

**Minutes of the Meeting of the  
Board of University and School Lands  
February 27, 2025**

The February 27, 2025, meeting of the Board of University and School Lands was called to order at 9:02 AM by Chairman Governor Armstrong, roll call was taken and the Pledge of Allegiance was recited.

**Members Present:**

Kirsten Baesler	Superintendent of Public Instruction
Michael Howe	Secretary of State
Thomas Beadle	Treasurer
Kelly Armstrong	Governor

**Members Absent:**

Drew Wrigley	Attorney General
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**Department of Trust Lands Personnel Present:**

Joseph Heringer	Commissioner
Catelin Newell	Director of Admin Svcs & IT
Kate Schirado	Executive Assistant
Rick Owings	Administrative Staff Officer
Frank Mihail	Chief Investment Officer
James Wald	Legal Council
Elvedina Papalichev	Paralegal
Adam Otteson	Revenue Compliance Division Director
Susan Sommerfeld	Unclaimed Property Director
Peggy Gudvangen	Finance Director
Kristie McCusker	Minerals Management Officer
Jacob Lardy	Land Management Specialist
Shaun Campbell	Investments Officer
Scott Giere	Revenue Compliance
Joseph Stegmiller	Surface Division Director
Pam Reile	Revenue Compliance
Matthew Reile	IT Systems Administrator
Maria Iversen	Finance
Shari Duppong	Administrative Assistant
Emily Bosch	Unclaimed Property
Amanda Parent	Minerals Management Officer
Chris Suelzle	Minerals Division Director
Vicki Siegel	Finance
Ryan Kobilansky	Surface Range Soils Management Specialist
Lynn Spencer	Minerals Title Specialist
Jennifer Bennett	Unclaimed Property

**Guests in Attendance:**

Jacy Schafer	Office of the Governor
Chris Joseph	Office of the Governor
Reed Johnson	Office of the Governor
Jennifer Sandberg	RVK
Jacob Orledge	Dakota Monitor

Joe Rice  
 Brady Pelton  
 Kevin Balaod  
 Sebastian Beo  
 Marcel Kasumovich  
 Anthony Bassili  
 Lanny Kenner  
 C. Rajala  
 Joseph Harris

CBIZ  
 NDPC  
 WithIntelligence (Journalist)  
 OLY President  
 OLY Deputy CIO  
 CAIA

## **A P P R O V A L   O F   M I N U T E S**

A motion to approve the minutes of the January 23, 2025 meeting was made by Treasurer Beadle and the motion was seconded by Secretary Howe and the motion carried unanimously on a voice vote.

## **O P E R A T I O N S**

### **Commissioner's Report**

#### **Special Mention Activities**

- Attended various hearings and meetings regarding legislative proposals affecting Land Board issues
- State Investment Board - attended January 24, 2025, and February 21, 2025, full State Investment Board meetings as a voting member
- State Investment Board Investment Committee - attended February 14, 2025, meeting as a voting member

#### **Human Resources**

- Investment Operations Officer – position filled with March 1, 2025, start date

#### **Legislative Session**

##### **DTL Sponsored Bills**

- Board Rule Making (HB 1057) – failed in House; looking at other legislative options
- Unclaimed Property (HB 1149) – passed House unanimously on January 28, 2025

##### **Other Board Related Bills**

- DTL Budget (SB 2013) – passed Senate unanimously on January 31, 2025, in basic form; additional funding / FTE's and potential incentive comp language will need to be requested on House side
- Digital Asset & Gold (HB 1184) – failed in House 32–57 on January 31, 2025

- Public Comments at Public Meetings (SB 2180) – amended to apply only to political subdivisions; passed Senate 41-6
- Coal Leases / Rare Earth Minerals (HB 1459) – proposed statutory structure governing extraction of rare earth minerals imbedded in mined coal; hearing held; passed House 85-2 on February 11, 2025
- Non-Development Lease Cancellations (SB 2302) – giving Board authority to cancel leases when lessee is intentionally not pursuing or blocking development of the natural resource; passed Senate 45-2 on February 12, 2025
- Unclaimed Property – conflicting budget bills regarding moving the unclaimed property program to the Treasurer’s office

### Unclaimed Property Discussion

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

Actual number of FTE’s required to administer the program.	<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 5<sup>th</sup> FTE for compliance purposes.</p> <p>In order to function properly, the Division would need 5 FTE’s for sure, if not 6.</p>
Relationship with Northern Trust	<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</p>

	quote at that time was \$7,500/month or \$90,000/year. See attached.
Accounting and cash management associated with the Common Schools Trust Fund	Unclaimed Property maintains its own DDA at BND for incoming cash. It also has its own account at the Treasurer's office (418).
Legal Counsel	Treasurer's Office would need legal support to address various issues that arise which would be additional cost.
Moving Tangible Items	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.  There will be a cost to moving these very heavy safes.
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.
Special Funds to Remodel	The Burgum budget included \$858,388 of special funds to remodel. The House version contains \$50,000. Can we use special funds for this purpose?
Numerous Statutes and Administrative Rules to update	See attached
Update vendor contracts	8-3 <sup>rd</sup> party examiners, Kelmar for IT system, NCR (third party payor), LexisNexis, SURCH

#### **Duties performed by individuals other than Unclaimed Property staff.**

System Administrator	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.
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	<p><b>IT, responsibilities for the entire office but would charge to UP on timesheets if performing the following tasks specifically for UP staff:</b></p> <ul style="list-style-type: none"> <li>• Local Drive Permissions</li> <li>• Data clean up as requested</li> <li>• Basic desktop support</li> <li>• Security Roles/Permissions in KAPS</li> <li>• Submit tickets for KAPS if there are issues, we do not support the software in house</li> <li>• Some NDIT coordination re: certificate update for unclaimedproperty.nd.gov website. Website managed by Kelmar.</li> <li>• Data clean up as requested</li> </ul>
Administrative Staff	<p><b>Admin, Unclaimed Property Specific:</b></p> <ul style="list-style-type: none"> <li>• Mail outgoing claim checks and supporting documentation (the majority of outgoing checks are for Unclaimed Property)</li> <li>• Upload Deposit report into KAPS and On-Base</li> <li>• Deposit checks into Unclaimed Property account at BND</li> <li>• 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 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.</li> <li>• UP Records Management – Admin Officer <ul style="list-style-type: none"> <li>○ RecordKeepers UP records offsite storage ending in the year 2033 when the final records would be destroyed, records since 2019 are held in KAPS.</li> <li>○ Approx \$36/month storage and \$50 annual destruction.</li> </ul> </li> <li>• Vault Access by double authentication (1 person from admin and 1 person from UP)</li> </ul> <p><b>Admin, responsibilities for the entire office but would charge to UP on timesheets if performing the following tasks specifically for UP staff:</b></p>

	<ul style="list-style-type: none"> <li>• Process incoming mail, peak season October/November (most “normal” days mail opening duties would be charged to operations on timesheets)</li> <li>• Process outgoing mail, USPS, UPS, FedEx.</li> <li>• HR hiring process assistance – job posting, employee onboarding, payroll.</li> <li>• Designing new State forms and editing current forms</li> <li>• Order supplies, envelopes, letter head, Etc.</li> <li>• Notarizing documents</li> <li>• Surplus items to State surplus</li> <li>• Asset tagging/cataloging assets</li> </ul>
Accounting Assistant	<ul style="list-style-type: none"> <li>• Creates journal entries for cash receipts in accounting system (FMA)</li> <li>• Processes holder refunds</li> <li>• Reconciles cash with bank</li> <li>• Verifies void and reissued checks with Treasurer Office</li> <li>• Transfers cash to Treasurer’s Office to cover expenditures and claim payments</li> </ul>
Senior Accountant	<ul style="list-style-type: none"> <li>• Finalizes journal entries in accounting system (FMA)</li> <li>• Prepares footnotes for financial statements</li> </ul>
Chief Financial Officer	<ul style="list-style-type: none"> <li>• 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</li> <li>• Serves as the procurement officer for the Department including Unclaimed Property</li> <li>• Identify and allocate expenditures, including salaries, that are Unclaimed Property to ensure compliance with Article IX on monthly basis</li> <li>• Collaborate with the Treasurer’s Office to request stop payments, reissue requests, and copies of cashed checks for claimants</li> <li>• Work with the Treasurer’s Office on outstanding checks</li> <li>• Finalize footnotes for financial statement</li> <li>• Manages payroll</li> </ul>
Paralegal	<p>Manages Bankruptcies reported to Unclaimed Property.</p> <p>Handles Unclaimed Property garnishments</p> <p>Manages open records requests for Unclaimed Property.</p> <p>Conducts various research projects.</p>

	Notarized documents
General Counsel	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.  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.
Commissioner	Approves transactions with Northern Trust  Overall authority for the program.  Is the Administrator of the Unclaimed Property Program by statute.
Investments Officer	Liaison between Unclaimed Property and Northern Trust
Chief Investment Officer	Approved transactions in the absence of the commissioner.  Replies to call back verification with Northern on re-registration transactions.

### Unclaimed Property To Treasurer's Office - Commissioner Analysis

#### Pros

- Alignment with majority of other states
- Ability for a statewide elected official to use their platform to promote the program

#### Cons

- Disruption to currently smooth-running program
- Transition issues outlined in Unclaimed Property Division Director's report; most notably additional costs/FTE's, office space, and legal support

**Analysis:** Goal is to do what is best for constituents and state as a whole. I do see some potential long-term advantages once up-front costs and difficult transition process is complete. However, this would require much more extensive pre-planning and, at minimum, a two-year delayed effective date to any legislation.

#### **Board Options:**

1. Remain Neutral – This would make it difficult for DTL staff to know how to testify at legislative hearings on this issue.
2. Oppose – Make judgment that potential long-term advantages **do not** outweigh short-term costs and disruption.

3. Support Delayed Effective Date – Make judgment that potential long-term advantages **do outweigh** short-term costs and disruption as long as identified issues are addressed in any legislation.

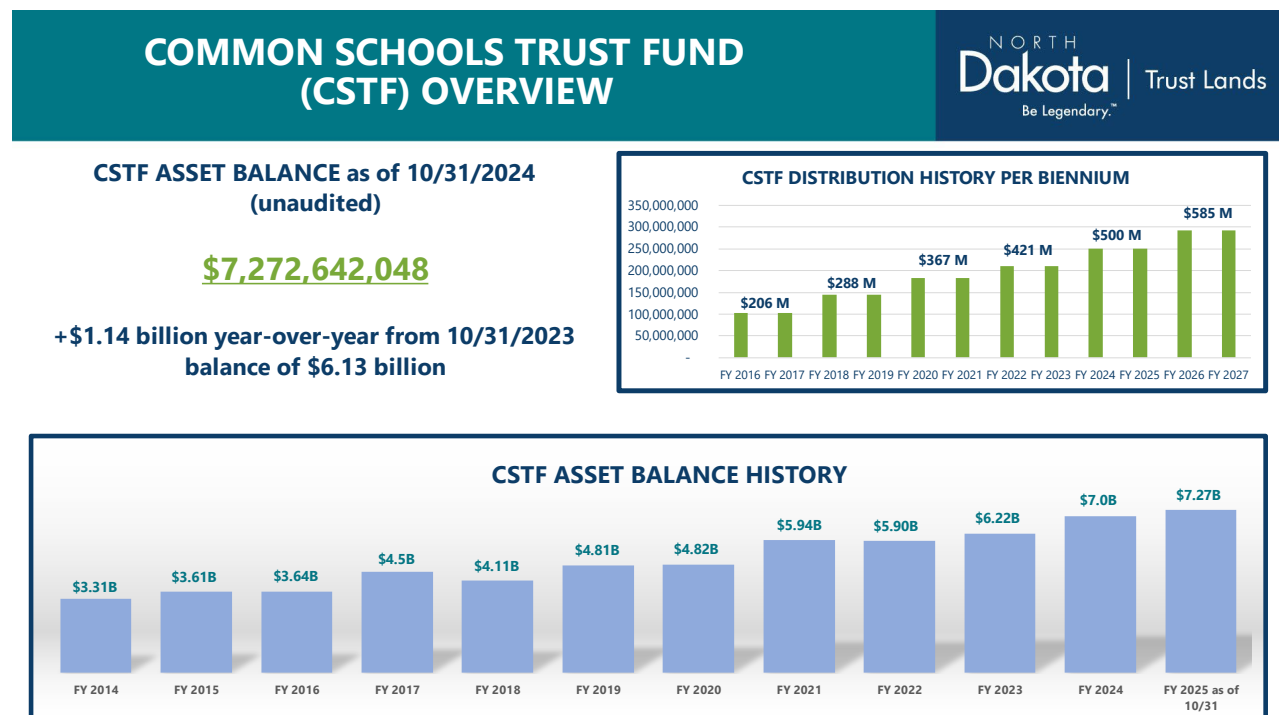
The Board had a thorough discussion of this issue ending with the following motion.

**Motion:** The Board take a formal position opposing the transfer of the Unclaimed Property Program to the Treasurer's Office.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Howe	X		X		
Superintendent Baesler		X	X		
Treasurer Beadle				X	
Attorney General Wrigley					X
Governor Armstrong			X		

National Association of State Trust Lands Annual Programs Comparison slide was presented to the Board and is available at the Department upon request.

## Financial Dashboard





## COMMON SCHOOLS TRUST FUND 2023 -25 (CSTF) DISTRIBUTIONS

NORTH  
**Dakota** | Trust Lands  
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Monthly Distribution to the State Tuition Fund for the 2023-25 Biennium \$27,770,000  
Multiplied by 9 months per year = \$250,000,000  
Divided by 115,740 students = \$2,160/student per year

North Dakota Cost to Educate Per Student \$13,778/year  
75.7% State Funding Share = \$10,430  
\$2,160 CSTF per Student Annual Distribution **=21% of state funding share**

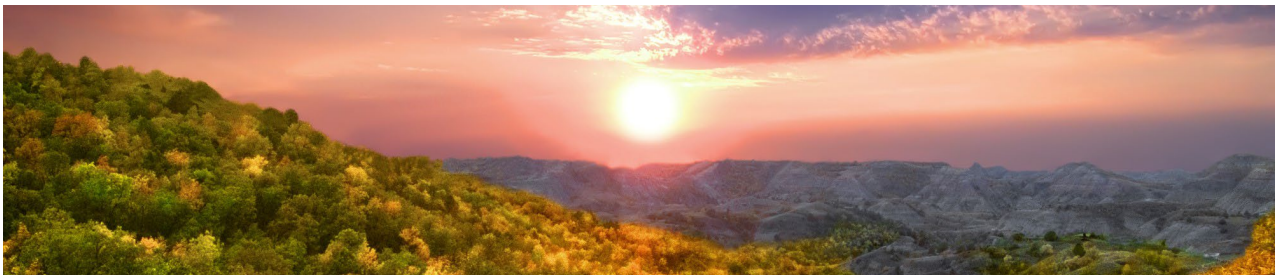


## COMMON SCHOOLS TRUST FUND 2025 -27 (CSTF) DISTRIBUTIONS

NORTH  
**Dakota** | Trust Lands  
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Monthly Distribution to the State Tuition Fund for the 2025-27 Biennium \$32,500,000  
Multiplied by 9 months per year = \$292,500,000  
Divided by 116,598 students = \$2,508/student per year

North Dakota Cost to Educate Per Student \$13,778/year  
75.7% State Funding Share = \$10,430  
\$2,508 CSTF per Student Annual Distribution **=24% of state funding share**



COMMON SCHOOLS TRUST FUND  
2023 - 25 (CSTF) DISTRIBUTIONS



Current Biennium Distributions to the  
State Tuition Fund through 01/31/2025

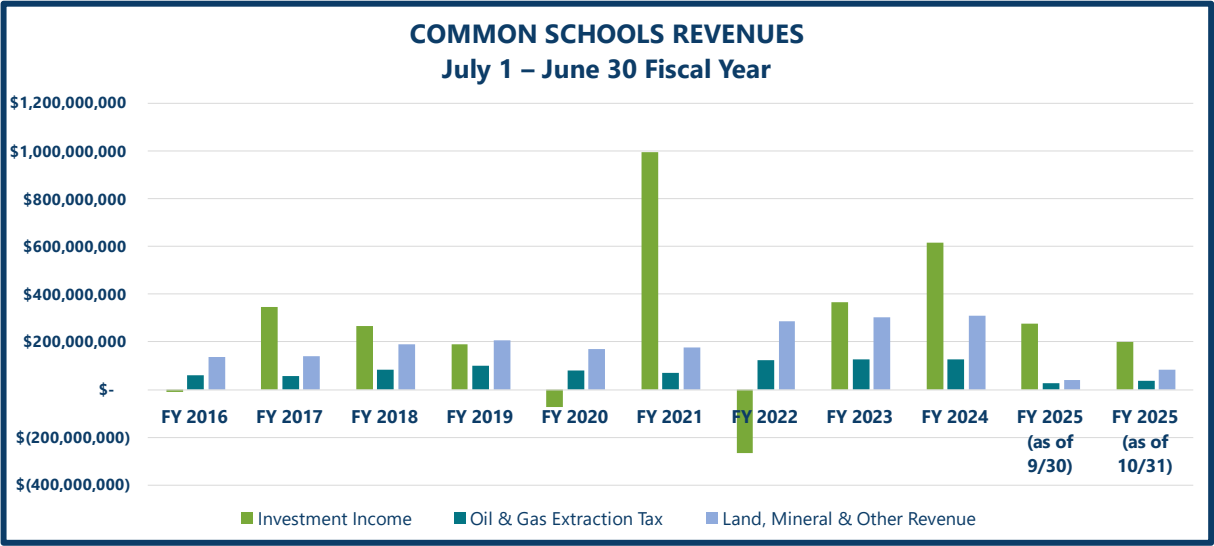
\$388.92 million of  
\$500 million total

CSTF Distributions Since FY 2014

\$2 BILLION OF PROPERTY TAX RELIEF!



COMMON SCHOOLS TRUST FUND  
(CSTF) OVERVIEW



## STRATEGIC INVESTMENT & IMPROVEMENT FUND (SIIF) OVERVIEW

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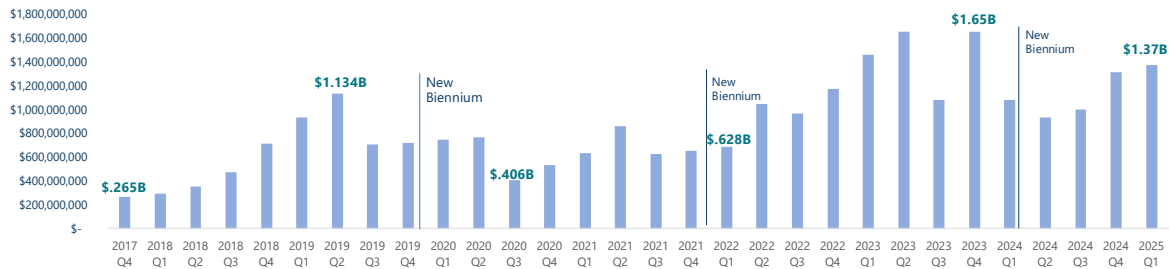
### SIIF BALANCE as of 09/30/2024 (unaudited)

- Total Balance - \$1,370,582,987
- Uncommitted Balance – \$1,056,604,798

### SIIF BALANCE as of 10/31/2024 (unaudited)

- Total Balance - \$1,354,745,602
- Uncommitted Balance – **\$1,073,531,575**

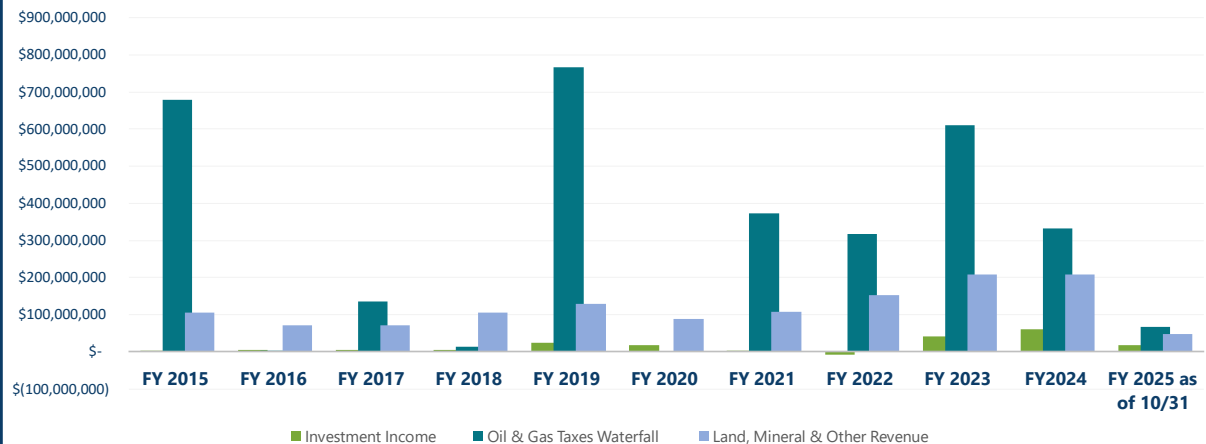
### SIIF QUARTERLY BALANCE HISTORY (UNAUDITED)



## STRATEGIC INVESTMENT & IMPROVEMENT FUND (SIIF) HIGHLIGHTS

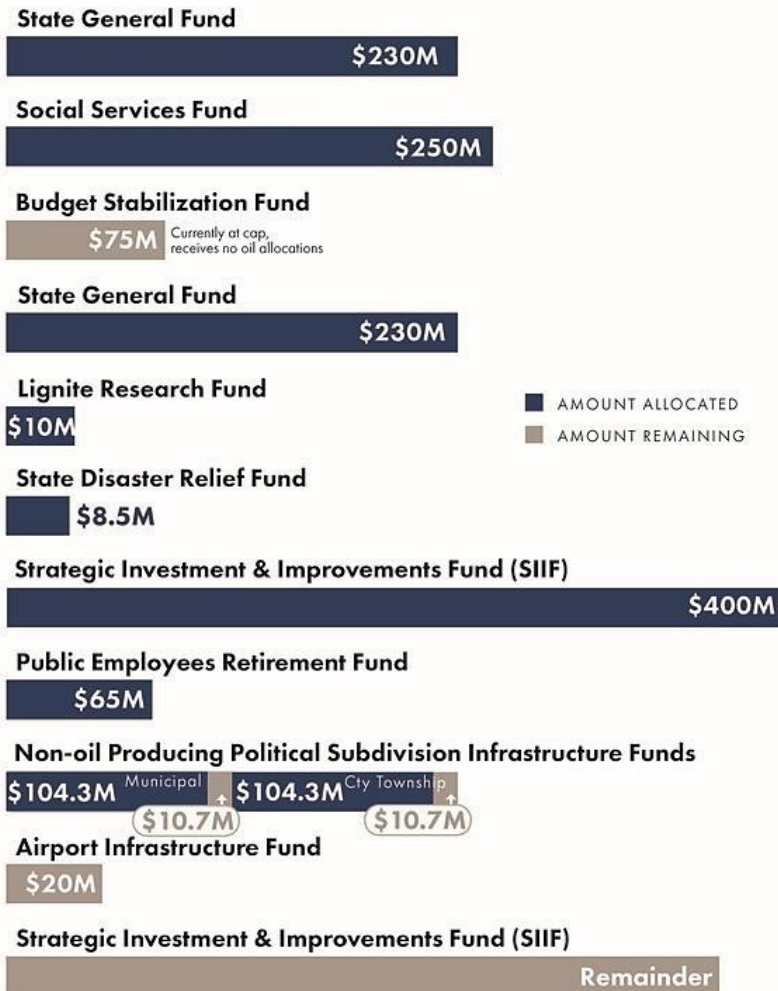
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### SIIF REVENUES July 1 – June 30 Fiscal Year



ALLOCATION OF STATE SHARE OF OIL & GAS TAXES  
Based on allocations through January 31, 2025

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## ESTIMATED TOTAL NET ASSETS as of 10/31/2024

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**Mineral Tracker Valuation  
as of October 31, 2024, on  
2.6 million Mineral Acres  
\$2,461,271,622**



**Surface Fair Market Value  
as of April 18, 2024, on  
706,000 Surface Acres  
\$671,978,325**



**Estimated Total Net Assets\*  
as of October 31, 2024**



**\$10,944,701,224**



\* Total excluding SIIF

## DIVISION REPORTS

### SURFACE

#### SURFACE DIVISION ENCUMBRANCES ISSUED

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**Encumbrances issued by the Commissioner: 19 Right of Way Agreements in January generated a total of \$270,473 in income for the Trusts**

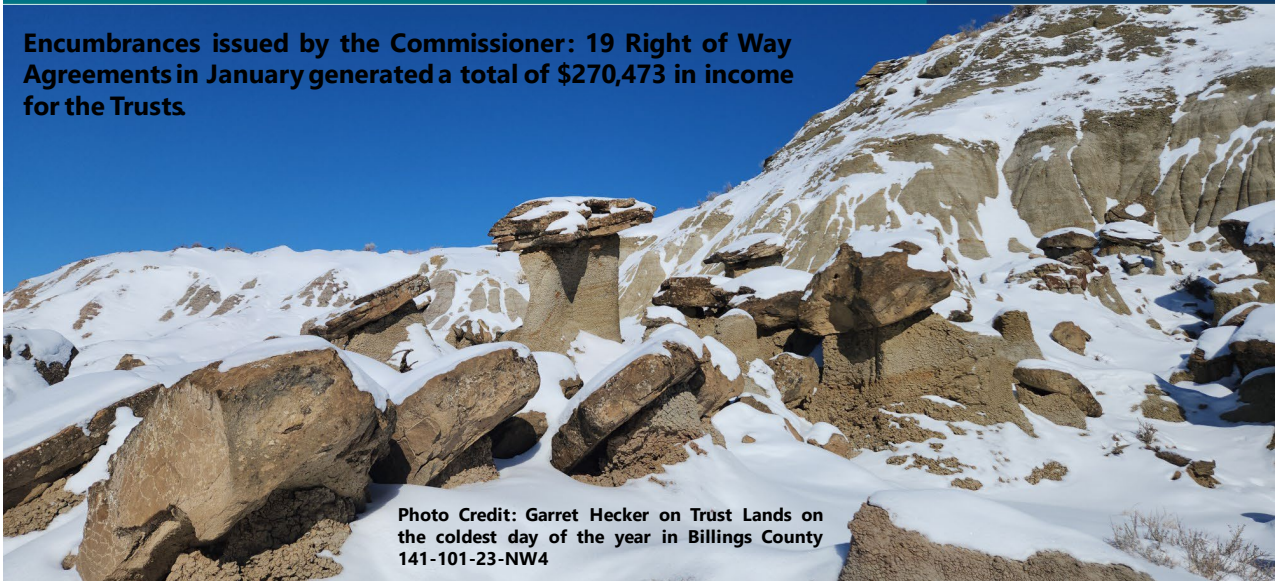


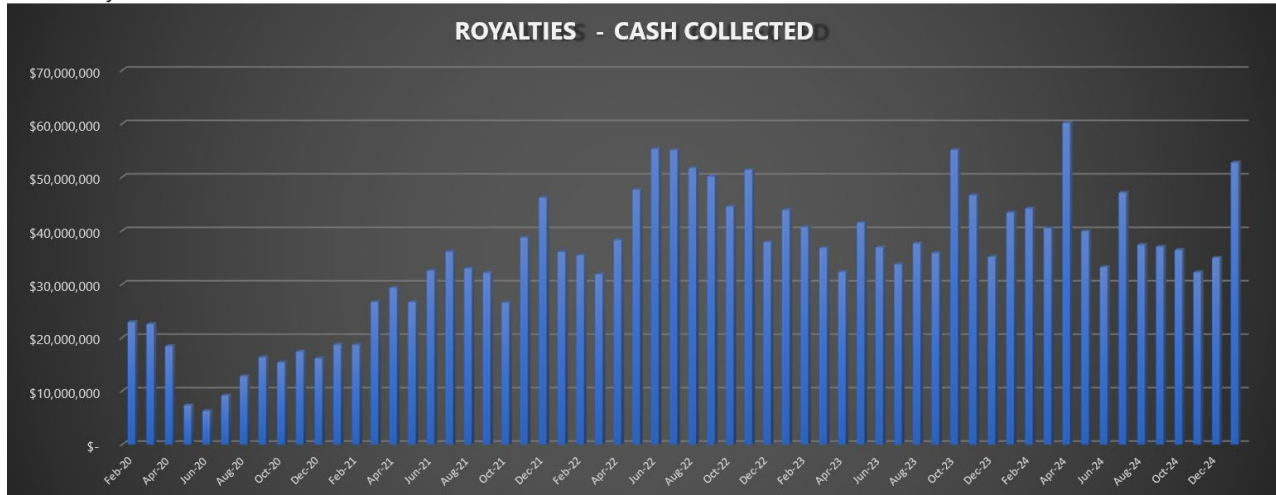
Photo Credit: Garret Hecker on Trust Lands on the coldest day of the year in Billings County 141-101-23-NW4



## MINERALS

MINERALS DIVISION  
FISCAL YTD O/G ROYALTIESNORTH  
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As of January 31, 2025\*, for fiscal year 2024-25 the Department has received **\$277,554,051** in royalties as compared to **\$287,219,111** last fiscal year at this time.

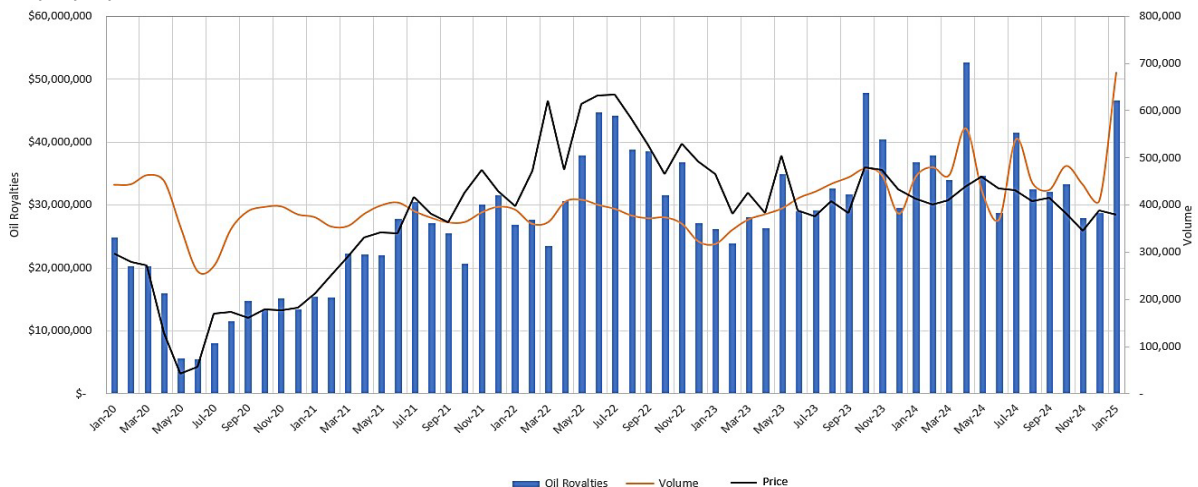


\*December royalty revenue is from November gas production and December oil production.

## PRICE MAIN DRIVER OF O/G ROYALTIES

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In the early years production growth was the driver of the Department's royalty increases. Now that our net monthly production has been more stable, averaging 477,710 barrels per month over the past twelve months, the price of oil & gas is the main driver of monthly royalty variations.



# OIL & GAS LEASE AUCTION RESULTS SUMMARY

**NORTH  
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## 2025 Q1 (February) Online Oil & Gas Lease Auction

Bidding Snapshots	
Total tracts	<b>136</b>
Total acres	<b>12,793.16</b>
Total tracts receiving bids at auction	<b>136</b>
Total registered bidders	<b>60</b>
Total bidders who placed bid	<b>39</b>
Average unique bidders on tract with bid	<b>3.63</b>
Total bids	<b>1439</b>
High bid per tract	<b>\$2,514,085.94</b>
High bid per acre	<b>\$30,098.00</b>
Total bonus received	<b>\$13,650,142.29</b>



Auction data and map provided by EnergyNet.

# OIL & GAS LEASE AUCTION RESULTS SUMMARY, CONTINUED

**NORTH  
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## 2025 Q1 (February) Online Oil & Gas Lease Auction

County	# Tracts	Net Min Acres	Total Bonus	Average Bonus/Net Acres
Billings	33	3,510.02	\$2,907,141	\$828
Bottineau	1	80.00	\$1,680	\$21
Burke	4	280.00	\$14,720	\$53
Divide	19	1,209.68	\$231,074	\$191
Dunn	2	160.00	\$46,000	\$288
Golden Valley	36	3,528.02	\$38,001	\$11
McKenzie	31	3,263.03	\$6,629,113	\$2,032
Mountrail	2	0.51	\$4,601	\$9,021
Williams	8	761.90	\$3,777,813	\$4,958
<b>TOTAL</b>	<b>136</b>	<b>12,793.16</b>	<b>\$13,650,142</b>	<b>\$1,067</b>

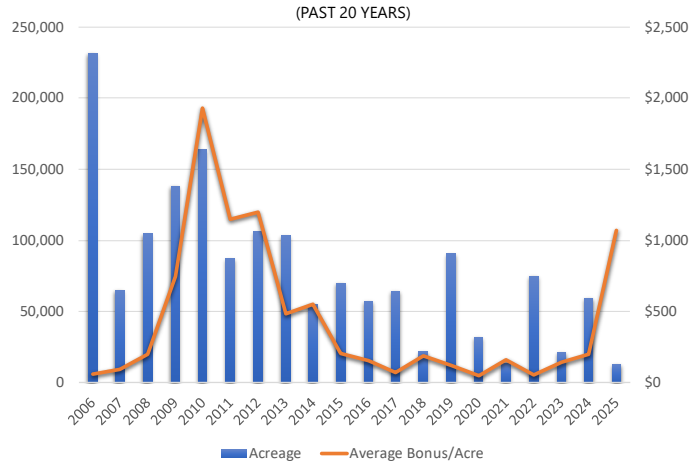
Trust/Fund	Trust/Fund Name	# Tracts	Total Bonus
A	Common Schools	86	\$4,016,924
D	School for the Deaf	3	\$12,761
I	ND Industrial School	2	\$1,840
L, R	SIIF (Strategic Investment & Improvements Fund)	45	\$9,618,618
	<b>TOTAL</b>	<b>136</b>	<b>\$13,650,142</b>

# HISTORICAL AUCTION RESULTS

NORTH  
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Year	# Tracts	Net Acreage	Bonus	Average Bonus/Ac
2006	2,886	231,264.52	\$13,576,948	\$59
2007	829	65,134.94	\$6,211,341	\$95
2008	1,213	104,235.20	\$20,991,009	\$201
2009	1,735	138,109.87	\$103,212,376	\$747
2010	2,083	163,367.37	\$315,126,366	\$1,929
2011	1,132	87,432.04	\$100,553,812	\$1,150
2012	1,236	106,013.08	\$126,785,716	\$1,196
2013	1,267	103,586.18	\$50,109,864	\$484
2014	635	54,693.19	\$30,057,524	\$550
2015	779	69,987.56	\$14,522,818	\$208
2016	684	56,889.36	\$8,862,765	\$156
2017	720	64,291.10	\$4,496,748	\$70
2018	241	21,865.22	\$4,130,246	\$189
2019	1,065	90,698.40	\$10,876,517	\$120
2020	329	32,219.90	\$1,576,562	\$49
2021	151	13,525.98	\$2,175,580	\$161
2022	1,008	75,119.39	\$3,942,573	\$52
2023	207	21,268.01	\$3,090,459	\$145
2024	690	59,153.37	\$11,934,332	\$202
2025	136	12,793.16	\$13,650,142	\$1,067
<b>TOTALS</b>	<b>19,026</b>	<b>1,571,647.84</b>	<b>\$845,883,698</b>	<b>\$538</b>

ACREAGE LEASED & AVERAGE BONUS/ACRE RECEIVED  
BY YEAR

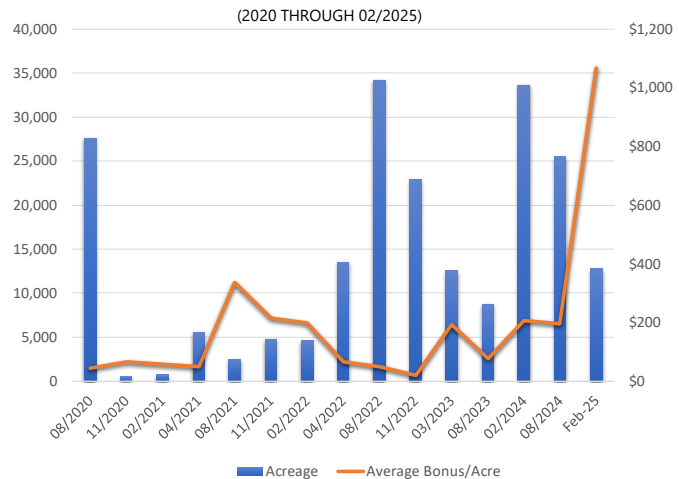


# HISTORICAL AUCTION RESULTS, CONTINUED

NORTH  
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Auction	# Tracts	Net Acreage	Bonus	Average Bonus/Acre
Aug-20	288	27,572.15	\$1,230,770	\$45
Nov-20	5	558.39	\$36,918	\$66
Feb-21	6	719.02	\$40,753	\$57
May-21	63	5592.27	\$281,476	\$50
Aug-21	23	2481.29	\$831,535	\$335
Nov-21	59	4733.4	\$1,021,816	\$216
Feb-22	57	4596.24	\$916,142	\$199
May-22	177	13,492.13	\$904,094	\$67
Aug-22	459	34,147.30	\$1,670,404	\$49
Nov-22	315	22,883.72	\$451,933	\$20
Mar-23	129	12,526.05	\$2,411,705	\$193
Aug-23	78	8741.96	\$678,754	\$78
Feb-24	375	33,674.48	\$6,957,468	\$207
Aug-24	315	25,478.89	\$4,976,864	\$195
Feb-25	136	12,793.16	\$13,650,142	\$1,067
<b>TOTALS</b>	<b>2485</b>	<b>209,990.45</b>	<b>\$36,060,774</b>	<b>\$172</b>

ACREAGE LEASED & AVERAGE BONUS/ACRE RECEIVED  
BY AUCTION





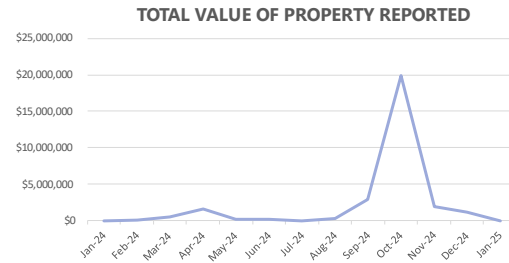
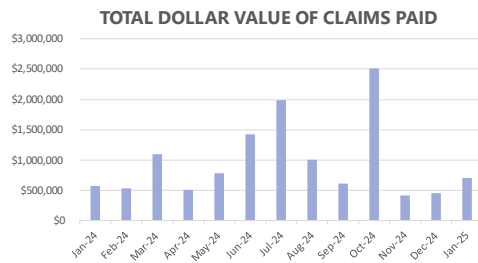
## UNCLAIMED PROPERTY

### UNCLAIMED PROPERTY DIVISION

<https://unclaimedproperty.nd.gov>



For the month of January 2025, the Division paid 587 claims with \$705,699 returned to rightful owners. The Division also received 36 holder reports with a dollar value of \$22,419.



# INVESTMENTS

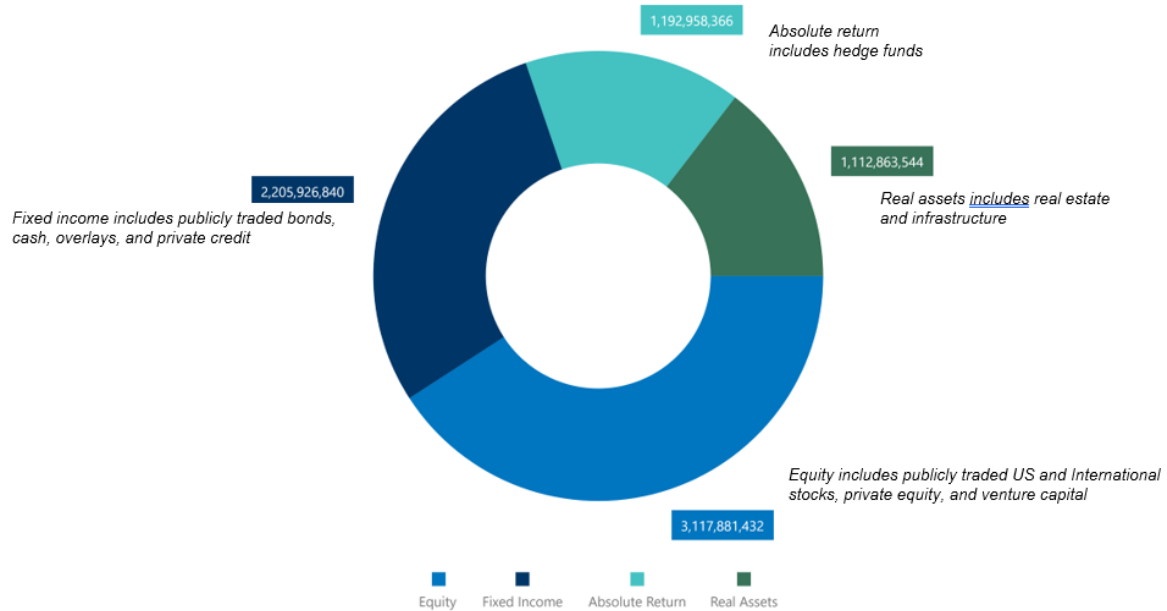
## Investment Update

BOARD OF UNIVERSITY AND SCHOOL LANDS  
FEBRUARY 27, 2025

NORTH  
**Dakota** | Trust Lands  
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Report as of 01/31/2025

### Asset Allocation



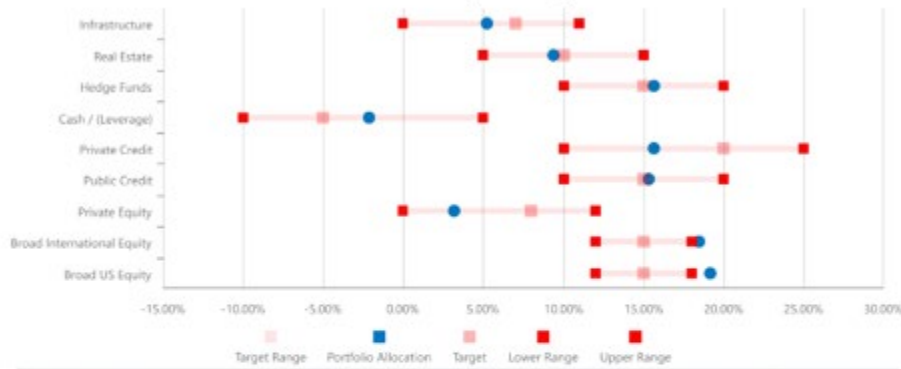
Asset	Total Value	% Of All Value
All	7,629,630,182.	100. %
Equity	3,117,881,432.	41. %
Fixed Income	2,205,926,840.	29. %
Absolute Return	1,192,958,366.	16. %
Real Assets	1,112,863,544.	15. %

BOARD OF UNIVERSITY AND SCHOOL LANDS  
FEBRUARY 27, 2025

NORTH  
**Dakota** | Trust Lands  
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Report as of 01/31/2026

Actual vs. Target Weight



Asset	Total Value	% Of All Value	Target Weight	Over/Under %	Over/Under \$
All (MTD)	7,629,630,182	100%	100%	0%	--
Equity	3,117,881,432	40.87%	38%	2.87%	218,621,963
Private Equity	244,241,203	3.2%	8%	-4.8%	-366,129,211
Broad International Equity	1,409,744,992	18.48%	15%	3.48%	265,300,464
Broad US Equity	1,463,895,237	19.19%	15%	4.19%	319,450,710
Fixed Income	2,205,906,840	28.91%	30%	-1.09%	82,962,214
Cash / (Leverage)	-159,711,074	-2.09%	-5%	2.91%	221,770,435
Private Credit	1,195,188,009	15.67%	20%	-4.33%	-330,738,028
Public Credit	1,170,449,906	15.34%	15%	0.34%	26,005,379
Absolute Return	1,192,958,366	15.64%	15%	0.64%	48,513,838
Hedge Funds	1,192,958,366	15.64%	15%	0.64%	48,513,838
Real Assets	1,112,863,544	14.59%	17%	-2.41%	-184,173,587
Infrastructure	398,935,698	5.23%	7%	-1.77%	-135,138,414
Real Estate	713,927,845	9.36%	10%	-0.64%	-49,035,173

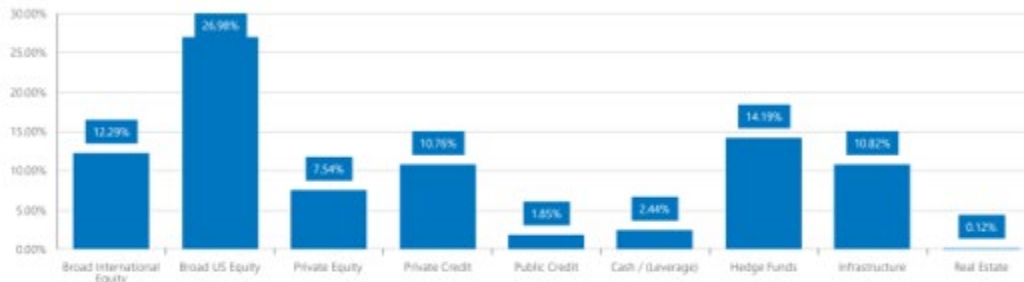
BOARD OF UNIVERSITY AND SCHOOL LANDS  
FEBRUARY 27, 2025



Report as of 01/31/2025

Flash Performance Report

Unaudited preliminary estimates

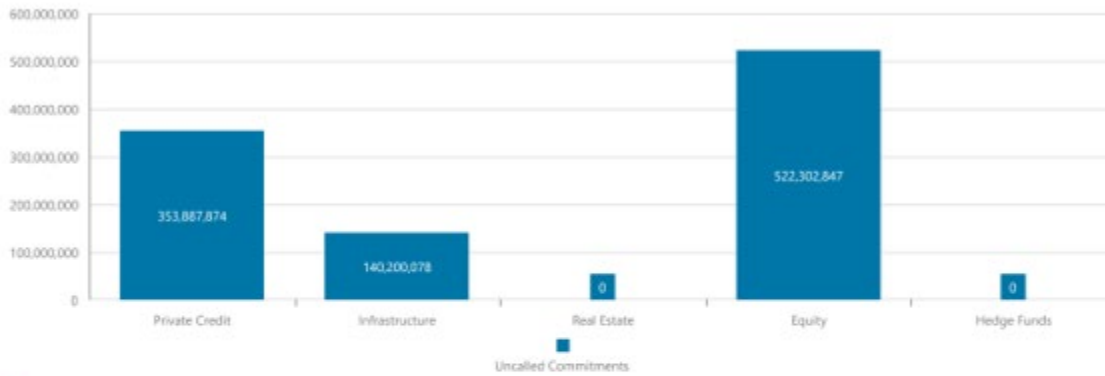


TY: Net of Fees To; Cumulative Return

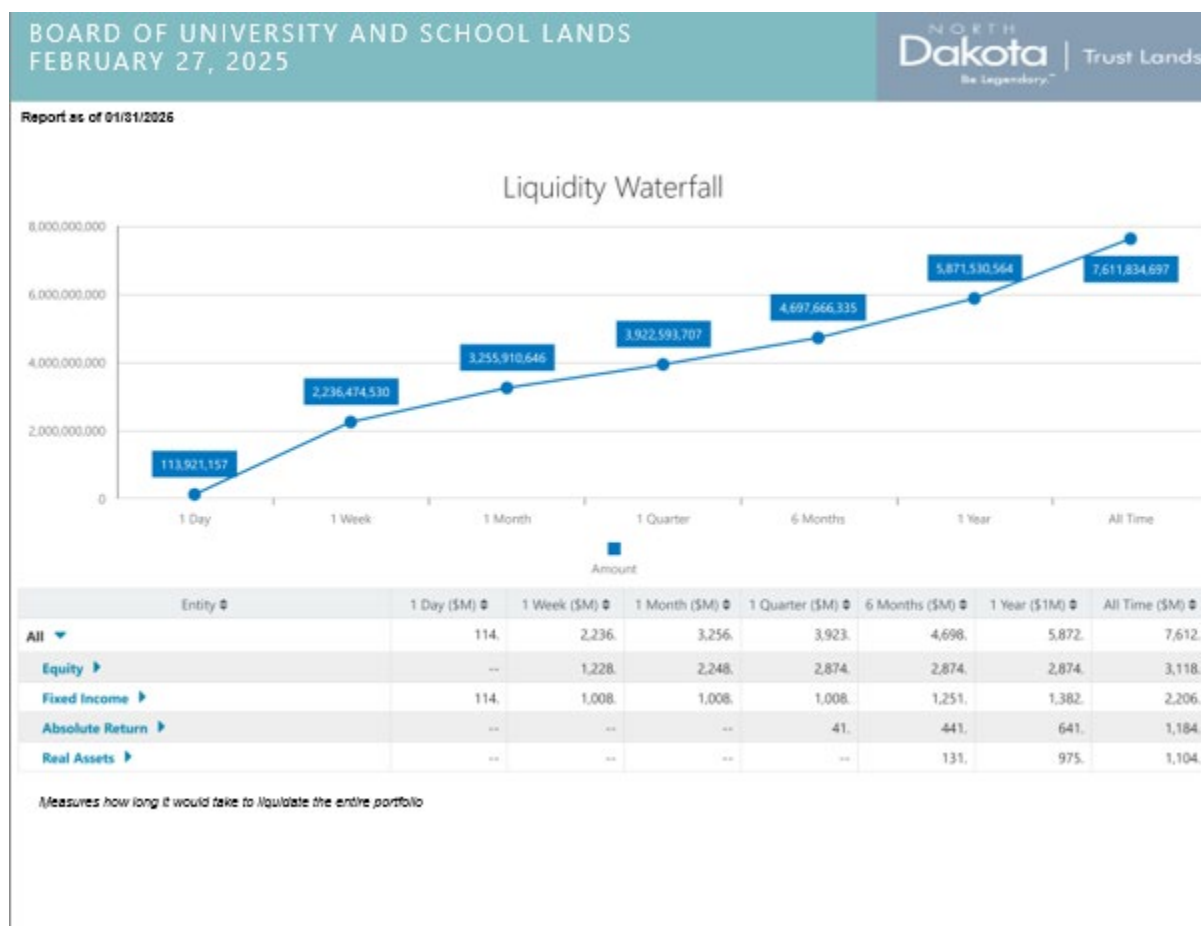
	MTD	QTD	YTD	FYTD	TY
Net of Fees To					
Asset	Cumulative Return	Cumulative Return	Cumulative Return	Cumulative Return	Cumulative Return
Total Portfolio	2.18%	2.18%	2.18%	6.17%	11.77%
Equity	4.38%	4.38%	4.38%	9.3%	19.01%
Broad International Equity	5.72%	5.72%	5.72%	5.05%	12.29%
Broad US Equity	3.91%	3.91%	3.91%	13.7%	26.98%
Private Equity	0%	0%	0%	5.49%	7.54%
Fixed Income	0.28%	0.28%	0.28%	2.78%	5.97%
Private Credit	0.16%	0.16%	0.16%	5.07%	10.76%
Public Credit	0.51%	0.51%	0.51%	0.76%	1.85%
Cash / (Leverage)	1.12%	1.12%	1.12%	2.44%	2.44%
Absolute Return	2.01%	2.01%	2.01%	8.76%	14.19%
Hedge Funds	2.01%	2.01%	2.01%	8.76%	14.19%
Real Assets	0%	0%	0%	2.25%	3.51%
Infrastructure	-0.01%	-0.01%	-0.01%	5.23%	10.82%
Real Estate	0%	0%	0%	0.73%	0.12%

Report as of 01/31/2026

## Uncalled Commitments



Asset	Commitment (\$M)	Funded Commitment (\$M)	Uncalled Commitments (\$M)
All (MTD)	3,967.	2,951.	1,016.
Ares	300.	100.	200.
GCM Grosvenor	580.	172.	408.
Hamilton Lane	50.	30.	20.
Khosla Ventures	35.	14.	21.
Monarch	120.	85.	35.
Blue Owl	125.	84.	41.
a16z	35.	5.	30.
Industry Ventures	50.	4.	46.
Pantheon	100.	5.	95.
Blackstone	120.	--	120.



## Crypto Currency Educational Presentation

Coinbase Asset Management attended the meeting in person and provided the Board with a crypto currency educational presentation, a copy of which is available at the Department upon request.

(02/27/25)

## SPECIAL PROJECTS

## Leonardite Lease

## MINERAL LEASE APPLICATIONS

NORTH  
**Dakota** | Trust Lands  
Be Legendary.™

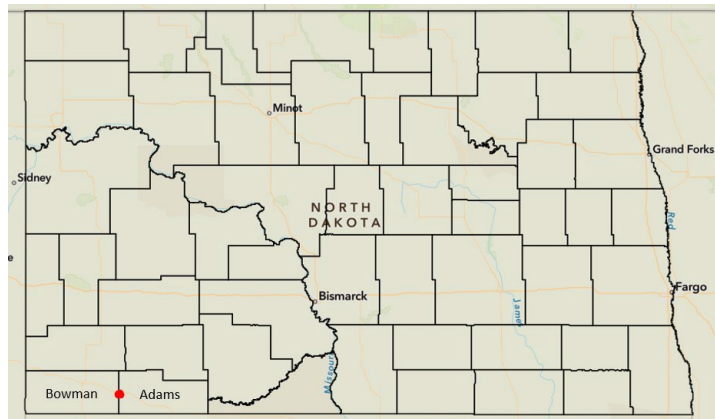
Applicant:

**American Colloid Company**

Minerals:

**Leonardite**

Mineral Tract	Min Int	Gross Ac	Net Ac	Applicant Ton Est (Net Ac)
<b>130-98-7 E2SE</b> (Adams County)	.50	80	40	2,899.5
<b>130-98-8 SW</b> (Adams County)	.50	160	80	315,204
<b>130-99-1 SW</b> (Bowman County)	.50	160	80	53,128



## MINERAL LEASE APPLICATIONS

NORTH  
**Dakota** | Trust Lands  
Be Legendary.™

**American Colloid Company**

Leonardite Lease Applications, *continued*

Proposed Term of Lease

**10 years**

Proposed Bonus:

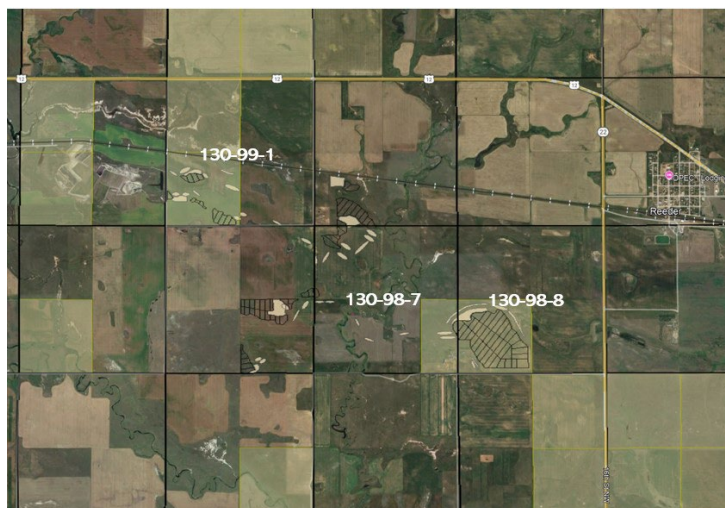
**\$100 per net coal acre**

Proposed Royalty:

**\$0.25 per ton or 6% of the price per ton, whichever is greater**

Proposed Annual Rental:

**\$5 per net coal acre**



**MOTION:** The Board determine under Admin Rule 85-06-02-04 that it is willing to lease the three identified tracts for leonardite production and direct the Commissioner to begin lease negotiations on its behalf.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Howe		X	X		
Superintendent Baesler			X		
Treasurer Beadle	X		X		
Attorney General Wrigley					X
Governor Armstrong			X		

### **CBIZ Compensation Study**

Joe Rice from CBIZ attended the meeting virtually and presented their Compensation Study results to the Board, a copy of which is available at the Department upon request. After discussion, the Board provided staff guidance to request from the legislature the recommended equity pay increases, but only introduce the incentive pay topic with no formal funding or enabling request at this time.

Staff provided the following sample language that could be added to the Department's budget bill when the time is appropriate.

### **Draft DTL Budget Bill Incentive Compensation Enabling Language**

SECTION 4. A new section to chapter 15-02 of the North Dakota Century Code is created and enacted as follows:

#### **15-02-11. Incentive Compensation Program – Report to Legislative Management**

The commissioner may develop an incentive compensation program for full-time equivalent positions within the department of trust lands, subject to approval of the board of university and school lands. The program must promote profitability, productivity, and responsible management of the assets under the board's jurisdiction. The provisions of the program must be approved by the board each biennium. Any amounts paid under this program must be considered compensation and not personal profit on behalf of the employee. Each interim, the commissioner of university and school lands shall provide a report on the program to legislative management. The report shall include details such as the program's provisions, the total amount of incentives paid out to employees each year, and the minimum, maximum, and average payout per eligible full-time equivalent position. There is appropriated annually the amounts necessary to pay for the incentive compensation program.



## LITIGATION

### Litigation Update

- **Mandan, Hidatsa, and Arikara Nation v. United States Department of the Interior**

**Case Summary:** Missouri riverbed ownership – Quiet title action brought by the federal government is proceeding, with discovery now completed; the U.S. and MHA filed separate summary judgment motions; our response briefs are due March 18<sup>th</sup>; the Court has not yet ruled on MHA's motion for judgment on the pleadings (similar to a summary judgment motion) that is now fully briefed.

Commencement: July 2020

ND Assigned Attorneys: James Auslander, Kathryn Tipple, Peter Schaumberg, and Nessa Coppinger (Beveridge & Diamond, Washington, D.C.)  
Matthew Sagsveen, AG Dir. of Natural Resources and Native American Affairs

Counsel for MHA: Steven D. Gordon (Holland & Knight's Washington, D.C.)  
Philip Merle Baker-Shenk (Holland & Knight's Washington, D.C.)  
Timothy Purdon (Robins Kaplan, Bismarck, ND)  
Timothy Billion (Robins Kaplan, Minneapolis, MN)

Counsel for United States Department of Interior: Reuben S. Schiffman (Washington, D.C.)

Court: United States District Court for the District of Columbia

Judge: Honorable Amy Berman Jackson

Win = North Dakota owns historical Missouri Riverbed (mineral rights) through Fort Berthold Indian Reservation resulting in release to state of tens of millions of dollars in withheld oil & gas royalties.

Lose = U.S. owns the riverbed in trust for MHA Nation so royalties are released to the tribe

- **State of North Dakota, ex. rel. v Virginia Leland, et.al.**

**Case Summary:** OHWM river island ownership; trial was held September 12-16, 2022; Judge Schmidt issued a Phase I Memorandum Decision on April 30, 2024, finding 1) the at issue Yellowstone River segment was navigable at statehood; 2) the at issue west bank of the river is owned by the state; 3) the at issue north island is not owned by the state; 4) the at issue south island is owned by the state; and 5) the state's claim is not barred by laches. The remaining issues of conveyances, mineral acreage calculations, etc. are now being determined in Phase II proceedings. On December 19, 2024, the Court granted opposing parties' summary judgment motion on certain issues. A trial to determine the remaining issues was held January 29, 2025, in Watford City. We now await the judge's decision.

Commencement: January 2016

ND Assigned Attorneys: Zachary Pelham (Pearce Durick, Bismarck)

Matthew Sagsveen, AG Dir. of Natural Resources and Native American Affairs

James Wald, DTL General Counsel

Counsel for Whiting Oil and Gas Corp: Paul Forster (Crowley Fleck, PLLP, Bismarck, ND)  
Shane Hanson (Crowley Fleck, PLLP, Bismarck, ND)

Counsel for Defendant(s): Kevin Chapman (Chapman Law Firm, P.C., Williston, ND)  
Ariston Johnson (Johnson & Sundeen, Watford City, ND)  
and Others

Court: State District Court, McKenzie County

Judge: Honorable Robin Schmidt

Win = State owns at issue Yellowstone River islands and related mineral interests

Lose = Plaintiffs own at issue Yellowstone River islands and related mineral interests

- **Continental Resources, Inc. v. North Dakota Board of University and School Lands and the United States of America (Interpleader)**

**Case Summary:** OHWM fed/state dispute – ND Federal District Court issued opinion March 21, 2023, granting Board’s motion for partial summary judgment on “Acquired Federal Lands” issue; this means the Wenck survey controls for establishing the historical ordinary high-water mark of the Missouri River in areas where the uplands were acquired by the federal government, and not original “public domain lands”; federal government appealed and we filed a cross appeal; 8<sup>th</sup> Circuit oral arguments on the appeals were held October 22, 2024, and we now await the Court’s decision.

Commencement: December 2016

ND Assigned Attorneys: Philip Axt, ND Solicitor General

Counsel for Continental: Lawrence Bender (Fredrikson & Byron P.A., Bismarck, ND)  
Spencer Ptacek (Fredrikson & Byron P.A., Bismarck, ND)

Counsel for USA: Shaun Pettigrew (Environment and Natural Resources Division (ENRD)) of the U.S. Department of Justice

Court: United States District Court, District of North Dakota

Judge: Magistrate Judge Clare R. Hochhalter

Win = State survey controls where U.S. lands about the Wenck line resulting in retention of 2,500 mineral acres

Lose = Federal surveys control resulting in net loss of approximately 2,500 mineral acres

#### EXECUTIVE SESSION

**Under the authority of North Dakota Century Code Sections 44-04-19.1 and 44-04-19.2, the Board close the meeting to the public and go into executive session for purposes of attorney consultation, to review confidential records, and discuss negotiating strategy regarding:**

- **Royalty Settlements**

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Howe		X	X		
Superintendent Baesler			X		
Treasurer Beadle	X		X		
Attorney General Wrigley					X
Governor Armstrong			X		

**The Board entered into executive session at 11:24 AM.**

#### EXECUTIVE SESSION

**Members Present:**

Kelly Armstrong	Governor
Thomas Beadle	Treasurer
Kirsten Baelser	Superintendent of Public Instruction
Michael Howe	Secretary of State

**Members Absent:**

Drew Wrigley	Attorney General
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**Department of Trust Lands Personnel present:**

Joseph Heringer	Commissioner
Catelin Newell	Administrative Staff Officer
Kate Schirado	Executive Assistant
Adam Otteson	Revenue Compliance Director
James Wald	Legal Council
Elvedina Papalichev	Paralegal
Chris Suelzle	Minerals Division Director

**Guests in Attendance:**

Jacy Schafer	Office of the Governor
Chris Joseph	Office of the Governor
Matthew Sagsveen	Office of the Attorney General

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The executive session adjourned at 11:38 AM and the Board returned to the open session meeting to rejoin the public. During executive session the Board discussed Royalty Deduction Settlements with its attorneys. No formal action was taken when the open meeting reconvened.

## **A D J O U R N**

There being no further business, the meeting was adjourned at 11:38 AM.

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Governor Armstrong, Chairman  
Board of University and School Lands

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Joseph Heringer, Secretary  
Board of University and School Lands