

TFFR BOARD GOVERNANCE & POLICY REVIEW COMMITTEE MEETING

Thursday, November 6, 2025, 4:00 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. TFFR POLICY MANUAL REVIEW - MS. SMITH (45 MIN) *(Information)*
- IV. ADJOURNMENT

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
GOVERNANCE & POLICY REVIEW COMMITTEE
MINUTES OF THE SEPTEMBER 11, 2025, MEETING (VIRTUAL)**

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

STAFF PRESENT: Jodi Smith, Exec. Director
Denise Weeks, Retirement Prog. Mngr.
Rachelle Smith, Retirement Prog. Admin. Assistant

ABSENT: Chad Roberts, DED/CRO
Sarah Mudder, Communication & Outreach Director

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 Thursday, September 11, 2025. The meeting was held virtually.

AGENDA:

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

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. BURTON AND CARRIED BY A VOICE VOTE TO ACCEPT THE AGENDA FOR THE SEPTEMBER 11, 2025, MEETING.

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

NAYS: NONE

MOTION CARRIED

MINUTES:

The Committee considered the minutes for the April 10, 2025, meeting.

IT WAS MOVED BY MR. BURTON AND SECONDED BY DR. LECH AND CARRIED BY A VOICE VOTE TO ACCEPT APRIL 10, 2025, MINUTES AS PRESENTED.

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

NAYS: NONE

MOTION CARRIED

REVIEW OF PROPOSED POLICY MANUAL FOR CHANGES FOR 2ND TFFR BOARD READING AND DISCUSSION:

Ms. Smith noted that there were no significant changes, other than grammatical, punctuation, and capitalization updates, along with the addition of an appendix containing definitions. She further reported that the addition of the State Treasurer or designee and the State Superintendent of Public

Instruction or designee was the result of recent legislation. Mr. Burton noted that on page 10, the word should remain “advise” and not be changed to “appraised.” Committee discussion followed.

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. BURTON AND CARRIED BY A VOICE VOTE TO ACCEPT THE PROPOSED MANUAL CHANGES WITH THE REJECTION OF THE WORD CHANGE.

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

NAYS: NONE

MOTION CARRIED

REVIEW OF FY2026 COMMITTEE WORK PLAN:

Ms. Smith stated that the work plan is consistent with prior years. She further reported that the State Investment Board is undergoing a governance audit and assessment of its governance manual. As a result, there may be recommendations for revised language or structural changes that could be considered for adoption in the TFFR Policy Manual. Committee discussion followed.

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. BURTON AND CARRIED BY A VOICE VOTE TO APPROVE THE FY2026 COMMITTEE WORK PLAN.

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

NAYS: NONE

MOTION CARRIED

UPDATE ON DELINQUENT EMPLOYER REPORTING POLICY DEVELOPMENT AND DISCUSSION:

Ms. Smith reported that TFFR is working with legal counsel to develop a proposed administrative role for the Board’s consideration. The draft will be prepared by staff with assistance from the Assistant Attorney General and presented to the Board for review. Following Board adoption, the proposal will proceed to an Administrative Rule Hearing.

ADJOURNMENT:

With no further business to come before the Committee, Mr. Mickelson adjourned the meeting at 4:02 p.m.

Submitted by:

Rachelle Smith, Assistant to the Board

MEMORANDUM

TO: TFFR GPR Committee
FROM: Jodi Smith, Executive Director
DATE: November 6, 2025
RE: TFFR Policy Manual Review

How the State Investment Board (SIB) Governance Review Impacts the TFFR Governance Manual — and What the TFFR GPR Committee Should Consider

Why this matters to TFFR

The SIB/RIO governance review diagnoses a “high-complexity, low-autonomy” environment across North Dakota’s investment enterprise. TFFR sits squarely inside that enterprise: RIO is TFFR’s plan administrator; SIB is TFFR’s investment fiduciary. When SIB modernizes its governance model, delegations, reporting, and assurance, TFFR will feel the effects.

What should change in the TFFR Governance Manual

1) **Anchor to statute; don’t repeat it.**

Direct any policy that is governed by statute back to statute (e.g., board composition, quorum, open meetings, fiduciary standards, key benefit definitions). Avoid restating statutory text in the Manual to reduce misalignment risk when laws change. Use concise references and a “Cornerstone Authorities” appendix that cites NDCC chapters and key Attorney General opinions rather than duplicating them.

2) **Shift from a two-tier to a three-tier model.**

The review highlights that Carver-style “Board→Executive” framing is incomplete in a public fiduciary context. For TFFR, the Manual should explicitly map the three tiers of authority and accountability:

- **Legislature** → establishes statutes, appropriations, oversight
- **SIB** → investment fiduciary for TFFR assets
- **TFFR Board** → retirement fiduciary for plan administration and member services (via RIO)
Include a simple “authority map” that shows who decides what, with escalation paths.

3) **Clarify interfaces and handoffs.**

Spell out the practical seams among TFFR Board ↔ RIO (retirement) and TFFR Board ↔ SIB (investments):

- What information TFFR should receive from SIB/RIO, how often, and in what format.

- How TFFR raises issues to SIB or RIO (e.g., investment policy impacts on liquidity for benefits; operational risks affecting member service levels).

4) Update delegations and thresholds.

Replace negative “limitations” with positive, risk-based delegations. Create a single Delegation Matrix for TFFR administration (what the Executive Director of RIO may approve for TFFR, dollar thresholds, contracting authorities, use of counsel, when to seek Board approval, and reporting cadence).

5) Build an enterprise-aware oversight model.

Because the same RIO organization runs investments and retirement operations, TFFR’s Manual should require visibility into enterprise risks that could affect benefits administration (e.g., accounting close delays; data integrity; staffing gaps; technology outages), not only member-facing metrics.

6) Modernize reporting and dashboards.

Mandate concise, exception-based board packets for TFFR with:

- 1–2 page executive dashboards (service levels, timeliness, error rates, call center stats, backlog, IT incidents, audit/compliance issue aging).
- A standing Policy Implications section (“stay the course / adjust / change”) tied to adopted policies.

7) Continuous improvement cycle.

Embed a triennial policy review schedule, annual board self-evaluation, and a rolling 3–5 year administrative capability plan (people, processes, systems) so TFFR keeps pace as RIO modernizes.

What the GPR Committee should scrutinize or align with SIB changes

1. Role clarity & documents architecture

- Add an Authority Map (Legislature → SIB → TFFR/RIO).
- Eliminate statutory duplication; cross-reference NDCC instead.

2. Committee structure and mandates

- Ensure TFFR committees’ charters are decision-focused, with explicit oversight of retirement operations risk, not investment risk (that lives with SIB), but with a structured liaison mechanism to SIB committees when issues intersect (e.g., liquidity for benefit payments; fee policies; custody controls).

3. Reporting standards & cadence

- Require exception-based reporting, thresholds, and R/Y/G indicators.
- Set a firm minimum lead time for materials (e.g., 7 days) and restrict late changes to material items.

4. Assurance & audit linkages

- Require an Assurance Map and issue-aging reports; track remediation of prior findings.
- Ensure Internal Audit coverage for retirement operations is sized to risk (not just investments).

5. **Operational resilience**

- Incorporate service level targets for month-end/period close that protect benefit operations from enterprise delays; define contingency playbooks for system outages or staffing gaps.

6. **Expense transparency**

- Codify principles and reports for allocating shared costs (IT, finance, legal, audit) to ensure TFFR bears only its fair share.

8. **Member communications and crisis protocol**

- Add a Legislative & Stakeholder Communications Policy for retirement issues (what triggers communications; who speaks; timelines).

9. **Interfaces with SIB investment policy**

- Require annual confirmation that SIB's IPS and liquidity framework are aligned with TFFR's **benefit payment needs** and cash-flow projections, with escalation if gaps emerge.

10. **Change gating**

- If SIB pauses or stages internalization of investments due to operational risk, require an **impact assessment** on retirement operations and member communications before changes touch TFFR processes.

Bottom line for the Committee

Use the SIB governance review as the catalyst to simplify, clarify, and right-size the TFFR Governance Manual. Ground it in statute (by reference, not repetition), define crisp roles across Legislature/SIB/TFFR/RIO, demand exception-based reporting and integrated assurance, and hard-wire operational resilience. That alignment will protect members, strengthen fiduciary accountability, and make TFFR nimbler as SIB/RIO modernize.

Board Action Requested: Information only.