

EXECUTIVE REVIEW AND COMPENSATION COMMITTEE MEETING

Wednesday, March 11, 2026 – 10:00 a.m.

Virtual Only

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AGENDA

- I. **Call to Order and Approval of Agenda (*Committee Action*)**
- II. **Acceptance of Minutes (January 14, 2026) (*Committee Action*)**
- III. **Executive Director Performance Surveys (30 Minutes) (*Committee Action*) – Ms. Seiler**
 - A. **Board Surveys**
 - B. **Staff Surveys**

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

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

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

OTHERS: Kirsten Tuntland, AAG

CALL TO ORDER:

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

ACCEPTANCE OF AGENDA:

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

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

ACCEPTANCE OF MINUTES:

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

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

SIB SELF-ASSESSMENT SURVEY DISCUSSION:

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

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

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

ERCC DRAFT COMMITTEE CHARTER REVIEW:

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

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

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

INCENTIVE COMPENSATION:

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

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

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

OTHER:

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

Submitted by:

Missy Kopp, Assistant to the Board

MEMORANDUM

TO: SIB Executive Review and Compensation Committee

FROM: Sara Seiler, Supervisor of Internal Audit

DATE: March 5, 2026

RE: Performance Surveys

On an annual basis, as outlined in the Executive Review and Compensation Committee (ERCC) charter, performance surveys of the Executive Director and the Chief Investment Officer (CIO) are administered. The ERCC also administers staff surveys regarding the performance of the Executive Director as part of the formal evaluation process for that position.

Both the State Investment Board (SIB) and the Teachers' Fund for Retirement (TFFR) Board will have the opportunity to participate in a survey regarding the Executive Director's performance. The SIB will also have the opportunity to complete a survey regarding the performance of the CIO.

The Board survey rating options are: exceeds expectations, meets expectations, and below expectations. The manager and staff survey rating options are: strongly agree, agree, neither agree nor disagree, disagree, and strongly disagree.

The proposed timeline is for the surveys to be introduced at the March SIB and TFFR Board meetings. The Board surveys will be distributed following the meetings and will remain open through Friday, March 27, 2026. The staff and manager surveys are proposed to be administered from March 16 through March 23, 2026.

Board Action Requested: Approval of proposed surveys and timelines.

2026 Performance Surveys – SIB

Executive Director Performance Survey

As a member of the State Investment Board, you are asked to evaluate the Executive Director's performance this past year.

1. Prior to the meeting, the Executive Director ensures the Board members are provided with an agenda that includes supporting information, identifies any items that need action, and includes staff recommendations when appropriate.
2. The Executive Director is responsive to requests from the SIB Board as a governing body, adapts to the Board's policy direction, and works collaboratively with the Board to support effective governance.
3. The Executive Director keeps the SIB aware of current issues and, when appropriate, provides information between meetings to the board chair or committee chairs.
4. The Executive Director successfully engages with stakeholders (i.e., clients, legislators, constituents, etc.) to promote the SIB and TFFR Boards, RIO agency, and its programs.
5. The Executive Director develops legislative proposals that reflect the Board's position and keeps the Board informed of relevant legislative developments.
6. The Executive Director provides visionary and strategic leadership to the SIB.
7. The Executive Director exhibits a positive and results-oriented style with a predisposition to building consensus and goal achievement through collaboration with by exhibiting courtesy and respect in all interactions.
8. Overall, how satisfied are you with the job being done by the Executive Director? (open-ended question for comment)

Chief Investment Officer Performance Survey

As a member of the State Investment Board, you are asked to evaluate the Chief Investment Officer's (CIO) performance this past year.

9. The CIO effectively communicates investment strategies, performance, and changes allowing the SIB members to adequately perform their roles.
10. The CIO successfully engages with stakeholders (i.e., clients, legislators, constituents, etc.) to promote the investment program and fund performance.
11. The CIO ensures compliance with investment objectives and policies.
12. The CIO advises, monitors, and reports on investment performance comparing it to relevant benchmarks and industry standards.

13. The CIO produces accurate and timely reports concerning investments and the progress of projects.
14. The CIO has a track record of effectively managing risk and protecting investments.
15. The CIO routinely analyzes and monitors investment expenses to ensure the programs are operating efficiently and efficiently based on comparable market standards.
16. The CIO upholds ethical standards in their decisioning and investment practices.
17. Overall, how satisfied are you with the job being done by the CIO? (open-ended question for comment)

2026 Performance Surveys – TFFR

Executive Director Performance Survey

As a member of the TFFR Board, you are asked to evaluate the Executive Director's performance this past year.

1. Prior to the meeting, the Executive Director ensures the Board members are provided with an agenda that includes supporting information, identifies any items that need action, and includes staff recommendations when appropriate.
2. The Executive Director is responsive to requests from the TFFR Board as a governing body, adapts to the Board's policy direction, and works collaboratively with the Board to support effective governance.
3. The Executive Director keeps the TFFR Board aware of current issues and, when appropriate, provides information between meetings to the board chair or committee chairs.
4. The Executive Director successfully engages with stakeholders (i.e., clients, legislators, constituents, etc.) to promote the SIB and TFFR Boards, RIO agency, and its programs.
5. The Executive Director develops legislative proposals that reflect the Board's position and keeps the Board informed of relevant legislative developments.
6. The Executive Director provides visionary and strategic leadership to the TFFR Board.
7. The Executive Director exhibits a positive and results-oriented style with a predisposition to building consensus and goal achievement through collaboration with by exhibiting courtesy and respect in all interactions.
8. Overall, how satisfied are you with the job being done by the Executive Director? (open-ended question for comment)

2026 Executive Director – Manager Survey

1. The Executive Director provides a clear sense of the organization's purpose and direction, and ensures the management team can translate those into meaningful and actionable goals and objectives for each division.
2. The Executive Director demonstrates integrity, and the management team has confidence in the Executive Director's leadership skills.
3. The Executive Director seeks input and values feedback from the management team and takes time to understand the perspectives of each manager.
4. The Executive Director consistently and effectively communicates with the management team to ensure the team is informed about important developments throughout the organization.
5. The Executive Director shows genuine concern for team members.
6. The Executive Director treats each manager with respect, and promotes an environment of trust, teamwork, and appreciation.
7. Overall, how satisfied are you with the job being done by the Executive Director? (open-ended question for comment)

2026 Executive Director – Staff Survey

1. The Executive Director provides team members with a clear sense of the organization's purpose and direction, ensuring team members feel connected to the organization.
2. Team members have confidence in the Executive Director's leadership of the agency.
3. The Executive Director is approachable, and encourages an environment of open communication and dialogue.
4. The Executive Director consistently promotes the communication of important changes through appropriate channels (e.g., staff meetings, division meetings, trainings).
5. The Executive Director shows genuine concern for team members.
6. The Executive Director treats team members with respect, and promotes an environment of trust, teamwork and appreciation.
7. Overall, how satisfied are you with the job being done by the Executive Director? (open-ended question for comment)