

TFFR BOARD GOVERNANCE & POLICY REVIEW COMMITTEE

MEETING Thursday, February 5, 2026, 3:30 p.m.

Virtual Only

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AGENDA

- I. CALL TO ORDER AND ACCEPTANCE OF AGENDA *(Committee Action)*
- II. ACCEPTANCE OF MINUTES *(Committee Action)*
- III. SIB GOVERNANCE REVIEW UPDATE *(Information Only)*
– MS. SMITH (30 MIN)
- IV. ADJOURNMENT

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
GOVERNANCE & POLICY REVIEW COMMITTEE
MINUTES OF THE NOVEMBER 6, 2025, MEETING (VIRTUAL)**

BOARD MEMBERS PRESENT: Cody Mickelson, Chair
Mike Burton, TFFR Board
Rob Lech, TFFR Board

STAFF PRESENT: Jodi Smith, Exec. Director
Sarah Mudder, Communication & Outreach Director
Denise Weeks, Retirement Prog. Mngr.
Rachelle Smith, Retirement Prog. Admin. Assistant

OTHERS PRESENT: Kirsten Tuntland, Attorney General's Office

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 4:01 p.m. on Thursday, November 6, 2025. The meeting was held virtually.

AGENDA:

The Committee considered the agenda for the November 6, 2025, meeting.

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. BURTON AND CARRIED BY VOICE VOTE TO ACCEPT THE AGENDA FOR THE NOVEMBER 6, 2025, MEETING.

AYES: DR. LECH, MR. BURTON, MR. MICKELSON

NAYS: NONE

MOTION CARRIED

MINUTES:

The Committee considered the minutes for the September 11, 2025, meeting.

IT WAS MOVED BY MR. BURTON AND SECONDED BY DR. LECH AND CARRIED BY VOICE VOTE TO ACCEPT THE SEPTEMBER 11, 2025, MINUTES AS PRESENTED.

AYES: MR. BURTON, DR. LECH, MR. MICKELSON

NAYS: NONE

MOTION CARRIED

TFFR MANUAL REVIEW AND DISCUSSION:

Ms. Smith reviewed the TFFR Policy Manual Review memorandum and how the State Investment Board (SIB) Governance Review impacts the TFFR Governance manual and what the TFFR GPR Committee should consider. The Committee decided to suspend the approved work plan and wait for completion of the SIB Governance Manual review. Committee discussion followed.

ADJOURNMENT:

With no further business to come before the Committee, Mr. Mickelson adjourned the meeting at 4:25 p.m.

Submitted by:

Rachelle Smith, Assistant to the Board

MEMORANDUM

TO: TFFR

FROM: Jodi Smith, Executive Director

DATE: February 5, 2026

RE: SIB Governance Review Update

Governance Manual Rewrite

Staff and the State Investment Board (SIB) Governance and Policy Review (GPR) Committee continue to make significant progress on the comprehensive rewrite of the Governance Manual. The document remains in draft form, with the goal of presenting a proposed version to the SIB for consideration in March.

A key component of the rewrite is the update of committee charters. Each SIB committee will review its respective charter. Several proposed changes that may impact TFFR include:

Audit Committee Charter

- No change to committee composition which includes a member of the TFFR Board.
- Expanded responsibilities to include formal risk oversight, in addition to reviewing audits.
- Risk oversight will encompass agency-wide operational risks (e.g., delays in producing financial statements, system or staffing failures, and process breakdowns).
- The intent is to ensure that emerging risks are consistently identified and reviewed when performance indicators fall outside expected timelines.

Executive Review and Compensation Committee

- The committee will continue responsibility for Executive Director performance review.
- Consistent with Funston recommendations, Executive Director evaluations would be outsourced to avoid potential conflicts of interest.
- The committee would also oversee broader compensation analysis across the agency, not limited to executive leadership.

- Management is currently reviewing compensation division by division and coordinating with HRMS; however, a formal outsourced compensation study is anticipated.
- Because the Executive Director reports to both the SIB and this Board, this change has implications for TFFR governance participation.

Committee Structure Changes

- The Securities Litigation Committee will be discontinued.
- A new Budget and Finance Committee is proposed. Responsibilities would include:
 - Monitoring expenditures against appropriations.
 - Reviewing potential budget flexibility authorized by legislators.
 - Oversight of expenditures related to both the SIB and TFFR, including pension system administration.

This Committee is requested to consider whether to recommend to SIB GPR that TFFR representation be added to both the Executive Review and Compensation Committee (ERCC) and the proposed Budget and Finance Committee.

Review Process and External Input

The draft Governance Manual has been reviewed internally by the executive team to provide additional perspectives and identify any gaps or oversights and has also been reviewed by the SIB ERCC and the GPR Committee.

The full draft is publicly available on the SIB GPR Committee webpage for those wishing to review.

External consultants have provided valuable independent feedback on the governance framework. Their involvement has helped modernize and streamline a manual that evolved incrementally over time, supporting the next phase of board and agency governance development.

Board Action Requested: Information only.