

**NORTH DAKOTA STATE INVESTMENT BOARD  
EXECUTIVE REVIEW AND COMPENSATION COMMITTEE  
MINUTES OF THE JANUARY 14, 2026, MEETING**

**MEMBERS PRESENT:** Dr. Rob Lech, TFFR, Chair  
Gerald Buck, PERS Board, Vice Chair  
Sen. Jerry Klein, LBSFAB

**STAFF PRESENT:** Chase Kauffeld, CRO  
Missy Kopp, Executive Admin.  
Sarah Mudder, Communications/Outreach Dir.  
Adam Otteson, CFOO  
Sara Seiler, Supervisor of Internal Audit  
Jodi Smith, Executive Director

**OTHERS:** Kirsten Tuntland, AAG

**CALL TO ORDER:**

Dr. Lech called the State Investment Board (SIB) Executive Review and Compensation Committee (ERCC) meeting to order at 10:01 a.m. on Wednesday, January 14, 2026. The meeting was held virtually.

**ACCEPTANCE OF AGENDA:**

**IT WAS MOVED BY SEN. KLEIN AND SECONDED BY MR. BUCK AND CARRIED BY A VOICE VOTE TO ACCEPT THE JANUARY 14, 2026, AGENDA AS DISTRIBUTED.**

**AYES: MR. BUCK, SEN. KLEIN, AND DR. LECH  
NAYS: NONE  
MOTION CARRIED**

**ACCEPTANCE OF MINUTES:**

**IT WAS MOVED BY SEN. KLEIN AND SECONDED BY MR. BUCK AND CARRIED BY A VOICE VOTE TO ACCEPT THE NOVEMBER 5, 2025, MINUTES AS DISTRIBUTED.**

**AYES: SEN. KLEIN, MR. BUCK, AND DR. LECH  
NAYS: NONE  
MOTION CARRIED**

**SIB SELF-ASSESSMENT SURVEY DISCUSSION:**

The Committee discussed whether to conduct the annual State Investment Board self-assessment in light of the recent comprehensive external governance review and board survey conducted in September. The State Investment Board self-assessment has traditionally been completed annually but is only required periodically under the ERCC charter. Committee members agreed that conducting a separate State Investment Board self-assessment this year would be redundant.

**IT WAS MOVED BY MR. BUCK AND SECONDED BY SEN. KLEIN AND CARRIED BY A ROLL CALL VOTE TO NOT COMPLETE A BOARD SELF-ASSESSMENT THIS YEAR.**

**AYES: MR. BUCK, SEN. KLEIN, AND DR. LECH  
NAYS: NONE  
MOTION CARRIED**

## **ERCC DRAFT COMMITTEE CHARTER REVIEW:**

The committee discussed the draft ERCC charter as part of the broader governance manual review process. A draft of the revised governance manual has been prepared and will be presented to the full board in March. Proposed charter updates focus on clarifying committee purpose, responsibilities, and processes, and creating greater consistency in committee appointments. Under the proposed structure, the Board will elect committee members, and the Board Chair will appoint each committee's chair and vice chair.

Key recommended changes include shifting responsibility for the Board self-assessment to the Governance and Policy Review (GPRC) Committee, with formal governance reviews to occur every three to five years rather than annually. The ERCC would continue conducting the Executive Director's performance evaluation.

Additional responsibilities proposed for ERCC include formal oversight of succession planning and agency-wide compensation benchmarking. Members were encouraged to review the draft charter and provide feedback within the next two to three weeks for incorporation into the next draft.

## **INCENTIVE COMPENSATION:**

The committee received an update on the incentive compensation program in advance of further discussion at the upcoming board meeting. Staff noted recent media coverage and reaffirmed that the program was developed under legislative authority granted in 2023, with guidance from Mercer and benchmarking support from Verus. The structure, eligibility, and performance benchmarks were presented publicly and embedded in prior testimony, and no changes have been made to the program's original intent.

Members reiterated that the program was designed as a recruitment and retention tool and that payouts were tied to exceeding performance benchmarks. Staff reported that the agency outperformed its benchmark by approximately \$191 million (over \$200 million across all funds), while total incentive payouts equaled approximately \$1.2 million. It was also noted that bringing investments in-house has generated significant fee savings and improved overall performance relative to peer systems.

Discussion emphasized the importance of transparency, the competitive compensation landscape, and the broader governance process.

## **OTHER:**

With no further business to come before the ERCC, Dr. Lech adjourned the meeting at 10:41 a.m.

Submitted by:

Missy Kopp, Assistant to the Board