

FISCAL NOTE
Requested by Legislative Council
12/21/2018

Revised
 Bill/Resolution No.: SB 2081

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0		
Expenditures	\$0	\$0	\$0	\$(139,005)		
Appropriations	\$0	\$0	\$0	\$0		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill allow the Department of Trust Lands to use continuing authority for all building repairs which aligns the Department with other agencies who own buildings. The bill will allow the Department to complete due diligence trips as it relates to investments.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Per N.D.C.C. § 15-03-16. Continuing appropriation for investments. There is appropriated annually the amounts necessary to pay costs related to investments controlled by the board of university and school lands, including investment management fees, trustee fees, consulting fees, custodial fees, and the cost of capitalized building repairs and renovations as approved by the board. Each payment must be made from the trust fund for which the investment is made.

Currently, expenditures under \$5,000 must be paid through the Department’s operating budget which potentially impedes the Department from making necessary repairs to the building. Approval for continuing authority for building repair costs will allow the costs to be paid from the trust funds and will remove \$139,005 from the 19-21 biennial operating budget. These costs include: snow removal, elevator repair, fire alarm repair, heating and air conditioner repair, etc.

The Department is also seeking to modify N.D.C.C. § 15-03-16 to allow for the Investments Division to allow for audits and reviews of investment managers. This will not deduct from current budgeted expenses but will allow for a higher degree of due diligence for invested funds. The exact fiscal impact from year-to-year can vary dependent upon fund manager performance.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

N/A

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

N/A

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

N/A

Name: Jodi Smith

Agency: Department of Trust Lands

Telephone: 701-328-2807

Date Prepared: 12/27/2018

2019 SENATE GOVERNMENT AND VETERANS AFFAIRS COMMITTEE

SB 2081

2019 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Sheyenne River Room, State Capitol

SB2081
1-18-19
31030

- Subcommittee
 Conference Committee

Committee Clerk: Pam Dever

Explanation or reason for introduction of bill/resolution:

Relating to a continuing appropriation for investments controlled by the board of university & school lands.

Minutes:

Att #1 – Jodi Smith

Chairman Davison: Let's open SB2081.

Jodi Smith, Commissioner of Trust Lands: (see att #1) We are the administrative arm for the Board of University School Lands. We are made up of the Governor, the Secretary of State, the Attorney General, State Treasurer, and the state Superintendent. (.46) Any questions? (3.13)

Chairman Davison: Could you give us a brief summary of where the land came from?

Jodi: Most of our land was granted to us at statehood in 1889. Some cases there were foreclosures involved. That went through the Bank of North Dakota and the State Treasurer. (3.45) We manage the assets as a result of that. We manage 706,000 surface acres and 2.6 million mineral acres.

Chairman Davison: When we have expenses for the work of management, we are alienating where the money should come from instead of asking for more tax dollars?

Jodi: We are a special fund agency. We don't receive funds from the general fund. Any maintenance that occurs with a building, that is coming from my operations budget. The building actually belongs to the commons schools trust fund. Some things were not tended to in a timely fashion. Floods in basement, sewer backups, a tree growing out of my roof right now that I need repaired. (5.29) All of that has to come out of my operating budget. The asset is deteriorating.

Sen. Richard Marcellais: You mentioned the Indian Culture Education Trust. Can you tell us about it?

Jodi: The Indian Cultural Trust started several years ago from the Northern Coal. With those funds we pooled them and invested them with our permanent trust. We get 75% of that interest and reported to Three Affiliated Tribes. There is a foundation at the Tribes that can request those funds from us. The foundation decided how to allocate.

Chairman Davison: More questions? (7.26)

Sen. Erin Oban: Why was this request not included in your department's budget?

Chairman Davison: I believe it is a policy change.

Sen. Erin Oban: We all know that policy changes that happen in appropriations bill.

Jodi: I do not know. I have been in appropriations at least three hours already. (8.24) If this bill passes, appropriations know, we will deduct \$139,000 from our operating expenses. Not sure if this is the right way, I'm sorry.

Sen. Erin Oban: It is probably better to do it this way.

Chairman Davison: More questions? Thank you. More in support? Against? Close the hearing. What are the committee wishes?

Sen. Erin Oban: I move a DO PASS. **Sen. Shawn Vedaa:** I second.

Chairman Davison: Discussion. None. Please take the roll. YES 7 NO 0 -0- absent Bill passes. Sen. Shawn Vedaa will carry the bill.

Date: 1/18/19
 Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2081**

Senate Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Sen. Oban Seconded By Sen. Vedaa

Senators	Yes	No	Senators	Yes	No
Chairman Davison	/		Senator Marcellais	/	
Vice Chairman Meyer	/		Senator Oban	/	
Senator Elkin	/				
Senator Roers	/				
Senator Vedaa	/				

Total (Yes) 7 No 0

Absent -0-

Floor Assignment Sen. Vedaa

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2081: Government and Veterans Affairs Committee (Sen. Davison, Chairman)
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
SB 2081 was placed on the Eleventh order on the calendar.

2019 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2081

2019 HOUSE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee Fort Union Room, State Capitol

SB 2081
3/7/2019
33377

- Subcommittee
 Conference Committee

Committee Clerk: Carmen Hart

Explanation or reason for introduction of bill/resolution:

Relating to a continuing appropriation for investments controlled by the board of university and school lands

Minutes:

Attachment 1

Chairman Kasper opened the hearing on SB 2081.

Jodi Smith, Commissioner and Secretary for the Board of University and School Lands, appeared in support. Attachment 1. (:38-2:42)

Rep. Schauer: Give us an example of what due diligence means.

Jodi Smith: Due diligence trips are those trips when we would go on site. We have the investors come to us quite regularly. We look at the reports, talk to them about how they are performing, and then if we need to do a due diligence trip later. About six months ago, we had a fund manager we weren't necessarily impressed with their performance, so Jeff went out there and did due diligence with them. We visited with them. We monitored their performance and ultimately released them of their duties of investing our funds.

Rep. Louser: How is this bill impacted by the amendments that were put on the budget?

Jodi Smith: About 85% goes to operational costs of the building. We are one of the few state agencies that own the building, and we have a lot of maintenance fees associated with that.

Rep. P. Anderson: How do your returns compare to the returns for legacy fund?

Jodi Smith: I will have Jeff Engleson explain that.

Rep. Hoverson: In lieu of taxes for the building, you are just talking about property tax? If you do own buildings or assets such as those, can you bond off those values?

Jodi Smith: Yes, for the first. I am not sure on the second question.

Rep. Rohr: Do you see due diligence grow?

Jodi Smith: Yes, I see it grow. She gave some examples of a few situations. We do ask them to come out here more often than we go to them. I would say it is about a 3 to 1 ratio that they need to be on site with us.

Rep. Rohr: Do we incur the cost when you ask them to come here?

Jodi Smith: No.

Rep. Laning: You are proposing to take gain off the common schools trust fund and use it for building maintenance primarily?

Jodi Smith: We already do that. We are a special funded agency. Particularly for those due diligence trips, they are coming out of the operational budget.

Rep. Laning: If you are proposing to spend more on maintenance, how is that a reduction in your fiscal note?

Jodi Smith: That comes out of our operational budget right now. We are asking now for continuing authority so we _ from that line item in that appropriation. There would be a reduction in that, but it essentially would be coming from the common schools trust fund.

Chairman Kasper: Do you have a recent report on the funds that you are managing, their assets, the return on investment and management fees that you can provide us?

Jeff Engelson, Investment Director, ND Department of Trust Lands, appeared to answer questions.

Rep. P. Anderson: Over the last five years, take your legacy fund and your trust land investments.

Mr. Engelson: I don't have that specific number. They have been rather ___ over time. We have similar risk profiles. We are less risky than the pension funds and a little more risky than the insurance trust.

Chairman Kasper: The report that you are going to give us, will it show the management fees that are being paid to the money managers?

Mr. Engelson: We can provide that to you too.

Chairman Kasper: And the amount of the dollars each one of the money managers is managing and the returns?

Mr. Engelson: Yes, it has all that information.

Jodi Smith: Jeff and I have been working with our board. One thing we clarified with our board is those fee reports are very different between the state investment board and the land

board. We have been working with the state investment board is to align those fees directly. If you want to compare what our fees are to theirs, you are not going to see that by pulling their report and our report. Our fees are .57 basis points, and theirs are .56 basis points.

Chairman Kasper: To summarize this bill, with the \$139,000 reduction in your budget, the money is not going away. We are just taking it out of the trust assets instead of your operating budget, and it is giving you authority to go on the due diligence trips without asking somebody to go. You will go when you like based upon the fact that you think you need to go, and pay for them out of the trust assets.

Jodi Smith: Correct, versus around educational opportunities.

Chairman Kasper closed the hearing.

Rep. Louser made a motion for a DO PASS and rerefer to appropriations.

Rep. Schauer seconded the motion.

Chairman Kasper: Because I am a licensed securities representative for many years, I certainly understand the reason you want to check the money managers out, and I think it is proper due diligence on the part of the department to do so. They can tell you a good song and dance when you are on the phone or when they come to see you, but when you go to see them, it might be different. I think this is a good bill.

A roll call vote was taken. 12-0, 2 absent.

Rep. Schauer will carry the bill.

Date: 3-7-19
 Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2081**

House Government and Veterans Affairs Committee
 Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep. Louser Seconded By Rep. Schauer

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper	X		Rep. Pamela Anderson	X	
Vice Chair Vicky Steiner	X		Rep. Mary Schneider	X	
Rep. Jeff Hoverson	X				
Rep. Craig Johnson	X				
Rep. Daniel Johnston	A				
Rep. Karen Karls	X				
Rep. Ben Koppelman	A				
Rep. Vernon Laning	X				
Rep. Scott Louser	X				
Rep. Karen Rohr	X				
Rep. Austen Schauer	X				
Rep. Steve Vetter	X				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Rep. Schauer

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2081: Government and Veterans Affairs Committee (Rep. Kasper, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2081 was rereferred to the **Appropriations Committee**.

2019 HOUSE APPROPRIATIONS

SB 2081

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2081
3/19/2019
33977

- Subcommittee
 Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 15-03-16 of the North Dakota Century Code, relating to a continuing appropriation for investments controlled by the board of university and school lands.

Minutes:

Chairman Delzer: Called the meeting to order for SB 2081, Representative Kasper is here to present the bill. This is the bill for continuing appropriation for investments controlled by the board of university and school lands.

Representative Kasper: This is a bill that I think makes a lot of sense, currently the administrative costs for the universities lands comes out of the appropriation of the general fund and this bill suggests that you remove that appropriation to zero and they will take the money out of the assets of the trust. The money is still paid just not out of the general fund.

Chairman Delzer: Did you take any money out of the administrations? They would take is out before they distributed those funds.

Representative Kasper: Yes it'll come out of the earnings of the assets of the trust.

Chairman Delzer: I think this allows them to use some of the money for building repairs as well. This would have been nice to have when we had the budget in front of us.

Representative Kempenich: They did indicate that they needed to do some building repairs.

Chairman Delzer: Did we appropriate money for maintenance as well? I just want to make sure this bill lines up with our appropriations in the budget.

Representative J. Nelson: Are they now subject to allotments and would this change that? If they are using the revue?

Brady Larson, Legislative Council: Department of trust lands is a special funds agency so it would not be subject to any general fund allotments.

Chairman Delzer: It really doesn't change a lot except to put some new language in there. I don't know about the payment in lieu of taxes for building and ground, is that something that's new?

Mr. Larson, Legislative Council: I don't think so but I would have to double check on that.

Representative Kempenich: We're going to get a lot more detailed with that budget during conference committee. This was never general fund money.

Chairman Delzer: If we read the fiscal note it says approval for continuing authority for all the building repairs costs will allow the costs to be paid from the trust funds and will remove 139 thousand from the 91/21 biennium operating budget. Further questions from the committee? Seeing none we will close this hearing.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2081
3/19/2019
33989

- Subcommittee
 Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

Minutes:

Chairman Delzer: Called the meeting to order for SB 2081, this is the bill that does a continuing appropriation for investments controlled by the board of university and school loans. Did you guys think you needed to hold this until you have a chance to look at things?

Representative Kempenich: It doesn't really matter if this in in here or not. We are going to get into this in conference committee.

Chairman Delzer: this dose allows for approval of build repairs. We need to double check on the 139 thousand.

Representative Kempenich: I don't know the dollar amount but I do know that there were some building repairs that were brought up during the budget.

Chairman Delzer: Further discussion?

Representative J. Nelson: I'll make a **Do Pass**

Representative Beadle: Second

Chairman Delzer: Further discussion on the motion?

Representative Kempenich: Representative Kasper brought up that he thought this replaced general funds, there is no general fund in this budget.

Chairman Delzer: This is an example of why a continuing appropriation can get hard for us to follow and we have a limited amount of time.

Representative Monson: Government Ops, you had the land budget the first half, was this bill even needed if you took care of it in conference committee.

House Appropriations Committee

SB 2081

March 19th 2019

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Chairman Delzer: This does change the language of what the continuing appropriation can do. Levi, did they remove the 139 thousand and did we carry that forward.

Levi Kinnischtzke, Legislative Council: I would take a look.

Chairman Delzer: Further discussion on the motion? Seeing none we'll call the vote.

A Roll Call vote was taken. Yea: 19 Nay: 0 Absent: 2

Motion Carries, Representative Schauer will carry the bill.

Date: 3/19/2019
 Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2081**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Representative J. Nelson Seconded By Representative Beadle

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	X				
Representative Anderson	X		Representative Schobinger	X	
Representative Beadle	X		Representative Vigesaa	X	
Representative Bellew	X				
Representative Brandenburg	A				
Representative Howe	X		Representative Boe	X	
Representative Kreidt	X		Representative Holman	X	
Representative Martinson	X		Representative Mock	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	A				

Total (Yes) 19 No 0

Absent 2

Floor Assignment Representative Schauer

Motion Carries

REPORT OF STANDING COMMITTEE

SB 2081: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO PASS** (19 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2081 was placed on the Fourteenth order on the calendar.

2019 TESTIMONY

SB 2081

SB 2081
1-18-19

AH #1

P81

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Jodi A. Smith, Commissioner

TESTIMONY OF JODI SMITH
Commissioner of University and School Lands
North Dakota Department of Trust Lands

Senate Bill 2081

Senate Government and Veterans Affairs Committee
January 18, 2019

Chairman Davison and members of the Senate Government and Veterans Affairs Committee, I am Jodi Smith, the Commissioner and Secretary for the Board of University and School Lands (Board). I am here to testify on Senate Bill 2081.

The Department of Trust Lands (Department) is the administrative arm of the Board, serving under the direction and authority of the Board. The Board is comprised of the Governor, Secretary of State, Attorney General, State Treasurer, and Superintendent of Public Instruction. The Department's primary responsibility is managing the Common Schools Trust Fund and 13 other permanent educational trust funds. The beneficiaries of the trust funds include local school districts, various colleges and universities, and other institutions in North Dakota. The Department manages four additional funds: the Strategic Investment and Improvements Fund, the Coal Development Trust Fund, the Capitol Building Fund, and the Indian Cultural Education Trust.

The Department also administers the responsibilities outlined in the Uniform Unclaimed Property Act, N.D.C.C. ch. 47-30.1. In this role the Department collects "unclaimed property" (uncashed checks, unused bank accounts, etc.), and processes owners' claims. This property is held in permanent trust for owners to claim, with the revenue from the investment of the property benefiting the Common Schools Trust Fund.

Additionally, the Department operates the Energy Infrastructure and Impact Office (EIIO), which provides financial support to political subdivisions that are affected by energy development. Assistance is provided through both the oil and gas impact grant program and the coal impact loan program. The EIIO also distributes energy and flood grants carried over from prior biennia.

Per N.D.C.C. § 15-03-16, the continuing appropriation for investments, there is appropriated annually the amounts necessary to pay costs related to investments controlled by the Board, including investment management fees, trustee fees, consulting fees, custodial fees, and the cost of capitalized building repairs and renovations as approved by the Board. Each payment must be made from the trust fund for which the investment is made.

The Department is seeking an expansion of this authority to include fees associated with the investments of the Board, such as due diligence as it pertains to investment managers and costs associated with

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building maintenance. The Department currently conducts investment manager due diligence trips in conjunction with educational opportunities, a budgeted item. Doing this requires that due diligence is conducted as beneficial educational opportunities arise, which may or may not correspond with the desired frequency of due diligence trips.

As the amount of trust assets have grown and the number of investment managers hired to invest those assets has increased, the Department's due diligence responsibilities have increased. Amending 15-03-16 to allow due diligence to be paid through continuing appropriations, as other expenses that are incurred to protect trust assets, will allow the Department to perform due diligence as necessary. The requested revisions align the Department's continuing authority with other agencies within the State.

Additionally, the amended language will allow the Department greater authority for asset improvement and maintenance costs. The building in which the Department operates is an asset of the Common Schools Trust Fund. There are operational expenses associated with ongoing maintenance and asset improvement that are currently paid through the Department's appropriations budget. As noted in the fiscal note for Senate Bill 2081, allowing the requested continuing appropriations would result in a \$139,005 reduction to the Department's budget and would provide for distributions to be made from the Common Schools Trust Fund.

I look forward to working with the committee on these issues and would be happy to answer any questions.

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3-7-19

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Jodi A. Smith, Commissioner

**TESTIMONY OF JODI SMITH
Commissioner of University and School Lands
North Dakota Department of Trust Lands**

Senate Bill 2081

House Government and Veterans Affairs Committee
March 7, 2019

Chairman Kasper and members of the House Government and Veterans Affairs Committee, I am Jodi Smith, the Commissioner and Secretary for the Board of University and School Lands (Board). I am here to testify on Senate Bill 2081.

The Department of Trust Lands (Department) is the administrative arm of the Board, serving under the direction and authority of the Board. The Board is comprised of the Governor, Secretary of State, Attorney General, State Treasurer, and Superintendent of Public Instruction. The Department's primary responsibility is managing the Common Schools Trust Fund and 13 other permanent educational trust funds. The beneficiaries of the trust funds include local school districts, various colleges and universities, and other institutions in North Dakota. The Department manages four additional funds: the Strategic Investment and Improvements Fund, the Coal Development Trust Fund, the Capitol Building Fund, and the Indian Cultural Education Trust.

The Department also administers the responsibilities outlined in the Uniform Unclaimed Property Act, N.D.C.C. ch. 47-30.1. In this role the Department collects "unclaimed property" (uncashed checks, unused bank accounts, etc.), and processes owners' claims. This property is held in permanent trust for owners to claim, with the revenue from the investment of the property benefiting the Common Schools Trust Fund.

Additionally, the Department operates the Energy Infrastructure and Impact Office (EIIO), which provides financial support to political subdivisions that are affected by energy development. Assistance is provided through both the oil and gas impact grant program and the coal impact loan program. The EIIO also distributes energy and flood grants carried over from prior biennia.

Per N.D.C.C. § 15-03-16, the continuing appropriation for investments, there is appropriated annually the amounts necessary to pay costs related to investments controlled by the Board, including investment management fees, trustee fees, consulting fees, custodial fees, and the cost of capitalized building repairs and renovations as approved by the Board. Each payment must be made from the trust fund for which the investment is made.

The Department is seeking an expansion of this authority to include fees associated with the investments of the Board, such as due diligence as it pertains to investment managers and costs associated with

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3-7-19

building maintenance. The Department currently conducts investment manager due diligence trips in conjunction with educational opportunities, a budgeted item. Doing this requires that due diligence is conducted as beneficial educational opportunities arise, which may or may not correspond with the desired frequency of due diligence trips.

As the amount of trust assets have grown and the number of investment managers hired to invest those assets has increased, the Department's due diligence responsibilities have increased. Amending 15-03-16 to allow due diligence to be paid through continuing appropriations, as other expenses that are incurred to protect trust assets, will allow the Department to perform due diligence as necessary. The requested revisions align the Department's continuing authority with other agencies within the State.

Additionally, the amended language will allow the Department greater authority for asset improvement and maintenance costs. The building in which the Department operates is an asset of the Common Schools Trust Fund. There are operational expenses associated with ongoing maintenance and asset improvement that are currently paid through the Department's appropriations budget. As noted in the fiscal note for Senate Bill 2081, allowing the requested continuing appropriations would result in a \$139,005 reduction to the Department's budget and would provide for distributions to be made from the Common Schools Trust Fund.

I look forward to working with the committee on these issues and would be happy to answer any questions.