

NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT BOARD MINUTES OF THE MARCH 26, 2026, BOARD MEETING

MEMBERS PRESENT

Dr. Rob Lech, President
Alexis Rasset, Vice President
Thomas Beadle, State Treasurer
Mike Burton, Trustee
Scott Evanoff, Trustee
Cody Mickelson, Trustee

MEMBER ABSENT

Levi Bachmeier, State Superintendent, DPI

GUESTS

Kirsten Tuntland, Assistant Attorney General
Members of the Public

STAFF PRESENT

Scott Anderson, CIO
Deneen Gathman, Retirement Accountant
Chase Kauffeld, CRO
Missy Kopp, Executive Assistant
Denise Leingang-Sargeant, Retirement Spec.
Sarah Mudder, Communications/Outreach Dir.
Sara Seiler, Supervisor of Internal Audit
Jodi Smith, Executive Director
Rachelle Smith, Retirement Admin. Assistant
Dottie Thorsen, Internal Auditor
Tami Volkert, Compliance Spec.
Denise Weeks, Retirement Program Mngr.

CALL TO ORDER

Dr. Lech, President of the Teachers' Fund for Retirement (TFFR) Board of Trustees, called the meeting to order at 1:00 p.m. on Thursday, March 26, 2026. The meeting was held in the WSI Boardroom, 1600 E Century Ave., Bismarck, ND.

The following members were present representing a quorum: Mr. Burton, Mr. Evanoff, Dr. Lech, and Mr. Mickelson.

AGENDA

The Board considered the agenda for the March 26, 2026, TFFR meeting.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MR. EVANOFF AND CARRIED BY A VOICE VOTE TO ACCEPT THE MARCH 26, 2026, AGENDA AS PRESENTED.

AYES: MR. BURTON, MR. MICKELSON, MR. EVANOFF, AND PRES. LECH

NAYS: NONE

ABSENT: SUPT. BACHMEIER, TREASURER BEADLE, AND MS. RASSET

MOTION CARRIED

MINUTES

The Board considered the minutes of the January 22, 2026, TFFR meeting.

IT WAS MOVED BY MR. BURTON AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO APPROVE THE JANUARY 22, 2026, MINUTES AS DISTRIBUTED.

AYES: MR. MICKELSON, MR. EVANOFF, MR. BURTON, AND PRE. LECH

NAYS: NONE

ABSENT: SUPT. BACHMEIER, TREASURER BEADLE, AND MS. RASSET

MOTION CARRIED

Ms. Rasset joined the meeting at 1:04 p.m.

Treasurer Beadle joined the meeting at 1:10 p.m.

GOVERNANCE

TFFR Governance & Policy Review (GPR) Committee Update

Mr. Mickelson provided an update from the February 5, 2026, meeting of the GPR Committee. The committee's discussion focused on upcoming changes to the State Investment Board (SIB) governance structure and how they may affect TFFR.

One key change is the elimination of the Securities Litigation Committee, with reporting responsibilities shifting to the Executive Director on an as-needed basis. A new Budget & Finance Committee will be created, and while it will not require a dedicated TFFR representative, its charter will explicitly require consideration of TFFR-related impacts.

The broader governance manual rewrite is nearing completion, with a first reading already approved and final feedback due in the coming months. Implementation is targeted for July 1. While most changes will not directly impact TFFR, the discussion raised whether the TFFR Board should pursue a similar governance manual rewrite either internally or by engaging Funston. This decision represents a significant strategic effort and will require board direction. If pursued externally, it would likely need to be included in a future budget request. The revised governance framework also introduces a shift toward exception-based reporting and expanded use of consent agendas to streamline board meetings.

Audit Committee Update

Treasurer Beadle provided an update from the March 2, 2026, Audit Committee meeting. The committee reviewed the updated Audit Committee charter. There are changes to the name and scope of the committee in the updated charter. The new name would be the Audit, Risk, and Compliance Committee. The shift would expand the committee's role to include a broader, agency-wide view of risk.

The committee received updates on audit activities including ongoing modernization efforts, governance assessments, and required audits such as the financial statement audit and GASB 68 reporting, with preparation already underway for the next audit cycle. A key area of work is the co-sourced investment fee audit with Weaver, which involves detailed contract and fee reviews and represents a significant workload.

Delinquent Accounts Update

Ms. Smith reported strong progress on employer compliance with only one school currently remaining delinquent. This is a result of significant effort by staff through ongoing outreach, training, and support. The board discussed factors for delinquencies.

RIO uses a structured escalation process, typically allowing time for resolution before issuing formal notices and, if necessary, recommending withholding of state funding. This approach has been effective in restoring compliance, while still balancing empathy for district challenges with the responsibility to protect pension contributions and ensure funds are available for member benefits.

Pension Administration System Update

The pension administration system (PAS) has now moved beyond its 12-month warranty phase following its February 2025 launch. During the warranty period, the vendor provided substantial support to address system issues, with incident reports steadily declining over time as the system stabilized. As the agency transitions out of warranty, support has been significantly reduced, creating a potential operational risk that staff are now managing internally while continuing discussions with the vendor on outstanding items.

There are ongoing contract and budget considerations related to system support, including how to manage remaining issues and future enhancements within limited resources. The importance of monitoring this closely and keeping the board informed was emphasized, particularly if additional funding or approvals are needed.

A recent disaster recovery test was successful, with payroll processed accurately in both the primary and backup systems. This confirms the system's resilience and readiness in the event of a disruption.

Actuarial Audit RFP

Ms. Smith provided information about initiating the RFP process for an independent actuarial audit, which aligns with best practice and existing governance expectations. The audit would review the consulting actuary's work, with timing anticipated for late 2026 using fiscal year (FY) 2026 data.

Staff are seeking authorization to begin the procurement process and will return to the board with a recommended finalist. A board member will also be asked to participate in the proposal review process, though the workload is expected to be manageable and conducted collaboratively.

IT WAS MOVED BY MS. RASSET AND SECONDED BY MR. BURTON AND CARRIED BY A ROLL CALL VOTE TO AUTHORIZE STAFF TO INITIATE THE PROCUREMENT PROCESS FOR ACTUARIAL AUDIT SERVICES FOR REVIEW OF THE FY2026 DATA AND BRING A FINALIST TO THE BOARD FOR CONSIDERATION.

AYES: TREASURER BEADLE, MS. RASSET, MR. EVANOFF, MR. BURTON, MR. MICKELSON, AND PRES. LECH

NAYS: NONE

ABSENT: SUPT. BACHMEIER

MOTION CARRIED

REPORTS

Quarterly Performance Update

Mr. Anderson provided the performance update as of the period ending September 30, 2025. TFFR's performance remains strong across time horizons, with returns significantly exceeding the 7.15% actuarial assumption and generating meaningful excess returns over benchmarks. The portfolio continues to benefit from disciplined rebalancing, diversified asset allocation, and strong manager performance, particularly in public equities and fixed income.

Early 2026 introduced increased market volatility driven by geopolitical tensions and interest rate movements; however, impacts to the portfolio have been relatively modest to date. Private markets are stabilizing, and while real estate has lagged, it is expected to recover over time.

Overall, the fund remains well positioned, delivering strong returns with lower risk, and continues to outperform expectations despite a more uncertain market environment.

Annual Retiree Reemployment Report

Mr. Kauffeld presented the Annual Retiree Reemployment Report which outlined three ways for retirees to return to work: the general rule, critical shortage, and suspend and recalculate options. Overall participation under the general rule declined notably primarily due to reporting changes that removed extracurricular roles from eligibility, rather than a clear drop in interest. Critical shortage participation remained steady, while suspend and recalculate usage continues to be minimal. Board discussion followed.

Quarterly Internal Audit Report

Ms. Seiler reviewed the Internal Audit Report for the quarter ending December 31, 2025. The external investment oversight audit was completed with support from Weaver. The audit found overall practices to be sound but recommended more formalized and regularly updated policies and procedures. The investment fee audit is currently underway.

The annual external financial statement and GASB 68 audits were completed with clean, unmodified opinions and no findings. These audits remain a significant effort, requiring substantial staff coordination throughout the year.

For the TFFR program, the file maintenance audit identified some procedural gaps, though many have already been addressed through the new pension system's enhanced controls. Staff is continuing to strengthen supporting policies and procedures.

IT WAS MOVED BY MR. EVANOFF AND SECONDED BY MS. RASSET AND CARRIED BY A VOICE VOTE TO APPROVE THE QUARTERLY PERFORMANCE, ANNUAL RETIREE REEMPLOYMENT, AND QUARTERLY INTERNAL AUDIT REPORTS.

AYES: MS. RASSET, MR. BURTON, MR. MICKELSON, MR. EVANOFF, TREASURER BEADLE, AND PRES. LECH

NAYS: NONE

ABSENT: SUPT. BACHMEIER

MOTION CARRIED

CONSENT AGENDA

IT WAS MOVED BY MR. BURTON AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO APPROVE DISABILITY APPLICATIONS 2026-1D AND 2026-2D AND QDRO 2026-1.

AYES: MR. EVANOFF, MR. MICKELSON, MS. RASSET, TREASURER BEADLE, MR. BURTON, AND PRES. LECH

NAYS: NONE

ABSENT: SUPT. BACHMEIER

MOTION CARRIED

ADJOURNMENT

With no further business to come before the TFFR Board, Pres. Lech adjourned the meeting at 2:34 p.m.

Prepared by: Missy Kopp, Assistant to the Board