NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT BOARD
MINUTES OF THE JULY 29, 2026, BOARD MEETING

MEMBERS PRESENT

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

MEMBER ABSENT

Levi Bachmeier, State Superintendent, DPI
Alexis Rasset, Vice President

GUESTS

Kirsten Tuntland, Assistant Attorney General
Paul Wood, GRS
Members of the Public

STAFF PRESENT

Scott Anderson, CIO
Deneen Gathman, Retirement Accountant
Chase Kauffeld, CRO
Missy Kopp, Executive Assistant
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, Bus. Partner Officer
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 Wednesday, July 29, 2026. The meeting was held in the WSI Boardroom, 1600 E Century Ave., Bismarck, ND.

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

AGENDA

The Board considered the agenda for the July 29, 2026, TFFR meeting.

IT WAS MOVED BY MR. EVANOFF AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO ACCEPT THE JULY 29, 2026, AGENDA AS PRESENTED.

AYES: TREASURER BEADLE, MR. BURTON, MR. MICKELSON, MR. EVANOFF, AND PRES. LECH
NAYS: NONE
ABSENT: SUPT. BACHMEIER AND MS. RASSET
MOTION CARRIED

MINUTES

The Board considered the minutes of the April 23, 2026, TFFR meeting.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MR. BURTON AND CARRIED BY A VOICE VOTE TO APPROVE THE APRIL 23, 2026, MINUTES AS DISTRIBUTED.

AYES: MR. MICKELSON, MR. EVANOFF, TREASURER BEADLE, MR. BURTON, AND PRES. LECH
NAYS: NONE

ABSENT: SUPT. BACHMEIER AND MS. RASSET
MOTION CARRIED

GOVERNANCE

Election of Officers and Committee Appointment

Staff recommended maintaining the current FY2027 officer and committee appointments to provide continuity while the TFFR Governance Manual is being revised into a new Governance Policy System. Committee structure and appointments may be reconsidered following completion of the governance review.

Mr. Mickelson nominated the recommended slate of officers and committee appointments. With no additional nominations, nominations ceased.

- TFFR Board President – Rob Lech
- TFFR Board Vice President – Alexis Rasset
- TFFR Representatives to the SIB – Rob Lech and Cody Mickelson
- TFFR Representative to SIB Audit Committee – Treasurer Beadle
- TFFR alternate to SIB – Scott Evanoff
- Governance & Policy Review Committee – Cody Mickelson, Rob Lech, and Mike Burton

IT WAS MOVED BY MR. BURTON AND SECONDED BY MR. EVANOFF AND CARRIED BY A VOICE VOTE TO ELECT THE SLATE OF NOMINEES FOR BOARD PRESIDENT, VICE PRESIDENT, SIB REPRESENTATIVES, AUDIT COMMITTEE REPRESENTATIVE, SIB ALTERNATE, AND GPR COMMITTEE MEMBERS.

AYES: TREASURER BEADLE, MR. EVANOFF, MR. BURTON, MR. MICKELSON, AND PRES. LECH
NAYS: NONE
ABSENT: SUPT. BACHMEIER AND MS. RASSET
MOTION CARRIED

Annual Board & Committee Schedule

The proposed TFFR Board and TFFR GPR Committee schedule for FY 2027 was provided to the Board.

IT WAS MOVED BY MR. EVANOFF AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO APPROVE THE FY2027 TFFR BOARD AND COMMITTEE SCHEDULE

AYES: MR. BURTON, MR. MICKELSON, MR. EVANOFF, TREASURER BEADLE, AND PRES. LECH
NAYS: NONE
ABSENT: SUPT. BACHMEIER AND MS. RASSET
MOTION CARRIED

Code of Conduct Affirmation

Board members were provided with the Annual Code of Conduct Affirmation and conflict of interest form and asked to complete and return them to staff as soon as possible.

Actuarial Audit RFP Timeline Update

Mr. Kauffeld provided an update on the actuarial audit RFP process. Solicitation began in mid-July, with proposals due August 18, 2026, and finalist presentations anticipated for August 2, 2026. The selected firm is expected to begin work in January 2027.

Delinquent Accounts Update

Ms. Smith reported the significant improvement in delinquent employer reporting, with all employer reports completed except for Fort Ransom, which has outstanding legal issues. Ms. Smith and the Board recognized staff for the progress and noted that recently established procedures and ongoing communication has been effective.

Staff has received legal guidance regarding Fort Ransom and requested additional information from the employer. The matter may return to the Board for further action at a future meeting.

Service Credit Purchase Plan 5571

Ms. Smith reported on an under-collection of $123.00 on a service credit purchase agreement resulting from a system error and through no fault of the member. Because the cost of pursuing collection would exceed the amount owed, staff recommended that the Board decline collection and document the determination in the member's file.

The Board discussed establishing future authority or thresholds for administratively addressing small under-collections and noted that this issue could be addressed during a future review of the administrative code.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE FOR THE BOARD TO USE ITS ERROR-CORRECTION AUTHORITY UNDER NDCC 15-39.1-31 AND 15-39.1-32 AND FIND THAT THE UNDER-COLLECTION OF $123.00 ON INSTALLMENT AGREEMENT 5571 RESULTED FROM SYSTEM DEFECTS AND THROUGH NO FAULT OF THE MEMBER, AND THAT THE COST OF COLLECTION WOULD EXCEED THE AMOUNT AT ISSUE; DECLINE TO PURSUE COLLECTION; AND DIRECT THE ED TO DOCUMENT THIS DETERMINATION IN THE MEMBER'S FILE AND THE FUND'S ERROR CORRECTION LOG.

AYES: MR. EVANOFF, MR. MICKELSON, TREASURER BEADLE, MR. BURTON, AND PRES. LECH
NAYS: NONE
ABSENT: SUPT. BACKMEIER AND MS. RASSET
MOTION CARRIED

GPR Committee Update

The Governance Policy Review Committee reported on its July meeting and the initial phase of the TFFR governance review with Funston. The discovery process reviewed governing statutes and administrative rules and mapped approximately 70 key decisions, identifying eight potential conflicts between the current manual and law and ten areas where delegation of authority could be clarified. A central issue is that the TFFR Board is responsible for the retirement program while RIO administers the program under the governance of the SIB.

Funston recommended moving from implicit and scattered delegations to a formal Delegation of Authority Register and establishing a service-level agreement with measurable standards and a quarterly scorecard to strengthen the Board's oversight of service delivery. The governance rewrite will also address statutory citations, policy and rule alignment, and clearer distinctions between investment policy and implementation.

The Committee will continue reviewing these recommendations as the new TFFR Governance Policy System is developed.

CEM Presentation

Chris Doll of CEM Benchmarking presented the results of TFFR's first pension administration benchmarking study, comparing administrative costs and member services with similar public pension plans. TFFR demonstrated strong cost-effectiveness, with an administrative cost of $161 per member and costs

approximately $298 below the peer average after adjusting for plan size. TFFR also scored above the peer median for member services, with strengths in pension estimates, timely benefit payments, service credit purchases, member counseling, and digital services.

Areas identified for improvement included contact center monitoring, member feedback, and targeted communications. CEM also reviewed industry trends involving digital services, automation, system modernization, and cybersecurity. The Board expressed appreciation for staff's strong performance while raising concerns about the long-term sustainability of maintaining high service levels with staffing significantly below peer averages. The results will help inform the Board's upcoming strategic planning discussions and establish benchmarks for future improvements.

Contractual Continuing Authority

Ms. Smith reviewed TFFR's statutory continuing appropriation authority and recommended using it to fund CEM Benchmarking and Funston consulting services. She explained that the authority has historically been used for expenses such as actuarial, legal, medical consulting, and external audit services. The proposed expenditures would be paid from TFFR funds and would not require additional legislative appropriations. The Board discussed ongoing authorization for annual CEM benchmarking to support year-over-year performance comparisons, while additional Funston consulting services would be brought forward for separate consideration. Staff emphasized that expenditures would be reported through the regular quarterly budget reports to ensure transparency.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE USE OF THE CONTINUING APPROPIATION AUTHORITY PROVIDED IN NDCC 15-39.1-05.2(4) TO PAY CONSULTANT FEES, AS NECESSARY AND IN ACCORDANCE WITH THE APPROVED CONTACTS, FOR THE COMPLETION OF THE CEM ADMINISTRATION BENCHMARKING ENGAGEMENT AND THE FUNSTON GOVERNANCE REVIEW AND GOVERNANCE MANUAL REWRITE, WITH EXPENDITURES REPORTED TO THE BOARD THROUGH THE REGULAR BUDGET AND EXPENDITURE REPORT.

AYES: MR. BURTON, MR. EVANOFF, TREASURER BEADLE, MR. MICKELSON, AND PRES. LECH
NAYS: NONE
ABSENT: SUPT. BACKMEIER AND MS. RASSET
MOTION CARRIED

Board Smart

Staff provided an update on the BoardSmart fiduciary education program, which will replace longer presentations during Board meetings with short, online educational videos. The approximately five-minute modules will be aligned with the Board's annual calendar and provided in advance of relevant decisions to support informed decision-making.

Board members will receive email notifications when materials are available, generally several weeks before meetings, and will have ongoing access to the online resources. Staff encouraged feedback to ensure the materials meet the Board's educational needs.

REPORTS

Quarterly Investment Report

Mr. Anderson presented TFFR investment performance through April 2026, reporting strong returns across multiple periods. The fund earned 10.8% fiscal year-to-date, 17.8% over one year, and 8.7% annualized over ten years, exceeding its 7.15% actuarial assumed return. The portfolio also outperformed its benchmark while maintaining lower volatility and tracking error, demonstrating strong risk-adjusted performance.

Mr. Anderson reviewed market conditions, noting strong equity performance, improving real estate markets, and continued challenges in private equity. In response to Board questions, he cautioned that current returns may not be sustainable and identified geopolitical uncertainty, inflation, interest rates, and potential market corrections as risks. Staff continue to emphasize diversification, disciplined investing, and risk management.

Annual Retirement Trends Report

Mr. Kauffeld presented the FY 2025 Retirement Trends Report, highlighting a 2.8% increase in membership and the continued shift toward Tier 2 members, who now represent 71% of membership. The number of members eligible for unreduced retirement is 535, with 36% of those members over age 65. Projections indicate that annual retirements will decline in the late 2020s before increasing steadily through 2045, potentially reaching nearly three times current projected levels.

The report also highlighted the plan's maturing membership, with approximately 1.2 active contributing members for every retiree receiving benefits. The Board discussed potential implications for teacher recruitment and retention, workforce shortages, and the plan's long-term financial outlook. Staff noted that the financial impacts of these demographic trends will be evaluated through the annual actuarial valuation.

Annual Strategic Communications Plan Update

Ms. Mudder provided an update on the 2025-27 Strategic Communications Plan, outlining progress toward the five goals established by the Board in July 2025. Accomplishments included leadership transition communications, stakeholder outreach, accessibility improvements, and ongoing member and employer education initiatives.

Ms. Mudder highlighted three priorities for the coming year: modernizing communications platforms through API integrations and automation, developing and launching a new TFFR member enrollment campaign, and strengthening crisis communications preparedness. The addition of a multimedia specialist is expected to provide greater capacity for these initiatives. Following a recent email security incident, developing a formal crisis communications plan was identified as a priority, including response protocols, messaging templates, and coordinated communication procedures.

Quarterly Internal Audit Report

Ms. Seiler reviewed the Internal Audit activities for the quarter ending March 30, 2026. The investment fee audit was completed with three recommendations to strengthen fee validation and sampling procedures, all which management accepted. The executive limitations audit was also completed with no findings or recommendations.

Additional updates included the agency's annual risk assessment, ongoing follow-up on TFFR file maintenance recommendations, and a review of NeoSpin user access following implementation. The NeoSpin review resulted in recommendations to strengthen access controls and establish formal authorization procedures for granting or removing system access, which management accepted.

Ms. Seiler also highlighted changes resulting from the SIB governance restructuring, including the expanded responsibilities of the Audit, Risk and Compliance Committee and the discontinuation of certain audit and evaluation activities.

TFFR Year-End Report

Mr. Kauffeld reviewed the TFFR Ends Report for FY 2026. The fund was 73.4% funded, with approximately $3.6 billion in fiduciary net position, increasing to approximately $3.9 billion in more recent reporting. Unaudited FY2026 data highlighted retirement benefit payments by county and average payments per recipient.

Since the launch of the Pension Administration System in February 2025, there have been more than 11,000 member portal users with approximately 2,500 new enrollments during FY 2026. There were approximately 4,000 combined member and employer contact tickets.

The Board discussed the significant support provided to smaller school districts and the impact of high contact volumes on limited staff resources. Opportunities for additional employer training and improved self-service resources were identified for consideration during the upcoming strategic planning session.

Executive Limitations/Staff Relations Report

Ms. Smith provided the Executive Limitations/Staff Relations Report. The agency's only vacant position, a multimedia specialist, was expected to be filled the following week. Ongoing initiatives include the TFFR governance review, CEM benchmarking, and pension administration system enhancements.

Ms. Smith emphasized staffing limitations as a significant operational risk, despite the agency's strong cost-efficiency and service performance. The proposed 2027-29 biennial budget includes two additional TFFR positions to support employer services and compliance, along with funding for system enhancements and multifactor authentication. She also discussed employer reporting and compliance concerns, including plans to resume employer audits after several years.

The Board discussed the ongoing costs of maintaining and enhancing the NeoSpin pension administration system, including an estimated $50,000 modification to comply with new IRS reporting requirements. Annual system support and enhancement costs are projected to approach $900,000. Staff continues to evaluate opportunities to reduce long-term costs while maintaining system functionality and service levels.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MR. RASSET AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE QUARTERLY INVESTMENT, ANNUAL RETIREMENT TRENDS, ANNUAL STRATEGIC COMMUNICATIONS PLAN, QUARTERLY INTERNAL AUDIT, TFFR YEAR-END, AND EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORTS.

AYES: MR. MICKELSON, TREASURER BEADLE, MR. BURTON, MR. EVANOFF, AND PRES. LECH
NAYS: NONE
ABSENT: SUPT. BACHMEIER AND MS. RASSET
MOTION CARRIED

CONSENT AGENDA

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MR. BURTON AND CARRIED BY A ROLL CALL VOTE TO APPROVE DISABILITY APPLICATION 2026-8D.

AYES: MR. BURTON, MR. EVANOFF, TREASURER BEADLE, MR. MICKELSON, AND PRES. LECH
NAYS: NONE
ABSENT: SUPT. BACHMEIER AND MS. RASSET
MOTION CARRIED

ADJOURNMENT

With no further business to come before the TFFR Board, Pres. Lech adjourned the meeting at 3:21 p.m.

Prepared by: Missy Kopp, Assistant to the Board