NORTH Dakota | Teachers' Fund For Retirement
Be Legendary. RETIREMENT & INVESTMENT

TFFR BOARD GOVERNANCE & POLICY REVIEW (GPR) COMMITTEE MEETING

Tuesday, July 14, 2026, 3:30 p.m.
Virtual Only
Click here to join the meeting

AGENDA

I. **CALL TO ORDER AND ACCEPTANCE OF AGENDA** ***(Committee Action)***

II. **ACCEPTANCE OF MINUTES** ***(Committee Action)***

III. **REVIEW TFFR GOVERNANCE MANUAL REWRITE UPDATE** ***(Committee Action)*** **– MS. SMITH (45 MIN)**

A. **GOVERNANCE DELEGATION**

B. **GOVERANCE DISCOVERY**

C. **SERVICE LEVEL AGREEMENT**

IV. **ADJOURNMENT**

NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT GOVERNANCE & POLICY REVIEW COMMITTEE MINUTES OF THE JUNE 2, 2026, MEETING (VIRTUAL)

MEMBERS PRESENT

Cody Mickelson, Chair
Mike Burton, TFFR Board
Rob Lech, TFFR Board

STAFF PRESENT

Jodi Smith, Exec. Director
Chase Kauffeld, Chief Retirement Officer
Sarah Mudder, Communications & Outreach Director
Adam Otteson, Chief Financial & Operating Officer
Sara Seiler, Supervisor of Internal Audit
Rachelle Smith, Retirement Prog. Admin. Assistant

GUESTS

Rick Funston, Funston Advisory
Evan Norton, Funston Advisory

CALL TO ORDER

Mr. Cody Mickelson, Chair of the Teachers' Fund for Retirement (TFFR) Governance & Policy Review (GPR) Committee, called the meeting to order at 3:30 p.m. on Monday, June 2, 2026. The meeting was held virtually.

AGENDA

The Committee considered the agenda for the June 2, 2026, meeting.

IT WAS MOVED BY MR. BURTON AND SECONDED BY DR. LECH AND CARRIED BY VOICE VOTE TO ACCEPT THE AGENDA FOR THE JUNE 2, 2026, MEETING.

AYES: DR. LECH, MR. BURTON, MR. MICKELSON
NAYS: NONE
MOTION CARRIED

MINUTES

The Committee considered the minutes for the April 13, 2026, meeting.

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. BURTON AND CARRIED BY VOICE VOTE TO ACCEPT THE APRIL 13, 2026, MINUTES AS PRESENTED WITH SUGGESTED CHANGES.

AYES: DR. LECH, MR. BURTON, MR. MICKELSON
NAYS: NONE
MOTION CARRIED

TFFR GOVERANANCE MANUAL REWRITE REVIEW AND DISCUSSION

Ms. Smith reviewed the timeline of the Governance Manual rewrite, noting the goal of completing the project by the end of December, prior to the legislative session. She stated that this timeline would help avoid placing undue pressure on team members and allow significant time to prepare any recommended legislative changes.

Mr. Funston of Funston Advisory reviewed the Preliminary Discussion Document that was provided to the committee in advance of the meeting and summarized the preliminary findings. He identified five key themes and noted significant overlap between TFFR and the State Investment Board (SIB), highlighting ten policy clusters for further consideration within the areas of governance, investments, retirement, and administration. Mr. Funston also outlined the proposed work plan, subject to direction from TFFR GPR, and described the three potential paths forward (Track A, Track B, and Track C). He noted that the project would be in coordination with the SIB Policy Modernization project. Committee discussion followed.

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. BURTON AND CARRIED BY VOICE VOTE TO APPROVE THE MANUAL REWRITE PLAN.

AYES: DR. LECH, MR. BURTON, MR. MICKELSON
NAYS: NONE
MOTION CARRIED

ADJOURNMENT

With no further business to come before the Committee, Mr. Mickelson adjourned the meeting at 3:57 p.m.

Submitted by:

Rachelle Smith, Assistant to the Board

TFFR Governance Review

Delegation of Authority — Discovery Findings & Recommendations

Prepared for the TFFR Board of Trustees

Governance & Policy Review Committee

Funston Advisory Services LLC

Discovery Phase · July 2026

DISCOVERY AT A GLANCE

What we reviewed, and what we found

3	**~70**	**8**	**10**
Governing Statutes and Administrative Rules	Key decisions mapped to specific roles	TFFR manual vs. law conflicts	Delegation clarity gaps

The central finding

The TFFR Board owns the retirement program and sets its policy but does not administer it or employ the staff who do. RIO administers the program, is governed by the SIB, and the Executive Director is an SIB employee. The result: responsibility without direct line authority. Most delegation gaps flow from this theme.

GOVERNANCE ARCHITECTURE

Three bodies, one agency — and a structural theme

TFFR Board of Trustees

Fiduciary body. Sets fund policy, adopts rules, decides benefits, disability & appeals.

NDCC 15-39.1

→

State Investment Board

Invests the assets (prudent investor). Governing body of RIO; hires & evaluates the ED.

NDCC 21-10 · 54-52.5

→

Retirement & Investment Office

Administers the plan day-to-day. Staffs both programs. Builds the budget.

NDCC 54-52.5

TFFR ↔ SIB: *two trustees sit on the SIB; joint allocation approval.*

SIB → RIO: *the SIB governs RIO and employs the ED.*

THE THEME

The TFFR Board directs a program administered by an agency it does not govern, staffed by an ED it does not hire. Its statutory lever is to "inform the SIB … the levels of services, goals, and objectives expected to be provided through the RIO" (15-39.1-05.2(7)). Making that lever explicit and measurable is a key objective of the future state.

A layered framework — and the law prevails

STATUTE	NDCC ch. 15-39.1 (plan & Board authority), ch. 21-10 (SIB & investment), ch. 54-52.5 (RIO); plus the APA, open-meetings, ethics & IRC §401(a).
ADMINISTRATIVE RULES	NDAC Title 82 — adopted by the Board under 15-39.1-07 via the APA. Implements the statute: participation, contributions, benefits, disability.
BOARD POLICY	TFFR Program Manual / Governance Policy System — governance & program policies, IPS, funding & plan-management policy, operations.

Precedence: *where the manual and the law differ, the law prevails.*
Several manual provisions restate authority loosely or cite a repealed section — corrected in the future state.

Who holds what, authority flows downward

Powers flow downward from the Legislature; each body reserves some authority and delegates the rest.

Legislative Assembly / EBPC
- Creates plan; sets benefits & rates
- Appropriates RIO budget
- Approves statutory changes (EBPC)

Governor & external *→ a subset*
- Governor — appoints trustees
- State Auditor — external auditor
- AGO · ESPB · Actuary · members

TFFR Board of Trustees
- Sets policy & adopts rules
- Investment goals & allocation (recommended prudent expert)
- Actuarial & funding policy
- Benefits, disability & appeals
- Oversees & verifies service levels

State Investment Board
- Invests assets (prudent expert investor)
- Approves allocation (with TFFR)
- Governs RIO; hires/evaluates ED

RIO (ED / CRO / Staff)
- Day-to-day administration
- Benefit processing & payments
- Member & employer services
- Budget preparation

Where the ~70 key decisions are routed

Every key decision

RESERVED TO THE BOARD

- Policy & rulemaking
- Investment goals & allocation
- Actuarial & funding policy
- Oversee service levels; verify delivery
- Final disability decisions
- Equitable release; appeals
- Legislative positions
- QDRO qualification*

SIB / INVESTMENT

- Invest assets; hire managers
- Approve allocation (with TFFR)
- Govern RIO; employ the ED
- Approve incentive-comp for eligible staff with proportionate costs allocated to TFFR

DELEGATED TO RIO / STAFF

- Routine benefit determinations
- Service purchases & corrections
- Interim disability; recert.*
- Disbursement; member services

** Consider delegation with conditions (recertification and QDRO, requires AG/NDAC 82 changes).*

Eight conflicts between the manual and the law

2 HIGH

- Manual cites a repealed statute (15-39.1-05) for Board authority
- “Administration” language blurs the RIO / SIB split

3 MEDIUM

- Rules delegate error correction the statute gives the Board
- Term / composition wording mismatches statute
- Rule delegates disability recertification to the ED; statute says the Board

3 LOW

- Designee-voting rule not evident in statute
- Appeal citation to NDAC 82-10 needs update
- $148 per-diem proration could be in conflict with statute

Where authority is unclear, silent, or overlapping

1 TFFR → RIO accountability line

Delegates administration to an ED the SIB employs; how the TFFR Board directs and evaluates that role is undefined.

2 No documented delegation instrument

Delegations to “the fund”/ED are scattered across rules and the manual: no limits, reporting, or reserved powers.

3 “The fund” vs a named officer

Rules assign decisions to “the fund” without naming who acts or the Board’s residual oversight.

4 Investment policy vs implementation

The authority delegated to the SIB is broad; the TFFR-powers reserved are not clear.

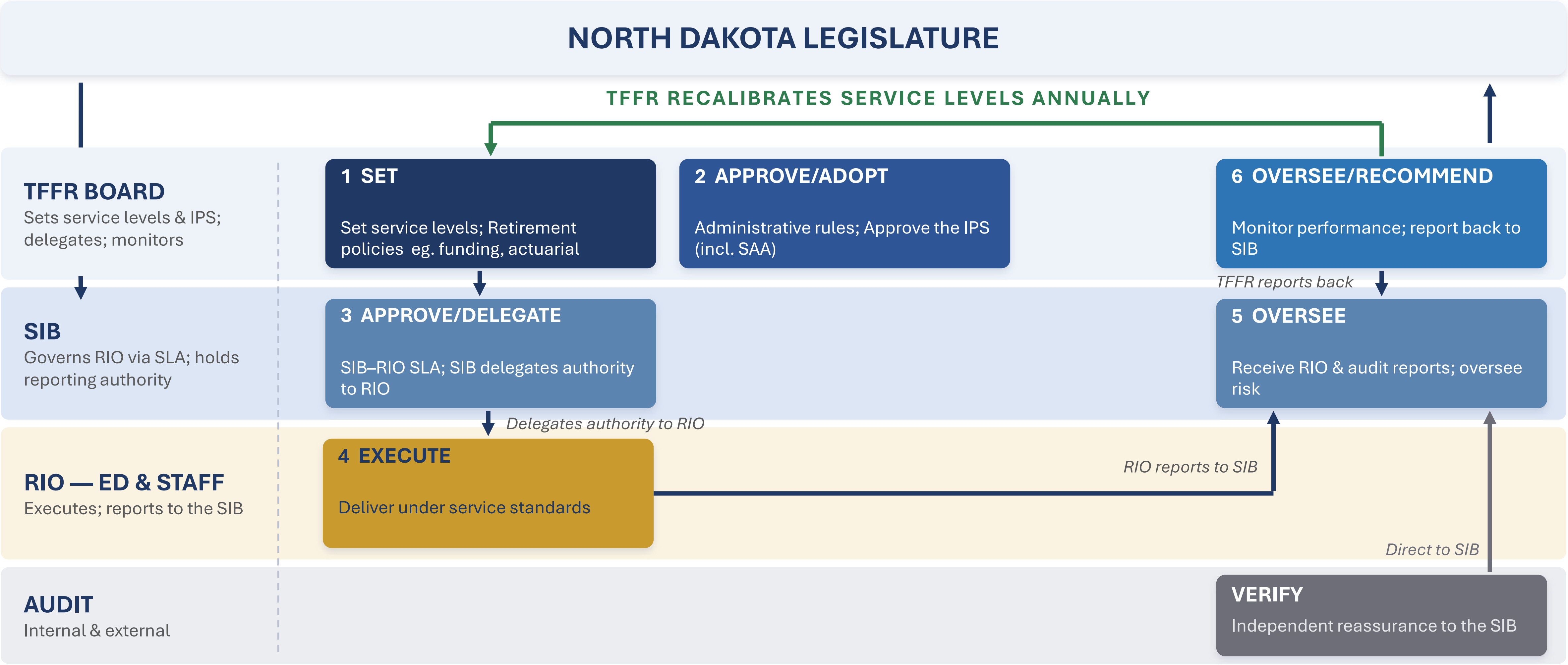
5 Policy vs rule boundary

Some member-affecting matters sit in rule, others in policy, and uneven due-process.

From implicit and scattered to explicit and accountable

CURRENT STATE		FUTURE STATE
Delegations implicit & scattered	→	One Delegation Register with limits
Manual cites a repealed statute	→	Citations corrected; rules conformed
No accountability line to RIO / ED	→	Accountability SLA with service standards
Service informal; no benchmarking	→	Measured service; quarterly scorecard
Board influence over the ED undefined	→	Formal Board input to ED evaluation
No defined oversight of service delivery	→	Board oversees and verifies delivery via the SLA (scorecard + audit)

A closed accountability loop, the SIB at the center



Grounded in statute: NDCC 15-39.1-05.2(6)–(7) already requires the TFFR Board to set service levels and inform the SIB. The model operationalizes that duty; it does not alter authority.

A connected governance policy system

DRAFTED

Discovery & Delegation Analysis

Statute–policy map, master matrix, conflicts & gaps

→

DRAFTED

Proposed Delegation of Authority Register

Every delegation with limits, reporting & requirements

→

DRAFTED

Proposed Accountability SLA

Service standards, scorecard & ED-evaluation input

→

IN PROCESS

Greenfield Policies

Litigation Governance, Succession Planning, Board–Staff Interaction, Service Provider Selection, & Code of Conduct

Together these become the TFFR Governance Policy System (GPS):
a hierarchy from charter to delegated-authority register to operating procedures.

THE PATH FORWARD

A connected governance policy system

NEXT

One rule action (disability recert) & one Board-process decision (QDRO)

Conform the disability recert. Rule; Request QDRO ADAC change to permit delegation

→

NEXT

Re-write Manual (GPS)

Clear delegation; defined service levels and oversight/verification

→

NEXT

Reading #1

Board and staff feedback

→

NEXT

Reading #2

Board and staff feedback; navigable policy system

Together these become the TFFR Governance Policy System (GPS):
A hierarchy from charter to delegated-authority register to operating procedures.

RECOMMENDATIONS

Eight actions for the TFFR Board

1. Adopt a formal Delegation of Authority Register as a GPS component.
2. Define the TFFR–SIB–RIO accountability service-level agreement (SLA).
3. Correct the statutory citations in the manual (replace the repealed 15-39.1-05).
4. Reconcile the disability-recertification and error-correction rules with statute.
5. Draw the investment policy-vs-implementation line explicitly in the IPS.
6. Add an adjacent-agency authority map and a policy-vs-rule test to the GPS.
7. Request authority in NDAC to delegate QDRO approvals based on rules-based process.
8. Review and approve the re-written GPS.

Six actions for the Legislature

Statutory changes to advance through the EBPC under NDCC 15-39.1-05.2(5). The Board sets positions; the Attorney General's Office drafts.

1. Enact an express Board delegation-of-authority provision in ch. 15-39.1 — statutory footing for the Delegation Register.

2. Codify the Board's role in RIO service levels and the ED's evaluation — address the accountability theme (05.2(7); 54-52.5-02).

3. Conform the disability statute (15-39.1-18) — reserve grants, denials & terminations to the Board; permit ED recertification.

4. Authorize delegation of ministerial error corrections (15-39.1-31/-32); reserve compromise & equitable release to the Board.

5. Repeal obsolete references; fix the anomalous retired-member "elected … initial term" language (15-39.1-05.1(2)).

6. Confirm the QDRO framework (15-39.1-12.2) supports a delegated, rules-based qualification process.

The Board proposes; the Legislature enacts.
These items change authority only by statute and do not overlap the Board-action recommendations.

DECISIONS REQUESTED OF THE BOARD

Where we go from here

- Direct the GPRC to make recommendations regarding:
    - the Delegation Register and Cadence,
    - the Accountability SLA adoption,
    - the manual citation corrections and greenfield policies
- One rule action (disability recertification) and one Board-process decision (QDRO).
- Begin discussions with the SIB on the service-level agreement (SLA).

All recommendations are subject to Attorney General review and alter no statutory authority.

North Dakota Teachers' Fund for Retirement

Governance Review — Discovery Report

Statutory & Policy Delegation-of-Authority Analysis and Master Delegation Matrix

Funston Advisory Services LLC

July 7, 2026

Contents

1. Executive Summary

This report documents the discovery phase of the governance review of the North Dakota Teachers' Fund for Retirement (TFFR). It describes TFFR's governing statutes and administrative rules and the current TFFR Board Program Manual;

1. maps how those instruments intersect;
2. identifies where the manual appears to conflict with or misstates governing law;
3. catalogs the key decisions in the TFFR governance system; and
4. presents a Master Delegation Matrix tracing each power from its statutory source through the parties that hold and exercise it.

It closes with the areas where statute and policy lack clarity on who holds authority — the questions the Governance Policy System (GPS) rewrite must resolve.

Central finding. The Board's reserved role is not only to set policy but to oversee and verify service delivery. The manual states the oversight duty repeatedly §E.2 makes the Board "responsible for oversight" and assigns monitoring across some fourteen responsibilities, but it defines no performance standards to oversee against, and even its own directive to "determine appropriate levels of service" (§E.2(n); 15-39.1-05.2(6)) is unfulfilled. The remedy is not to restate the duty but to give it an operable standard: the governance manual establishes the oversight-and-verification framework, and a Board-adopted Service Level Agreement (jointly with the SIB) supplies the measures the Board oversees and the audit function verifies.

Why this gap exists and why the fix must be shared rather than unilateral is structural. TFFR is governed through a three-body structure that is unusual and easily misread.

1. The **TFFR Board of Trustees** sets policy for the plan and decides benefits;
2. the **State Investment Board (SIB)** invests the assets and is the governing body of the shared agency; and
3. the **Retirement and Investment Office (RIO)** staffs both programs.

By statute the TFFR Board and SIB "shall maintain their legal identities and authority" (NDCC 54-52.5-02). The practical consequence which recurs throughout the findings is that the TFFR Board directs a program administered by an agency it does not control and staffed by an Executive Director it does not hire. Much of the delegation ambiguity in the current manual flows from this split.

What the discovery surfaced

1. **Intersections:** Six statutory chapters and one administrative title interlock to govern TFFR. The current manual is largely faithful to them but restates authority loosely in several places.
2. **Conflicts / inconsistencies:** Eight items, ranging from a citation to a repealed statute (the manual's primary board-authority citation, NDCC 15-39.1-05, was repealed in 1997) to administrative rules that delegate to the Executive Director disability and error-correction decisions the statute assigns to "the board."
3. **Key decisions:** Roughly 70 recurring key decisions were identified across nine domains and mapped to a role and an authority.

4. **Delegation gaps:** Ten areas where the role is unnamed, where “the fund” is used in place of a named officer or the board or where the accountability line from the TFFR Board to SIB-employed staff is undefined.

Scope note. Primary sources reviewed in full: NDCC ch. 15-39.1; NDCC ch. 21-10; NDCC ch. 54-52.5; NDAC Title 82 (art. 82-01 through 82-09); and the TFFR Board Program Manual (Board Governance Policies approved Sept. 26, 2024, plus the Program Policies). Cross-referenced framework reviewed as cited: NDCC ch. 28-32 (Administrative Agencies Practice Act), NDCC ch. 44-04 (open meetings/records), NDCC 44-08-04 & 54-06-09 (compensation/travel), NDAC 115-04-01 (Ethics Commission), and IRC §401(a)/§415. RIO's own agency rules (NDAC Title 103) and the RIO Handbook are referenced but were not the object of this review.

2. Governance Architecture — Three Bodies, One Agency

Understanding delegation at TFFR requires separating three legal entities that the manual sometimes treats as one enterprise.

Entity	Role, authority, and source
TFFR Board of Trustees (7 members)	A fiduciary board in which "the authority to set policy for the fund rests" (NDCC 15-39.1-05.1(1)). It has the powers of a corporation, sets investment policy under NDCC 21-10-02.1, arranges the actuary, decides benefits/eligibility/appeals, and adopts administrative rules under NDCC 15-39.1-07. Composition: 2 elected officials (Treasurer, Superintendent, ex officio) + 5 Governor-appointed (2 active teachers, 1 administrator, 2 retirees).
State Investment Board (SIB, 13 members)	Invests TFFR assets under the prudent investor rule (NDCC 21-10-02, -07; 15-39.1-26) and is the governing body of RIO (NDCC 54-52.5-02). Two TFFR trustees sit on the SIB. The SIB implements the asset allocation the TFFR Board sets, and jointly approves it (NDCC 21-10-02.1(2)).
Retirement & Investment Office (RIO)	Administrative agency "created to coordinate the activities of the state investment board and teachers' fund for retirement" (54-52.5-01), governed by the SIB (54-52.5-02). RIO staffs both programs, builds the budget, and administers the plan day-to-day. The Executive Director is hired by the SIB; the Chief Retirement Officer is hired by the ED (with TFFR participation).

NDCC 54-52.5-02 preserves the TFFR Board's and the SIB's separate "legal identities and authority." The TFFR Board delegates administration of the plan to the RIO Executive Director (Manual §I), but the ED is an SIB employee. The TFFR Board's formal lever over RIO is to "inform the state investment board ... [of] the levels of services, goals, and objectives expected" (NDCC 15-39.1-05.2(7)). This is the structural theme behind most of the delegation-clarity gaps in §7.

3. How the Statutes, Rules, and Manual Intersect

TFFR governance is derived from several policy instruments. The table below shows each instrument, what it controls, and where the Program Manual relies on it.

Instrument	What it governs	Where the Manual relies on it
NDCC ch. 15-39.1	The TFFR plan itself: board creation, composition & authority; benefits, eligibility, vesting, disability, refunds, purchases; rulemaking power; confidentiality; audit; IRC compliance.	Entire Governance section (Board authority §D, responsibilities §E) and most Program Policies.
NDCC ch. 21-10	SIB creation & powers; the prudent investor rule; and the split of investment governance — the fund's governing body sets goals/objectives/asset allocation (21-10-02.1) while the SIB implements and invests.	Manual §G (State Investment Board) and Program Policy II.A (Investment Policy Statement §3).
NDCC ch. 54-52.5	Creation of RIO; SIB as RIO's governing body; cost allocation across funds; investment incentive-compensation program.	Manual §H (RIO) and §I (Delegation to Staff).
NDAC Title 82	TFFR's own administrative rules, adopted by the Board under NDCC 15-39.1-07 and NDCC 28-32: definitions, participation, contributions, benefits, disability, suspensions.	Program Policies (Operations, Business Partner) and the appeals pathway (§O).
NDCC ch. 28-32 (APA)	Rulemaking procedure and administrative appeals/judicial review.	Rulemaking (§E.2.c) and Board Appeals (§O).
NDCC ch. 44-04	Open meetings (NDCC 44-04-17.1, -19.2 executive session) and open records (NDCC 44-04-20).	Meetings §M, executive sessions §M.10–11, notices §M.4.
NDCC 44-08-04 & 54-06-09; 15-39.1-08	Trustee compensation ($148/day) and travel/mileage reimbursement.	Meeting payment & travel §M.13.
NDAC 115-04-01 (Ethics Commission)	Conflict-of-interest definition applied to trustees.	Code of Conduct §R.
IRC §401(a), §415, §401(a)(9)/(17)/(31)	Qualified-plan tax status and limits; rollover rules.	Legal framework §B.2; IRC compliance obligations throughout Operations.

Principal intersection points

5. **Investment.** 15-39.1-05.2(2) (board "shall establish investment policy … under 21-10-02.1") + 15-39.1-26 (assets invested "under the supervision of the state investment board") + 21-10-02.1 (governing body sets goals/objectives/allocation; both bodies approve allocation) + 21-10-07 (prudent investor). The IPS is adopted by the TFFR Board and "accepted"/approved by the SIB.
6. **Actuarial & funding.** 15-39.1-05.2(3) (the TFFR Board arranges the actuary and sets assumptions/tables) + the Actuarial Funding Policy and Plan Management Policy (board policies, not rules) + the conditional COLA test in 15-39.1-10.11 reported to the EBPC.
7. **Rulemaking.** 15-39.1-07 (board "may adopt such rules") executed through NDCC 28-32 and embodied in NDAC Title 82; 15-39.1-35 lets the board make internal revenue code (IRC_-compliance plan modifications subject to EBPC approval.
8. **Appeals & confidentiality.** Member appeals run ED/staff → TFFR Board → APA (NDCC 28-32); NDAC 82-07-02 (formal hearing) and 82-09 (confidentiality) are repealed, so confidentiality now

rests on statute (NDCC 15-39.1-30) plus the closed-session disability rule (NDAC 82-07-01-03(4)(a)).

4. Master Delegation Matrix

The matrix traces powers from their statutory source through the party that holds them and the party that exercises them, organized by functional domain. It reads as a delegation chain: the Legislative Assembly is the ultimate source; it reserves some powers to itself, vests others in the TFFR Board or the SIB, and those bodies in turn delegate execution to RIO staff or rely on external parties. Rows shaded orange mark a delegation that is ambiguous or in tension with statute (detailed in §6–§7).

Entity key: LEG = ND Legislative Assembly · EBPC = Legislative Management Employee Benefits Programs Committee · GOV = Governor · TFFR = TFFR Board of Trustees · SIB = State Investment Board · ED = RIO Executive Director · CRO = Chief Retirement Officer · STAFF = RIO retirement staff / "the fund" office · ACT = Actuary · MED = Medical consultant · AGO = Attorney General's Office · AUD = State Auditor · ESPB = Education Standards & Practices Board · EMP = Participating employer · MBR = Member/beneficiary · ETH = Ethics Commission.

Key Powers / Decisions

4.1 Governance, Board Structure & Meetings

Power / Key Decision	Primary Authority	Delegation Source & Flow	Authority Citation	Notes / Discretion Limits & Boundaries
Create the plan; set benefit levels, contribution rates, tiers	LEG	Reserved by Legislature	NDCC 15-39.1 (esp. -09, -10, -11)	Benefits and statutory contribution rates are fixed by statute; the Board administers but cannot alter them. Rate step-downs to 7.75% are triggered by the 100%-funded actuarial test.
Set policy for the fund	TFFR	LEG → TFFR	15-39.1-05.1(1)	"The authority to set policy for the fund rests in a board of trustees." Core reserved power of the Board.
Appoint the 5 appointed trustees / fill vacancies	GOV	Reserved by Governor (from nominee lists)	15-39.1-05.1, -07; Manual §D.4	Governor appoints from 3-name lists submitted by NDU / NDCEL / NDRTA. Board only notifies the Governor and stakeholder group of vacancies.
Serve as ex officio trustees	Treasurer; Superintendent	Reserved by statute (office-based)	15-39.1-05.1(1)(d); Manual §D.5	Treasurer's lawful deputy may vote (per NDCC 44-03-01); Superintendent's designee may attend but per the Manual may not vote — a distinction not stated on the face of 15-39.1 (see §6).
Elect Board officers; select SIB reps, alternate & Audit Committee liaison; seat GPRC	TFFR	Reserved by Board	Manual §L; 15-39.1-06	Annual, at first meeting after July 1; four affirmative votes required. Treasurer may not be a TFFR rep to SIB.
Adopt / amend governance & program policies	TFFR	Reserved by Board	Manual §T	Two-reading process; legal review by AGO before adoption; emergency waiver of second reading permitted.
Set meeting schedule, agendas, quorum, voting	TFFR / President / ED	LEG (open-meeting frame) → TFFR	15-39.1-06; 44-04-17.1; Manual §M	≥6 meetings/yr; quorum = 4; four votes to act; ED prepares agenda, President approves.
Convene executive session	TFFR / President	LEG → TFFR	44-04-19.2; Manual §M.10–11	Only for statutorily permitted topics (e.g., confidential member data, attorney consultation, disability applications).
Set / interpret trustee compensation & travel	LEG sets; TFFR administers	LEG → TFFR	15-39.1-08; 44-08-04; 54-06-09; Manual §M.13	$148/day set by statute; the Manual's half-day proration for <2-hour meetings may be in conflict with statute(see §6).
Discipline a trustee (reprimand)	TFFR	Reserved by Board	Manual §R.5	Official reprimand only after opportunity to be heard; conflict standard via NDAC 115-04-01 (Ethics Commission).
Board & individual self-assessment	TFFR / President	Reserved by Board	Manual §U	President leads, assisted by ED and Supervisor of Audit Services.

4.2 Rulemaking, Legislative & IRC-Compliance Authority

Power / Key Decision	Primary Authority	Delegation Source & Flow	Authority	Notes / Discretion Limits & Boundaries
Adopt / amend administrative rules	TFFR	LEG → TFFR	15-39.1-07; 28-32; NDAC 82-01-01-01	Board is the named rulemaker; APA procedure applies. Execution (drafting, hearings) delegated to AGO + staff.
Draft proposed legislation & administrative rules	AGO	TFFR → AGO	Manual §K.3	AGO drafts; Board sets positions and adopts.
Set legislative priorities / positions; submit proposals	TFFR	Reserved by Board	Manual §E.2.b; 15-39.1-05.2(5)	Statute requires the Board to submit necessary/desirable statutory changes to the EBPC — a gate the Manual's 'legislative priorities' language does not map (see §7).
Approve IRC-compliance plan modifications	TFFR + EBPC	LEG → TFFR, subject to EBPC approval	15-39.1-35	Board may adopt conforming terminology to preserve qualified status, but only "subject to the approval of the employee benefits programs committee." Shared authority.
Receive actuarial-adequacy (COLA) test report; reduce/suspend conditional adjustment	TFFR reports; TFFR may act	LEG → TFFR / EBPC oversight	15-39.1-10.11	Board reports annual test to EBPC and may reduce/suspend the conditional benefit adjustment on defined shortfall triggers.

4.3 Investment of Assets

Power / Key Decision	Primary Authority	Delegation Source & Flow	Authority	Notes / Discretion Limits & Boundaries
Establish investment goals, objectives & asset-allocation policy	TFFR	LEG → TFFR (as fund governing body)	15-39.1-05.2(2); 21-10-02.1(1); IPS §3	The Board sets acceptable return/liquidity/risk and long-range allocation targets. This is a reserved TFFR policy power.
Approve the asset allocation (and changes)	TFFR + SIB	Joint approval	21-10-02.1(2)	Allocation "must be approved by the governing body of that fund and the state investment board." Dual-key decision.
Adopt the Investment Policy Statement	TFFR adopts; SIB accepts	TFFR → SIB	IPS signature block; Manual §G	IPS adopted by TFFR Board and accepted/approved by SIB.
Invest assets; implement policy; prudent investor	SIB	LEG → SIB	15-39.1-26; 21-10-02, -07	Assets invested "under the supervision of the state investment board." Implementation authority reserved to SIB.
Residual investment-management authority not assigned in ch. 21-10	SIB	TFFR → SIB (delegated)	IPS §3	IPS delegates to the SIB all management responsibility not assigned to it in ch. 21-10 — a broad grant; the policy/implementation line is not sharply drawn (see §7).
Hire/terminate money managers; security selection; benchmarks; performance measurement	SIB	LEG → SIB	21-10-02(3); IPS §3	SIB establishes criteria and decides manager retention; role over managers is supervisory, not advisory.
Set quality, diversification & restriction guidelines; custodian; pooling; rebalancing	SIB	LEG → SIB	21-10-02(2)(4); IPS §6–8	SIB master custodian holds assets; rebalancing per SIB policy; social/ETI investing barred unless Exclusive-Benefit Rule met (also 21-10-08.1).
Appoint investment director / advisory service; sign investment contracts	SIB / Investment Director	LEG → SIB → Investment Director	21-10-02(3); 21-10-05	Investment director signs/executes investment contracts under a continuing appropriation.
Use RIO staff & consultants to develop allocation/investment policy	TFFR (must use RIO)	LEG mandate	21-10-02.1(2)	The fund governing body "shall use the staff and consultants of the retirement and investment office." TFFR has contracted with SIB's consultant for asset-liability studies.

4.4 Actuarial & Funding

Power / Key Decision	Primary Authority	Delegation Source & Flow	Authority	Notes / Discretion Limits & Boundaries
Retain the consulting actuary; RFP cycle	TFFR	Reserved by Board	15-39.1-05.2(3); Manual §K.1	RFP every 6–10 yrs (Board discretion); may extend in 2-yr terms.
Retain independent actuarial auditor	TFFR	Reserved by Board	Manual §K.1	Separate RFP; periodic audit of the consulting actuary.
Adopt actuarial assumptions, methods, tables & factors	TFFR	LEG → TFFR	15-39.1-05.2(3); NDAC 82-05-04	Assumed return, mortality/salary tables and 415/service-purchase factors are fixed in rule (82-05-04) — i.e., adopted via Board rulemaking. Current assumed rate is 7.15%, and is inconsistent with manual.
Adopt & modify the Actuarial Funding Policy	TFFR	Reserved by Board	Actuarial Funding Policy Stmt; 15-39.1-05.2(3)	Entry Age Normal; 5-yr asset smoothing; closed 30-yr amortization from 2013, with Board discretion from the 7/1/2024 valuation to shorten (≤20 yrs).
Adopt & update the Plan Management Policy (score)	TFFR	Reserved by Board	Plan Management Policy	Forward-looking risk score updated after each valuation; staff + actuary weigh outside factors.
Compute valuation, ADEC, experience study	ACT	TFFR → ACT	15-39.1-05.2(3); Manual §K.1	Actuary values liabilities, recommends contribution rates, does experience study every 5 yrs (or at Board direction).
Recommend rates & statutory changes	ACT → TFFR → EBPC	Advisory to Board	15-39.1-05.2(3)(5)	Actuary recommends; Board decides positions; statutory changes go to EBPC.

4.5 Benefits Administration & Member Determinations

Power / Key Decision	Primary Authority	Delegation Source & Flow	Authority	Notes / Discretion Limits & Boundaries
Determine eligible retirement salary; bonus / performance-pay eligibility	TFFR	Reserved by Board	NDAC 82-02-01, 82-04-02-01; 15-39.1-04(10)(h)	Expressly the Board's determination; staff apply the criteria day-to-day.
Approve service-purchase & repurchase; set cost basis	TFFR (factors) / STAFF (calc)	LEG → TFFR → staff	15-39.1-15, -24, -33; NDAC 82-03-01-04/05/09	Board adopts actuarial factors; "the fund" calculates the cost. Some cost-calc provisions name no actor (see §7).
Waive the 120-day refund waiting period	TFFR	LEG → TFFR	15-39.1-20; NDAC 82-03-01-01	Discretionary Board waiver on evidence teacher won't return to ND teaching.
Approve optional benefit form / partial lump sum; spousal-consent handling	MBR elects; STAFF administers	LEG → rules	15-39.1-16; NDAC 82-05-02	Member elects; absent spousal consent, defaults to 50% J&S.
Approve beneficiary change under J&S option (good-health proof)	TFFR	LEG → TFFR	NDAC 82-05-02-02	Board approves change and makes the actuarial adjustment; medical exam required.
Determine QDRO qualified status; administer distribution	TFFR	LEG → TFFR "under rules established by the board"	15-39.1-12.2	Statute requires Board rules for qualifying QDROs NDAC 82-08-01. Board-final-determination / RIO-administers. Review delegation via LEG change to NDAC 82.
Approve alternative proof of death	ED	TFFR → ED (by rule)	NDAC 82-05-03-02	ED approves documentation other than a death certificate.
Correct records / adjust to actuarial equivalent (over- & under-payments)	Statute: TFFR; Rule: STAFF/ED	LEG → TFFR → staff (by rule)	15-39.1-29, -31, -32; NDAC 82-05-03-03/05/06	Statute says "the board shall correct"; rules place write-offs with "the fund" and repayment terms/offset with the ED. Tension (see §6).
Approve repayment arrangements; offset future benefits; pursue estate recovery	ED / STAFF	TFFR → ED/staff (by rule)	NDAC 82-05-03-05	ED approves arrangements and orders offset; "the fund" may pursue estates.
Release a person from overpayment liability (equity); hear payment appeals	TFFR	Reserved by Board	NDAC 82-05-03-07	Board hears appeals of the ED's repayment decisions and may release on 'equity and good conscience' grounds.
Decide member appeals (eligibility, benefits, plan provisions)	ED/staff first; TFFR on review; then APA	LEG → TFFR → APA	Manual §O; NDAC 28-32; (Manual cites NDAC "82-10")	30-day window to request Board review; Board decision appealable via APA. The §O citation to NDAC 82-10 needs verification (see §6).
Determine 'teacher' status / employer-reporting compliance	STAFF (monitors);	LEG → rules → staff	15-39.1-04(12); NDAC 82; Manual Ops D.1	Staff monitor reporting; contested eligibility

Power / Key Decision	Primary Authority	Delegation Source & Flow	Authority	Notes / Discretion Limits & Boundaries
	TFFR (interprets)			interpretations rise to the Board / appeal.

4.6 Disability Determinations

Power / Key Decision	Primary Authority	Delegation Source & Flow	Authority	Notes / Discretion Limits & Boundaries
Determine disability eligibility (grant)	TFFR (final); ED (interim)	LEG → TFFR; rule adds interim ED	NDCC 15-39.1-18(1); NDAC 82-07-01-03	Statute: disability "as determined by the board." Rule lets the ED make an interim determination, ratified by the Board at its next meeting.
Review medical evidence; advise on diagnosis	MED	TFFR → MED (retained by fund)	NDAC 82-07-01-03(3)	Medical consultant evaluates and recommends; may order specialist exam or accept records.
Consider applications in closed session; extend 36-month filing window	TFFR	LEG → TFFR	NDAC 82-07-01-03(4); 44-04-19.2	Applications heard confidentially; Board may extend filing period case-by-case.
Make continued-eligibility recertification decisions	ED	TFFR → ED (by rule)	NDAC 82-07-01-03(5)	ED "must make the redetermination and recertification decision and bring the matter to the board only if warranted." Statute assigns continued-status ascertainment to the board (15-39.1-18(3)) — tension (see §6).
Suspend / cease disability benefits; set trial-return period	TFFR	LEG → TFFR	NDAC 82-07-04-01; 15-39.1-18(3)	Board presumes recovery on non-recertification or return to work and suspends, or allows up-to-6-month trial.
Appeal an adverse (re)certification	MBR → TFFR	Reserved by Board	NDAC 82-07-01-03(5)	Annuitant may appeal to the Board in the same manner as the initial determination.

4.7 Financial Management, Budget & Audit

Power / Key Decision	Primary Authority	Delegation Source & Flow	Authority	Notes / Discretion Limits & Boundaries
Appropriate RIO's biennial budget	LEG	Reserved by Legislature	54-52.5-03; Manual §H	RIO administers within legislative appropriation authority.
Develop the agency budget & legislative agenda	ED / RIO	SIB & TFFR input → ED	54-52.5; Manual §H, §J.2	ED directs budget preparation for the agency and both boards; TFFR and SIB provide input.
Monitor RIO budget, expenditures, financial reporting & IT	TFFR (its program)	Reserved oversight	Manual §E.2.o–p	Oversight, not control; RIO is SIB-governed.
Pay benefits, consultant fees & administrative/investment costs	TFFR (continuing approp.)	LEG → TFFR / SIB	15-39.1-05.2(4); 15-39.1-26; 21-10-06.2	Benefits and consultant fees appropriated from the fund; investment costs paid directly from the fund per 21-10-06.2.
Allocate RIO operating costs across funds	SIB (estimates)	LEG → SIB	54-52.5-03	Administrative expenses charged to the 21-10-06 funds "in proportion to services rendered as estimated by the SIB."
Select the external financial auditor	AUD	Reserved by State Auditor (SIB Audit Cmte input)	Manual §K.4	State Auditor selects; results reported to SIB Audit Committee, then to TFFR Board.
Provide audit oversight for TFFR	SIB Audit Committee	Shared-service body	Manual §N.3	The SIB Audit Committee also serves as TFFR's audit committee; TFFR seats one liaison. TFFR has no audit committee of its own.
Conduct the annual audit of the fund	TFFR (statutory duty)	LEG → TFFR	15-39.1-22	Board "shall conduct an annual audit of the fund," executed through RIO/State Auditor process.
Internal audit / compliance monitoring	STAFF (RIO internal audit)	SIB/RIO → staff	Manual Ops D.1.C	RIO internal auditors report compliance to the Board.

4.8 Personnel & Staffing

Power / Key Decision	Primary Authority	Delegation Source & Flow	Authority	Notes / Discretion Limits & Boundaries
Hire, set salary of, and oversee the Executive Director	SIB	LEG → SIB	54-52.5-02; Manual §J.2	ED serves "at the SIB's pleasure." The TFFR Board does not hire the ED.
Hire the Chief Retirement Officer	ED (TFFR participates)	SIB → ED; TFFR participates	Manual §I, §J.1	CRO hired by the ED; TFFR Board participates in the hire and in executive-review surveys.
Administer the TFFR program day-to-day	ED → CRO → STAFF	TFFR → ED (delegated)	Manual §I; NDAC 82	Board "delegates administration ... to the RIO Executive Director"; daily operations to the CRO, subject to ED approval.
Hire RIO staff	ED	SIB → ED	Manual §J.2	ED hires staff to carry out RIO responsibilities.
Approve the investment incentive-compensation program	SIB	LEG → SIB	54-52.5-04	Approved annually by the SIB; reported to Legislative Management.
Designate acting CRO in absence of ED and CRO	TFFR recommends → SIB	TFFR → SIB	Manual §J.1.n	TFFR may recommend an interim CRO to the SIB — recommendation only.

4.9 Adjacent Agencies & External Parties

Power / Key Decision	Primary Authority	Delegation Source & Flow	Authority	Notes / Discretion Limits & Boundaries
Legal counsel; represent Board; draft rules/legislation; IRC advice	AGO (+ outside tax counsel)	Statutory service provider	Manual §K.3	Assistant AG advises the Board; outside counsel on IRC plan-qualification issues.
Provide conflict-of-interest standards for trustees	ETH (Ethics Commission)	External standard-setter	NDAC 115-04-01; Manual §R	Trustee conflict definition incorporated by reference.
Determine critical-shortage areas/disciplines; license teachers; define signing bonus	ESPB	External determiner	15-39.1-19.2, -04(12), -04(10)(g)	Retiree return-to-work under §19.2 and 'teacher' status depend on ESPB determinations outside TFFR control.
Submit trustee nominee lists	NDU / NDCEL / NDRTA	External nominators	15-39.1-05.1(1); Manual §D.4	Each stakeholder group submits 3 nominees per applicable seat to the Governor.
Remit contributions; report salary/service; certify 414(h) pickup; employer service purchase	EMP (participating employers)	Duty imposed by statute/rule	15-39.1-09, -23, -33; NDAC 82-04	Employers remit by the 15th; face civil penalty + interest for late reports/payments (Board may waive, 15-39.1-23).
Elect optional forms, beneficiaries, refunds, purchases, PERS election	MBR (members/beneficiaries)	Rights conferred by statute	15-39.1-09(3), -16, -17, -20	Member elections are self-executing choices administered by staff.
Actuarial & medical consulting; external financial audit; investment consulting	ACT / MED / AUD / Investment consultant	Retained by TFFR or SIB	Manual §K	Actuary & medical consultant retained by TFFR; investment consultant/managers/custodian by SIB; external auditor selected by State Auditor.

4.10 Service-Level Governance: Set · Inform · Oversee · Verify

Power / Key Decision	Primary Authority	Delegation Source & Flow	Authority	Notes / Discretion Limits & Boundaries
Set appropriate levels of service to members	TFFR	Reserved by Board	15-39.1-05.2(6)	Set through the Accountability SLA's service expectations (SLA §4–5).
Inform the SIB of expected service levels, goals & objectives	TFFR → SIB	LEG → TFFR (communicated to SIB)	15-39.1-05.2(7)	The Board's formal lever over RIO; delivered as the annual Statement of Service Expectations (SLA §5).
Oversee RIO's delivery against the service levels	TFFR (oversight); RIO produces reports; SIB governs delivery	Reserved by Board; exercised via the SLA	15-39.1-05.2(6)–(7); duty of care (Manual §E.1); SLA §6	Result of the duty to set service levels + duty of care. Quarterly service scorecard; input to ED evaluation. Oversight, **not** control of SIB staff. Resolves §7 gap #1.
Verify accuracy of reported performance (independent reassurance)	TFFR via SIB Audit Committee liaison; internal & external audit	Reserved; audit reports on a direct line to the SIB	15-39.1-22; Manual §N.3; SLA §6, §9	Independent reassurance that the scorecard is reliable, not self-report. Ties to the Audit lane in the operating model.

5. Key-Decision Catalog

The recurring key decisions in the TFFR system, grouped by domain, with the party that decides. This is the decision inventory the GPS should assign explicitly and unambiguously.

Board Powers	Key decision	Decides	Advises / executes	Authority
Conduct	Hire the Executive Director	SIB	—	54-52.5-02
Conduct	Hire the Chief Retirement Officer	ED (TFFR participates)	—	Manual §I, §J
Conduct	Select external financial auditor	State Auditor	SIB Audit Committee input	Manual §K.4
Conduct	Elect officers; select SIB reps & Audit liaison; seat GPRC	TFFR Board	—	Manual §L
Conduct	Retain actuary, actuarial auditor, medical consultant	TFFR Board	ED/staff (RFP)	Manual §K
Set	Adopt/amend governance & program policies	TFFR Board	ED/staff, AGO, GPRC	Manual §T
Set	Adopt/amend administrative rules	TFFR Board	AGO, staff (APA process)	15-39.1-07; 28-32
Set	Set legislative positions & submit proposals to EBPC	TFFR Board	ED/CRO, AGO, actuary	15-39.1-05.2(5); Manual §E.2.b
Set	Adopt actuarial assumptions, methods, tables, factors	TFFR Board	Actuary	15-39.1-05.2(3); NDAC 82-05-04
Set	Adopt/modify funding policy & amortization choices	TFFR Board	Actuary	Actuarial Funding Policy; 15-39.1-05.2(3)
Set	Determine appropriate levels of service	TFFR Board	ED/CRO proposes	15-39.1-05.2(6); SLA §4–5
Set	Inform the SIB of expected service levels	TFFR Board	ED/CRO	15-39.1-05.2(7); SLA §5
Approve	Approve IRC-compliance plan modifications	TFFR Board + EBPC	Outside tax counsel	15-39.1-35
Approve	Establish investment goals/objectives & asset-allocation targets	TFFR Board	RIO staff & SIB consultant	21-10-02.1(1)
Approve	Approve asset allocation & changes	TFFR Board + SIB	RIO staff	21-10-02.1(2)
Approve	Adopt the Investment Policy Statement	TFFR Board (SIB accepts)	RIO/SIB staff	Manual §G; IPS
Approve	Hire/terminate managers; security selection; rebalancing; custodian	SIB	Investment director, consultant	21-10-02; IPS §3
Approve	Reduce/suspend the conditional benefit adjustment (COLA)	TFFR Board	Actuary; report to EBPC	15-39.1-10.11
Approve	Determine eligible salary / bonus / performance-pay	TFFR Board	Staff	NDAC 82-02-01, 82-04-02-01
Approve	Determine disability eligibility (grant)	TFFR Board (ED interim)	Medical consultant, ED	15-39.1-18; NDAC 82-07-01-03
Approve	Recertify / suspend disability benefits	ED (Board if warranted / on appeal)	Medical consultant	NDAC 82-07-01-03(5), 82-07-04-01
Approve	Determine QDRO qualified status	TFFR Board	Staff, AGO	15-39.1-12.2
Approve	Approve service purchases & set cost basis	TFFR Board (factors) / staff (calc)	Actuary	15-39.1-24, -33; NDAC 82-03
Approve	Waive 120-day refund waiting period	TFFR Board	Staff	15-39.1-20; NDAC 82-03-01-01
Approve	Decide member/employer appeals	TFFR Board (then APA)	ED/staff, AGO	Manual §O; 28-32

Board Powers	Key decision	Decides	Advises / executes	Authority
Approve	Waive employer penalty/ portion of interest	TFFR Board	Staff	15-39.1-23
Approve	Approve investment incentive-compensation program for eligible staff with cost allocation to TFFR	SIB	RIO	54-52.5-04
Approve	Develop RIO budget; appropriate it	ED develops; Legislature appropriates	SIB/TFFR input	54-52.5-03; Manual §H
Approve	Determine critical-shortage areas; license teachers	ESPB	—	15-39.1-19.2
Oversee	Oversee RIO delivery vs. service levels.	TFFR Board oversees: RIO produces scorecard	GPRC monitors	15-39.1-05.2(6)–(7); Manual §E.1; SLA §6
Oversee	Correct errors; write off / release overpayments	Statute: Board; Rule: ED/'fund' (release: Board)	Staff	15-39.1-31/32; NDAC 82-05-03-03/05/07
Oversee	Oversee policies for the administration	TFFR Board	GPRC monitors	Manual §2
Oversee	Oversee funding policy and progress	TFFR Board	GPRC monitors	Manual §2
Oversee	Oversee investment policies and asset allocation	TFFR Board	GPRC monitors	Manual §2
Oversee	Oversee the performance of consultants, advisors, and service providers for the plan	TFFR Board	RIO	Manual §2
Oversee	Oversee actuarial consultant(s)	TFFR Board	RIO	Manual §2
Oversee	Oversee medical consultant	TFFR Board	RIO	Manual §2
Oversee	Oversee investment consultant to perform asset allocation and liability studies	TFFR Board	RIO	Manual §2
Oversee	Oversee plan benefits, consulting fees, administrative and investment Expenditures	TFFR Board	RIO	Manual §2
Oversee	Oversee RIO budget, expenditures, financial reporting system, and financial audit	TFFR Board	RIO	Manual §2
Oversee	Oversee RIO information technology systems, projects, and security	TFFR Board	RIO	Manual §2
Verify	Verify reported performance (independent reassurance)	TFFR Board (via audit committee trustee)	Internal & external audit	15-39.1-22; SLA §6/§9

6. Statute–Policy Conflicts & Inconsistencies

Areas where the Program Manual (or an administrative rule) conflicts with, misstates, or sits in tension with governing statute. Severity is FAS's judgment for triage in the rewrite.

#	Issue	Detail & effect	Severity
1	Manual cites a repealed statute for Board authority	Manual §D.1 grounds Board authority in "NDCC § 15-39.1-05," which was repealed (S.L. 1997, ch. 170 §4). The operative sections are 15-39.1-05.1 (policy authority/composition) and 15-39.1-05.2 (powers). §E.2 cites -05.2 correctly. **The manual is internally inconsistent and partly relies on a repealed citation.**	High
2	'Administration' overclaim blurs the RIO/SIB split	Manual §D.1/§E.2 describes the Board as responsible for "oversight, policy making, and administration." Statute vests the Board with authority to "set policy" (15-39.1-05.1); administration is delegated to RIO, an agency governed by the SIB (54-52.5-02). **Calling the Board the administrator overstates its control over SIB-employed staff.**	High
3	Recertification decision delegated to the ED; statute assigns continued-status determination to the Board.	NDAC 82-07-01-03(5)(e) directs the Executive Director to "make the redetermination and recertification decision and bring the matter to the board only if warranted" (annuitant may appeal to the Board). NDCC 15-39.1-18(3) states "the board shall ascertain by periodic medical examinations the continued disability status." Initial determinations remain board-held — the ED's (4)(e) interim determination is subject to mandatory board final determination — but the recurring recertification decision rests with the ED, with Board involvement only by exception or on appeal. **Reconcile by an explicit Board delegation (with reporting) or by conforming the rule to the statute.**	Medium
4	Rules delegate error correction / write-offs the statute assigns to the Board	NDCC 15-39.1-31 & -32 both state "the board shall correct the error." NDAC 82-05-03-03 gives write-off authority to "the fund" and -05 gives repayment-terms and benefit-offset authority to the ED, with the Board involved only on appeal (-07). **Delegation is defensible for ministerial correction but should be an explicit, documented delegation rather than an implicit one.**	Medium
5	Board-composition/term drafting mismatches	Statute 15-39.1-05.1(2) says the retired-member seat is "elected to serve an initial term". This is anomalous language for a Governor-appointed seat and carries legacy initial-term lengths (4 yrs for the first §a appointee) the Manual (uniform 5-yr) does not reflect. **Cosmetic, but the Manual and statute should be reconciled.**	Medium
6	Manual appeal citation to NDAC confirm 82-10-01 numbering	Manual §O routes formal administrative action to "NDAC § 82-10 and NDCC § 28-32." **Update citation: chapter 82-10-01**	Low
7	Differential ex-officio designee voting not evident on the face of statute	Manual §D.5 lets the Treasurer's deputy vote but bars the Superintendent's designee from voting. NDCC 15-39.1-05.1(1)(d) lists both offices "or a designee" identically; the distinction rests on NDCC 44-03-01 (statutory deputy authority). **The legal basis appears reasonable but should be documented, since the statute does not draw the line itself.**	Low
8	Compensation proration is a policy gloss	Manual §M.13 pays half the $148 for meetings under two hours. NDCC 15-39.1-08 provides "$148 as compensation per day." **The proration is an administrative interpretation not found in statute.**	Low

7. Delegation-of-Authority Clarity Gaps

Areas where statute or policy is silent, ambiguous, or overlapping on who holds or exercises authority, these are the open questions for the GPS design.

Gap	Why it is unclear / what to resolve
TFFR → RIO accountability line	The Board "delegates administration to the RIO Executive Director" (Manual §I), but the ED is hired and controlled by the SIB (54-52.5-02). The Board's only statutory lever is to "inform" the SIB of expected service levels (15-39.1-05.2(7)). How the Board directs, evaluates, and holds accountable an SIB employee for TFFR performance is undefined. **Resolution: recognize 'oversee service levels / verify delivery' as an express reserved Board power (new §4.7), grounded in 15-39.1-05.2(6)–(7), the fiduciary duty of care (Manual §E.1), and the annual-audit duty (15-39.1-22), and operationalize it through the Accountability SLA (service scorecard, ED-evaluation input, and independent audit verification). This converts an undefined accountability line into a defined, measurable oversight cycle. This is the single most consequential gap.**
No documented delegation instrument	The Manual asserts delegation to the ED and CRO but there is no delegation schedule or matrix specifying which decisions are delegated, with what limits, reporting, and reserved-to-Board requirements. **Delegations to "the fund"/ED in NDAC (write-offs, offsets, interim disability, recertification, estate recovery) are scattered rather than consolidated.**
'The fund' vs a named officer	Several rules assign decisions to "the fund" (82-05-03-03 write-offs; 82-03-01-06/09 benefit provision & crediting; recertification screening 82-07-01-03) without naming the officer who acts or the Board's residual oversight. **GPS will map every 'the fund' decision to a named role.**
Unnamed / passive-voice actors	Repurchase cost "will be calculated" with no role identified (82-03-01-04); no one is named who grants the veteran's membership exemption (82-03-01-10, "documents are accepted"); and the disability decision notice "shall be notified in writing" but names no sender (82-07-01-03(4)(f)), even though adjacent clauses name the Board and the Executive Director.
Investment 'policy vs implementation' boundary	NDCC 21-10-02.1 splits authority (TFFR sets goals/objectives/allocation; SIB implements), and the IPS then delegates to the SIB "all management responsibility not assigned … in ch. 21-10." **Powers are broadly delegated to SIB without a clear list of powers reserved to the TFFR Board.**
Audit oversight is a shared-service body	TFFR's 'audit committee' is the SIB Audit Committee; TFFR seats one liaison (Manual §N.3). **What that liaison can bind or decide for TFFR, and how TFFR exercises independent audit oversight, is not defined.**
Policy-vs-rule boundary is inconsistent	Some member-affecting matters are in rule (actuarial factors, 82-05-04), others in Board policy (funding policy, plan-management policy, appeals detail). **Which matters require APA rulemaking (with member due-process) versus Board policy is not stated, creating uneven procedural rights.**
EBPC interface under-mapped	NDCC 15-39.1-35 (IRC-compliance modifications) and 15-39.1-05.2(5) (statutory-change proposals) route to the EBPC, and 15-39.1-10.11 requires EBPC reporting. **The Manual's 'legislative priorities' language does not describe these approval/reporting requirements or who manages them.**

Gap	Why it is unclear / what to resolve
Adjacent-agency powers not consolidated	Powers held over TFFR by the Governor (appointments), State Auditor (auditor selection), AGO (counsel, open-meeting parameters), ESPB (licensing, critical-shortage, signing-bonus definition), OMB/Treasurer (SIB seats), and the Ethics Commission (conflict rules) are referenced piecemeal. **No single view shows what external parties can decide that binds TFFR.**
Compensation/quorum edge cases	Half-day proration (§6 #8) and the treatment of a designee toward quorum/voting are handled by policy interpretation, not clearly grounded in statute; **GPS should state the legal basis or seek a statutory fix.**

8. Observations & Recommendations for the GPS

Discovery-stage observations to carry into the manual rewrite and governance-policy-system design.

1. **Adopt a formal delegation register as a GPS component.** Consolidate every delegated decision (the §4 matrix rows that flow TFFR → ED/staff) into one instrument with limits, reporting, and reserved-to-Board requirements — replacing the scattered 'the fund' grants in NDAC and the general language in Manual §I.
2. **Define the TFFR–SIB–RIO accountability service level agreement (SLA).** Document, ideally in a service-level understanding with the SIB, how the Board sets expectations for and evaluates RIO's delivery of the retirement program, given that the ED is an SIB employee (the §7 top gap).
3. **Correct the statutory citations.** Replace the repealed 15-39.1-05 reference with 15-39.1-05.1/-05.2, verify or fix the NDAC 82-10 appeal citation, and reconcile term/composition language with 15-39.1-05.1(2).
4. **Reconcile the disability and error-correction rules with statute.** Either adopt an explicit Board delegation of recertification/correction to the ED (with reporting), or amend the rules so they track 'as determined by the board.'
5. **Draw the investment policy/implementation line explicitly.** State in the IPS what powers the TFFR Board reserves (goals, objectives, allocation, risk budget) versus what it accepts as SIB implementation.
6. **State the policy-vs-rule test.** Establish a principle for which member-affecting matters require APA rulemaking versus Board policy, to keep due-process rights consistent.
7. **Add an adjacent-agency authority map to the GPS.** A single view of what the Governor, State Auditor, AGO, ESPB, OMB, EBPC, and Ethics Commission can decide that binds TFFR.

Next phase. With the delegation architecture mapped, the manual rewrite can restructure the Program Manual into a policy hierarchy (charter → governance policies → delegated-authority register → operating procedures), resolving each §6 conflict and §7 gap as it goes.

Appendix A. Source Index

Source	Coverage
NDCC ch. 15-39.1 (§§ -01 to -35)	TFFR plan, board authority & composition, benefits, disability, refunds, purchases, rulemaking, confidentiality, audit, IRC compliance.
NDCC ch. 21-10 (§§ -01 to -11)	State Investment Board membership & powers; investment-governance split (21-10-02.1); prudent investor rule (21-10-07); investment costs (21-10-06.2); social-investment prohibition (21-10-08.1).
NDCC ch. 54-52.5 (§§ -01 to -04)	Creation of RIO; SIB as governing body; cost allocation; investment incentive compensation.
NDAC Title 82 (art. 82-01 – 82-10)	TFFR administrative rules: organization, definitions, participation, contributions, retirement benefits, suspension, disability. Note: 82-07-02 and 82-09 are repealed.
TFFR Board Program Manual	Section I Governance Policies (approved Sept. 26, 2024) and Section II Program Policies (IPS, Plan Management, Actuarial Funding, Operations, Business Partner, Member Communication).
Cross-referenced	NDCC ch. 28-32 (APA); NDCC ch. 44-04 (open meetings/records); NDCC 44-03-01, 44-08-04, 54-06-09; NDAC 115-04-01 (Ethics); IRC §401(a), §415, §401(a)(9)/(17)/(31).

Prepared for internal governance-review use. Statutory citations reflect the primary-source text reviewed during discovery.

North Dakota Teachers' Fund for Retirement

TFFR–SIB–RIO

Accountability Service Level Agreement

A Service-Level Understanding between the TFFR Board and the State Investment Board

How the TFFR Board sets service expectations for, and evaluates, the delivery of the retirement program by the Retirement and Investment Office

For joint adoption by the TFFR Board and the SIB

Draft July 7, 2026

Model instrument prepared by Funston Advisory Services

Contents

1. Purpose, Parties, and Legal Framework .... 5~~4~~

2. Guiding Principles .... 6~~5~~

3. Roles and Responsibilities .... 7~~6~~

4. Service Domains and Expectations .... 8~~7~~

   4.1 Investment Services (delivered by the SIB; TFFR is the fund's governing body/client) .... 8~~7~~

   4.2 Benefits Administration (delivered by RIO retirement-program staff) .... 9~~8~~

   4.3 Enterprise and Shared Administration (delivered by RIO agency-wide) .... 10~~8~~

5. Setting Expectations: The Annual Service-Planning Cycle .... 11~~10~~

6. Oversight & Verification of Delivery .... 11~~10~~

7. Budget and Cost Transparency .... 12~~11~~

8. Escalation and Dispute Resolution .... 12~~11~~

9. Governance Interfaces .... 13~~11~~

10. Term, Review, and Adoption .... 13~~11~~

Appendix A. Retirement Program Service Scorecard (Template) .... 14~~13~~

The Governance Gap This Service Level Agreement Closes

The TFFR Board holds fiduciary responsibility for the retirement program and sets its policy (NDCC 15-39.1-05.1, -05.2), yet it does not administer the program and does not employ the people who do. The program is administered by the Retirement and Investment Office (RIO), a separate agency governed by the State Investment Board (SIB), and RIO's Executive Director (ED) is hired, compensated, and evaluated by the SIB (NDCC 54-52.5-02). The TFFR Board provides input to the SIB, but that process needs to be clarified.

~~The TFFR Board provides input to the SIB, but that process needs to be clarified.~~

The manual recognizes the TFFR Board's oversight responsibilities but never defines the standards that oversight is meant to measure against. Section §E.2 makes the Board "responsible for oversight" of the plan and directs it to "monitor" across some fourteen of its listed responsibilities (policies, funding and investment policy, the consultants, and RIO's budget, IT, investment performance and audit activities), and the fiduciary duty of care (§E.1) expressly includes "monitoring ... the effective administration of plan benefits." The manual even directs the Board to "determine appropriate levels of service" (§E.2(n); NDCC 15-39.1-05.2(6)) however it sets no such service levels or metrics.

The result is oversight responsibility without an operable standard: the TFFR Board is responsible for overseeing but has not defined expected performance, and verification through the audit committee is impaired for lack of metrics to test. This Service Level Agreement closes that gap, supplying the performance expectations the Board oversees and the measured basis the audit function verifies. Because setting those standards is a Board policy function, not a matter for administrative rule, and because RIO answers to the SIB, they live in this jointly adopted Agreement with the governance manual establishing the framework and incorporating this Agreement by reference.~~The current manual is silent on the Board's oversight responsibilities, even though overseeing administration and verifying delivery are core fiduciary functions of the Board. Without defined performance expectations, the Board cannot meaningfully oversee RIO's delivery, and verification through the audit committee is impaired by a lack of metrics to test against. This Service Level Agreement supplies both: the service expectations the Board oversees, and the measured basis the audit function verifies.~~

The statute supplies the bridge. The Board "shall determine appropriate levels of service to be provided to members" (15-39.1-05.2(6)) and "shall inform the [SIB] ... the levels of services, goals, and objectives expected to be provided through the [RIO]" (15-39.1-05.2(7)). This Service Level Agreement operationalizes those two duties: it is the standing instrument by which the TFFR Board **sets service expectations**, the SIB — as RIO's governing body — **commits RIO to meet them and directs the ED accordingly**, and both boards **oversee and verify delivery**. It changes no one's statutory authority (54-52.5-02); it makes the existing relationship explicit, measurable, and accountable.

> **Why this matters for high-performing systems.**
> Leading retirement systems fall into two families: integrated systems where one board or agency owns investments, benefits, and enterprise services (for example, CalSTRS), and separated shared-service systems where investment authority sits apart from benefits administration (North Dakota's SIB/TFFR/RIO model, South Carolina RSIC/PEBA and Wisconsin, where SWIB invests for the system that the Department of Employee Trust Funds administers). Separated models perform well when, and only when, the intersections between the

bodies are governed by an explicit understanding: defined service obligations, measurable expectations, joint planning, and structured evaluation. This Service Level Agreement is intended to be that instrument.

1. Purpose, Parties, and Legal Framework

Parties

The TFFR Board of Trustees (the “TFFR Board”) and the State Investment Board (“SIB”), acting as the governing body of the Retirement and Investment Office (“RIO”). The RIO Executive Director (“ED”) and Chief Retirement Officer (“CRO”) join the Service Level Agreement to acknowledge the service obligations and reporting duties it records.

Purpose

- Serve as the TFFR Board's standing instrument for oversight and verification of retirement-program delivery. The mechanism through which the TFFR Board discharges the oversight responsibility implied by its duties to determine service levels (NDCC 15-39.1-05.2(6)) and inform the SIB (NDCC 15-39.1-05.2(7)), read with its fiduciary duty of care and annual-audit duty (15-39.1-22).

- Record, in one instrument, the service the retirement program requires from RIO, and the standards against which delivery is measured.

- Establish how the TFFR Board sets and communicates service expectations, and how the SIB, as RIO’s governing body, commits RIO to meet them.

- Establish how the TFFR Board provides input into the ED’s goals and evaluation as they relate to the retirement program, and into the hiring and evaluation of the CRO.

- Provide transparent budget/cost allocation, structured reporting and benchmarking, and an escalation path — so accountability does not depend on informal goodwill.

Legal framework and non-alteration of authority

This Service Level Agreement is a governance understanding, not a contract or a delegation of statutory power. The term “agreement" is used in the non-contractual/governance sense. Consistent with NDCC 54-52.5-02, the TFFR Board and the SIB **maintain their separate legal identities and authority**.

Nothing here transfers, limits, or enlarges either board’s statutory powers, the ED’s statutory role, or RIO’s obligations to the SIB’s investment program. Where this Service Level Agreement and statute or rule differ, the law prevails. It is adopted by both boards and reviewed by the Attorney General’s Office as to form.

2. Guiding Principles

1. **Members first.** RIO administers the retirement program for the exclusive benefit of TFFR members and beneficiaries; service expectations exist to serve them.
2. **One agency, two clients.** RIO serves both the retirement and investment programs; the TFFR Board’s expectations are set with awareness of RIO’s shared mission and finite resources.
3. **Respect for authority.** The TFFR Board sets policy and service expectations; the SIB governs RIO and directs the ED; the ED manages the agency.
4. **Measured, not assumed.** Service is defined by objective measures, reported on a fixed cadence, and benchmarked against peers.
5. **No surprises.** Material risks, service shortfalls, and resource constraints are surfaced early through defined reporting and escalation.
6. **Continuous improvement.** Targets are calibrated annually against results and independent benchmarking, with a bias toward top-quartile service at reasonable cost.

3. Roles and Responsibilities

The Service Level Agreement assigns three standing roles across the three service domains.

Service Domains

1 Investment Services (delivered by the SIB; TFFR is the fund's governing body/client)

2 Benefits Administration (delivered by RIO retirement-program staff)

3 Enterprise and Shared Administration (delivered by RIO agency-wide)

"Delivers" denotes operational responsibility; "Sets expectations/Evaluates" denotes governance responsibility.

Function	TFFR Board	SIB	RIO (ED / CRO / staff)
Retirement-program policy	Sets	—	Advises, implements
Service expectations & standards	Sets & communicates (15-39.1-05.2(6)-(7))	Adopts jointly; directs RIO to meet	Delivers to standard
Investment of assets	Sets goals/allocation (client)	Delivers & governs	Implements (investment staff)
Benefits administration	Sets expectations; evaluates	Governs agency	Delivers (retirement staff)
Enterprise administration (budget, IT, audit, actuarial)	Oversees its program; inputs	Governs & approves budget	Delivers
Employ & evaluate the ED	Provides written input on retirement-program performance	Hires, compensates, evaluates	—
Hire & evaluate the CRO	Participates (Manual §J)	Governs	ED hires/supervises
Performance reporting & benchmarking	Receives & oversees	Receives & oversees	Produces
Escalation & dispute resolution	President	Chair	ED / CRO
Oversee service delivery	Oversees vs. service levels; acts on shortfalls	Governs RIO; directs the ED	Produces scorecard/reports
Verify reported performance	Verifies via audit-committee member	Audit Committee receives	Internal/external audit deliver assurance

4. Service Domains and Expectations

Expectations are organized into the three domains high-performing systems manage separately: investment, benefits administration, and enterprise administration. Each has distinct deliverables, measures, and owners. Targets below are illustrative defaults for the TFFR Board to calibrate against third-party benchmarking peer medians and top-quartile at adoption and each annual review. They are not taken as current standards.

4.1 Investment Services (delivered by the SIB; TFFR is the fund's governing body/client)

The TFFR Board sets investment goals, objectives, and asset allocation and adopts the Investment Policy Statement (IPS); the SIB implements and invests under the prudent investor rule (NDCC 21-10-02.1, -07). The TFFR Board's service expectation of the SIB is faithful, cost-effective implementation and transparent reporting.

Service measure (key performance risk)	Definition / objective	Illustrative target (calibrate)	Source & cadence
Policy-allocation fidelity	Fund managed to the Board-approved asset allocation within the SIB rebalancing bands.	Within approved ranges at 100% of measurement dates; breaches reported	SIB reporting / quarterly
Net return vs. policy benchmark	Total fund return, net of fees, relative to the policy benchmark (IPS §5a).	≥ policy benchmark over rolling 5 yrs	SIB & consultant / quarterly, 5-yr emphasis
Risk vs. benchmark	Std. deviation of net returns vs. policy benchmark (IPS §5b).	≤ 115% of benchmark over 5 yrs	SIB / annually
Cost effectiveness	Total investment cost per $ AUM for the fund's asset mix.	≤ 3rd party benchmarking peer median for comparable mix	3rd party investment benchmarking / annual–triennial
IPS & statutory compliance	Compliance with the IPS, prudent investor rule, and social-investment limits (21-10-08.1).	Zero unreported breaches	SIB compliance report / quarterly
Decision support	Timely asset-liability and allocation studies to support Board policy (21-10-02.1(2)).	Delivered on the Board's schedule	RIO/SIB consultant / as scheduled

4.2 Benefits Administration (delivered by RIO retirement-program staff)

The core of the retirement program: member services, benefit processing, employer/business-partner support, and data integrity. These are the 3rd party benchmarking administration-service dimensions most visible to members.

Service measure (key performance risk)	Definition / objective	Illustrative target (calibrate)	Source & cadence
Call center — speed to answer	Average time to reach a live representative.	≤ 60–90 seconds; abandonment ≤ 5%	Phone system / monthly
First-contact resolution	Member inquiries resolved on first contact.	≥ 85%	Service system / quarterly
Benefit estimate turnaround	Business days to produce a written retirement estimate.	≤ 10 business days	Workflow system / monthly
Retirement application to first payment	First scheduled monthly payment issued on time.	≥ 99% on time	Payment system / monthly
Benefit payment accuracy	Payments issued at the correct amount to the correct payee.	≥ 99.5%	Internal audit / quarterly
Counseling access	Wait time for a member counseling appointment.	≤ 10 business days	Scheduling / quarterly
Refund / QDRO / death-benefit processing	Time to process each transaction type after complete file.	Refunds ≤ 30 days; others ≤ defined SLA	Workflow / quarterly
Member satisfaction	Survey of members served.	≥ 90% satisfied	Annual survey
Self-service adoption	Members with active online accounts.	Year-over-year growth to target	Web analytics / annual
Data quality	Member records free of critical data exceptions; annual statements issued.	Clean-data % to target; statements 100% on time	Data audit / annual
Employer/business-partner service	Contribution posting timeliness and reporting error rate.	Posting within SLA; error rate below target	Ops report / quarterly

4.3 Enterprise and Shared Administration (delivered by RIO agency-wide)

The agency-level services on which the program depends (finance, actuarial, technology, security, and governance support) shared with the investment program but attributable to the retirement program by cost allocation.

Service measure (key performance risk)	Definition / objective	Illustrative target (calibrate)	Source & cadence
Financial reporting & audit	External financial audit outcome; GASB 68 schedules and ACFR on time.	Unmodified (clean) opinion; filings on statutory timeline	State Auditor / annual
Actuarial delivery	Annual valuation and 5-year experience study delivered on schedule.	Valuation each year on time; study every 5 yrs	Actuary / annual
Budget delivery	Retirement program administered within the appropriated budget; cost per member.	Within budget; cost/member ≤ 3rd party benchmarking peer median	OMB/RIO & 3rd party benchmarking / annual
Technology availability	Pension-administration system uptime and project milestones.	≥ 99.5% uptime; milestones on schedule	IT report / quarterly
Cybersecurity & continuity	Security posture and tested disaster-recovery / continuity plans.	No material breach; DR/BCP tested annually; controls framework-aligned	Audit/IT / annual
Confidentiality compliance	Handling of member records per NDCC 15-39.1-30.	Zero unauthorized disclosures	Internal audit / annual
Staffing & succession	Retirement-program vacancy rate and succession for key roles.	Vacancy below target; CRO/key-role succession in place	HR/RIO / annual
Governance support	Board materials delivered ahead of meetings (Manual §M.6); rule/legislative support.	Materials ≥ 5–7 days prior; support timely	Board / each meeting

5. Setting Expectations: The Annual Service-Planning Cycle

The TFFR Board's statutory duty to determine service levels and inform the SIB (15-39.1-05.2(6)-(7)) is exercised on a fixed annual cycle aligned to RIO's budget development process:

1. **Review (Q1).** The TFFR Board reviews the prior year's service scorecard and independent benchmarking and identifies service priorities and any target changes.
2. **Statement of Service Expectations.** The TFFR Board adopts and transmits to the SIB a written Statement of Service Expectations for the retirement program (this Service Level Agreement's appendices, as calibrated), ahead of the RIO budget cycle.
3. **Budget & goals (build).** The ED incorporates the expectations into the biennial budget, staffing plan, technology roadmap, and the ED's and CRO's annual goals. The SIB approves the budget and the ED's goals, expressly considering the TFFR Board's written input.
4. **Embed.** Retirement-program service expectations are embedded in the ED's and CRO's performance goals for the year.
5. **Deliver & report.** RIO delivers; the TFFR Board receives quarterly scorecards; the cycle restarts at review.

6. Oversight & Verification of Delivery

Reporting

- **Quarterly Retirement Program Service Scorecard** to the TFFR Board. The area's Key Performance Risks (KPRs) in §4 with target, actual, trend, and (red, amber, green, blue) RAGB status; exceptions explained.
- **Annual RIO Service Report** — a full-year review of service against expectations, resourcing, and improvement initiatives.
- **Independent benchmarking** — administration service and cost benchmarking at least triennially; investment cost and net value added benchmarked on the SIB's cycle. Results reported to the TFFR Board.

Verification (independent reassurance). The TFFR Board verifies that reported performance is accurate and complete through internal and external audit, carried to the TFFR Board by its SIB Audit Committee member (Manual §N.3). Audit's direct line to the SIB (see the operating-model diagram) provides independent reassurance that the service scorecard reflects reality, not self-report.

Input to executive evaluation (the crux of the gap). Because the ED is the SIB's employee, the TFFR Board's influence over delivery runs through evaluation input, which this Service Level Agreement formalizes.

1. The TFFR Board (through its President and the GPRC) provides written input to the SIB's Executive Review and Compensation Committee on the ED's performance with respect to the retirement program, measured against this Service Level Agreement, before the SIB completes the ED's annual evaluation.
2. The TFFR Board participates in the hiring and evaluation of the CRO (Manual §J), whose goals include the retirement-program service standards.
3. The TFFR Board's annual self-assessment includes whether RIO's service to the program is adequate.

7. Budget and Cost Transparency

RIO's administrative expenses are charged to the funds it serves "in proportion to the services rendered for each fund as estimated by the [SIB]" (NDCC 54-52.5-03).

To exercise informed oversight, the TFFR Board receives:

1. the cost-allocation methodology and the retirement program's share;
2. the program's administrative cost per member (benchmarked); and
3. enterprise efficiency measures the parties already track, such as budget-per-AUM and AUM-per-FTE.

The TFFR Board reviews and comments on the allocation methodology annually and before each biennial budget is submitted. Appropriation authority remains with the Legislative Assembly.

8. Escalation and Dispute Resolution

Service concerns and authority questions follow a defined, time-bound path, consistent with the no-surprises principle:

Level	Trigger	Path
1 Operational	Routine service issue or missed measure	Staff → CRO; resolved and logged
2 Managerial	Unresolved or recurring shortfall	CRO → ED; corrective plan to the Board
3 Governance	Material shortfall, resource conflict, or expectation dispute	Board President ⇄ SIB Chair (and ED); documented resolution
4 Joint	Unresolved governance matter or question of authority	Joint session / joint governance committee of TFFR and SIB; AGO advises on authority

No party may treat a matter as resolved by silence. Each level carries a defined response time set by the boards. Questions about the boundary of either board's authority are referred to the Attorney General's Office.

9. Governance Interfaces

- **Cross-membership.** Two TFFR trustees serve on the SIB, with an alternate, providing a standing voice in RIO's governance (NDCC 21-10-01; Manual §F).
- **Shared audit.** The SIB Audit Committee serves as TFFR's audit committee. The TFFR committee member documents retirement-program audit matters and reports back (Manual §N.3).
- **Annual joint meeting.** The TFFR Board and SIB hold at least one joint meeting each year to review shared-service performance, benchmarking, and strategy. This is a practice common among well-run separated systems.
- **Board ownership.** The TFFR Governance & Policy Review Committee owns this Service Level Agreement for the Board, monitors adherence, and recommends annual calibration.

10. Term, Review, and Adoption

This Service Level Agreement takes effect on joint adoption by the TFFR Board and the SIB and continues until amended or rescinded by either board. It is reviewed at least annually as part of the TFFR Board's governance-policy review; service targets and the cost-allocation review are calibrated at that time. Amendments follow each board's policy-approval process and AGO review.

> This is a model instrument prepared as governance advice, not a legal opinion, and it deliberately alters no statutory authority. Because it engages the relationship between two statutory boards and a shared agency, both boards should adopt it. The Attorney General's Office should review it as to form before adoption.

Adoption

________________________________	________________
President, TFFR Board of Trustees	Date
________________________________	________________
Chair, State Investment Board	Date
________________________________	________________
Executive Director, RIO (acknowledging service obligations and reporting duties)	Date

Adopted by the TFFR Board on ________________ and by the SIB on ________________. Effective ________________. Next review: ________________.

Reviewed as to form by the Office of the Attorney General: ________________ (Date: ________).

Appendix A. Retirement Program Service Scorecard (Template)

The quarterly dashboard the Board receives. One line per measure (key performance risk); RAGB* status flags any measure off target.

Measure (key performance risk)	Target	Actual	Trend	Status (R/A/G/B)
Investment — net return vs. benchmark (5 yr)	≥ benchmark			
Investment — cost vs. 3rd party benchmarking peer median	≤ median			
Member call — speed to answer	≤ 60–90s			
Benefit payment accuracy	≥ 99.5%			
Retirement application on-time payment	≥ 99%			
Member satisfaction	≥ 90%			
Data quality — clean data	Target %			
Financial audit opinion / filings	Clean / on time			
Actuarial valuation delivery	On schedule			
Admin cost per member (3rd party benchmarking)	≤ peer median			
System uptime	≥ 99.5%			
Open escalations	0 unresolved			

Benchmarking note. Targets should be set and reviewed against 3rd party benchmarking peer data — the administration Service Score and total cost per member for the benefits/enterprise domains, and net value added and cost-effectiveness for the investment domain — so the Board's expectations reflect what comparable high-performing systems achieve rather than internal history alone.

*RAGB:

Red = breach or alert,

Amber = warning or caution,

Green = as expected

Blue = exceptional, reserved for exceptional performance, recognizing performance beyond expectation.