34 FTE positions	\$0	\$9,840,929	\$9,840,929
2. Includes a portion of the funding removed from the salaries and wages line item for estimated savings from new and vacant FTE positions. This line item includes \$201,144 related to vacant positions and \$218,610 for new positions. Funding may be transferred from this line if needed for filling new positions or if savings from vacant positions is less than estimated.	\$0	\$419,754	\$419,754
3. Includes funding for operating expenses, primarily related to information technology (IT) costs (\$561,994), professional services (\$436,980), rent (\$263,064), travel and professional development (\$215,744), repairs and insurance (\$42,550), postage and printing (\$41,000), and supplies and equipment (\$38,000)	\$0	\$1,599,332	\$1,599,332
4. 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:

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

Continuing Appropriations

Unclaimed property - North Dakota Century Code Section 47-30.2-46 - 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.

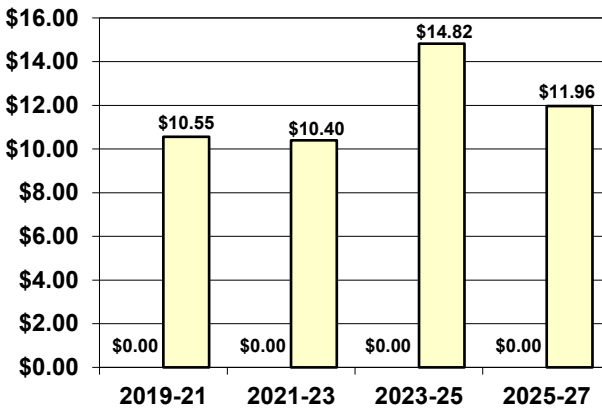
As reported in the June 30, 2025, financial statements for the Department of Trust Lands, expenditures under continuing appropriation authority for the 2023-25 biennium totaled \$170,401,638 as shown below.

	Fiscal Year 2024	Fiscal Year 2025	2023-25 Biennium
Strategic Investment and Improvements Fund	\$166,978	\$1,506,221	\$1,673,199
Investments	73,220,174	91,797,138	165,017,312
Operations	898,720	771,081	1,669,801
Minerals	36,314	38,619	74,933
Surface management	270,839	302,453	573,292
County services	118,434	123,913	242,347
In lieu of property tax payments	146,200	153,564	299,764
Unclaimed property	342,542	508,448	850,990
Total	\$75,200,201	\$95,201,437	\$170,401,638

Historical Appropriations Information

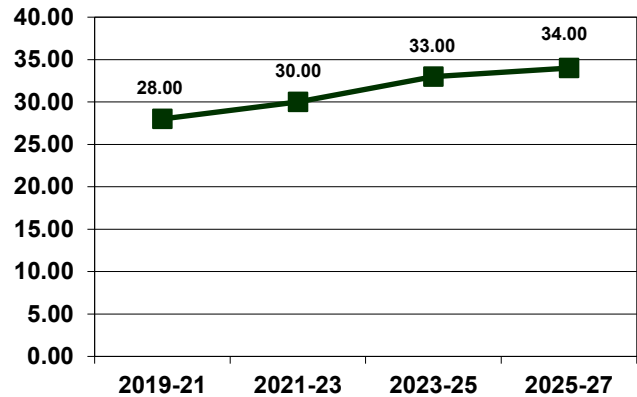
Agency Appropriations and FTE Positions

Agency Funding (Millions)



■ General Fund □ Other Funds

FTE Positions



Other Funds

Major sources of special funds include:

- State Lands Maintenance Fund - Operating fund for the department
- Strategic Investment and Improvements Fund - One-time funding for mineral revenue repayments
- Oil and Gas Impact Grant Fund - One-time funding for grants to oil-impacted political subdivisions
- Energy Impact Grant Fund - One-time funding for grants to oil-impacted political subdivisions

Other Funds Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
Other funds appropriations	\$238,481,273	\$10,554,041	\$10,402,999	\$14,823,925	\$11,960,015
Increase (decrease) from previous biennium	N/A	(\$227,927,232)	(\$151,042)	\$4,420,926	(\$2,863,910)
Percentage increase (decrease) from previous biennium	N/A	(95.6%)	(1.4%)	42.5%	(19.3%)
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(95.6%)	(95.6%)	(93.8%)	(95.0%)

Major Increases (Decreases) in Other Funds Appropriations

2019-21 Biennium

Ongoing

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

One-time		
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		
Ongoing		
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
One-time		
Added one-time funding from the State Lands Maintenance Fund to complete an IT project		\$1,600,000
2023-25 Biennium		
Ongoing		
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		
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
2025-27 Biennium		
Ongoing		
1. Added 1 FTE unclaimed property FTE position		\$242,900
2. Added funding for salaries and wages related to equity increases and employee retention		\$550,000
One-time		
None		\$0