



## ND TFFR BOARD MEETING

Thursday, March 25, 2021, 1:00 p.m.

WSI Conference Room ([Virtual Meeting Host](#))

Teleconferencing – 701.328.0950 Participant Code – 783 733 800#

WSI, 1600 East Century Avenue, Bismarck, ND

### AGENDA

#### I. CALL TO ORDER AND ACCEPTANCE OF AGENDA

- A. Executive Summary

#### II. ACCEPTANCE OF MINUTES

- A. January 21, 2021
- B. February 8, 2021

#### III. GOVERNANCE (*Board Action unless otherwise noted*)

- A. Segal Current & Future Business Model Presentation – Mr. Fikes (45 minutes)
- B. Interim Recommendations – Ms. Murtha (10 minutes)
- C. Segal Cybersecurity Assessment – Mr. Preall (30 minutes)
- D. Interim Recommendations – Mr. Nagel (10 minutes)

#### *BREAK*

- E. Investment Policy Statement – Ms. Murtha (10 minutes)
- F. Administrative Rules – Ms. Murtha (10 minutes)
- G. Legislative Update – Ms. Murtha (5 minutes) *Informational*

#### IV. REPORTS (*Board Action*)

- A. Quarterly Investment Report – Mr. Hunter (15 minutes)
- B. Annual Trends Report – Ms. Weeks (10 minutes)
- C. Annual Ends Report – Ms. Weeks (10 minutes)
- D. Second Quarter Audit Activities Report – Ms. Sauter (10 minutes)

#### V. OPERATIONS

- A. PAS Project - Ms. Murtha (5 minutes) *Informational*
- B. Outreach - Ms. Weeks (5 minutes) *Informational*

#### VI. CONSENT AGENDA - Disability Retirement Application<sup>1</sup>

#### VII. OTHER BUSINESS

- A. Venue for Future Board Meetings – Board Discussion – President Lech (5 minutes)
- B. Board Appointments – President Lech (5 minutes)
- C. Board Reading Materials – *Material References Included*
- D. Next Meeting:
  - 1. TFFR Regular Board Meeting Thursday, April, 22, 2021 at 1:00p.m.

#### VIII. ADJOURNMENT

Any individual requiring an auxiliary aid or service, please contact the Retirement and Investment Office (701) 328-9885 at least three (3) days prior to the scheduled meeting.

<sup>1</sup> Executive Session possible if Board discusses confidential member information under N.D.C.C. 15-39.1-30.



## EXECUTIVE SUMMARY

### TFFR Board Regular Meeting

March 25, 2021 – 1 pm CT

---

- I. **Agenda:** The March Board Meeting will be held at the WSI Conference room to accommodate in person attendance, however, a link will also be provided so that Board members and other attendees may join via video or teleconference. The board member video link is included in the calendar invite. There will be a call in number for the public.
- II. **Minutes:** The January 21, 2021 Board meeting minutes, and February 8, 2021 Special Board meeting minutes are included for review and approval.
- III. **A. Segal Current & Future Business Model Presentation:** Mr. Fikes will present an overview of the Segal assessments conducted thus far; including an assessment of the TFFR program current business model, recommendations for a future business model, and also interim recommendations detailing how the agency can prepare to transition from the current to future business model. This assessment and presentation was contracted for as part of the consultant services retained for Phase 1 of the PAS project.  
**B. Interim Recommendations:** Ms. Murtha will present an agency response to the interim recommendations proposed by Segal.  
**C. Segal Cybersecurity Assessment:** Mr. Preall will present the cybersecurity assessment conducted by Segal and provide recommendations on ways our agency can mitigate risk.  
**D. Interim Recommendations:** Mr. Nagle will present an agency response to the cybersecurity related recommendations proposed by Segal.  
**E. Investment Policy Statement:** Ms. Murtha will present proposed changes to the TFFR Investment Policy Statement that incorporate Board approved changes to the asset allocation and actuarial factors for the TFFF Program.  
**F. Administrative Rules:** Ms. Murtha will present final amendments to administrative rules for the Boards consideration.  
**G. Legislation Update:** Ms. Murtha will provide an update on bills presented to the ND legislature for the 2021 session that may be of interest or impactful to the TFFR program; including TFFR proposed legislation and the RIO agency budget bill.
- IV. **Reports:** The Board will receive the following reports: annual TFFR Ends, Retirement Trends, quarterly investment, and audit activities reports.

- V. **Operation Updates:** Ms. Murtha and Ms. Weeks will provide the Board with brief updates regarding RIO team member activities related to the PAS project and RIO Agency member outreach and education efforts.
- VI. **CONSENT AGENDA:** The Board will be provided with one disability retirement application for review.
- VII. **Other Business:** President Lech will lead a discussion with the Board regarding hybrid meetings and the venue for future meetings. Present Lech will also update the Board on the status of upcoming Board member appointments.

**Adjournment.**

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT  
MINUTES OF THE  
JANUARY 21, 2021 BOARD MEETING**

**BOARD MEMBERS PRESENT:** Rob Lech, President  
Mike Burton, Vice President  
Kirsten Baesler, State Supt. DPI  
Thomas Beadle, State Treasurer  
Toni Gumeringer, Trustee  
Cody Mickelson, Trustee  
Mel Olson, Trustee

**STAFF PRESENT:** David Hunter, ED/CIO  
Missy Kopp, Retirement Assistant  
Jan Murtha, Deputy ED/CRO  
Sara Sauter, Supvr of Internal Audit  
Stephanie Starr, Retirement Programs Spec  
Dottie Thorsen, Internal Auditor  
Denise Weeks, Retirement Program Mgr

**OTHERS PRESENT:** Dean DePountis, Atty. General's Office  
Catharine Hamrick, Segal Benz

**CALL TO ORDER:**

Dr. Rob Lech, President of the Teachers' Fund for Retirement (TFFR) Board of Trustees, called the meeting to order at 1:00 p.m. on Thursday, January 21, 2021. The meeting was held in the Workforce Safety & Insurance Board Room, Bismarck, ND.

**THE FOLLOWING MEMBERS WERE PRESENT REPRESENTING A QUORUM: SUPT. BAESLER, TREASURER BEADLE, MR. BURTON, MS. GUMERINGER, PRES. LECH, MR. MICKELSON, AND MR. OLSON.**

**ACCEPTANCE OF AGENDA:**

The Board considered the agenda for the January 21, 2021, meeting.

**IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA AS DISTRIBUTED.**

**AYES: SUPT. BAESLER, TREASURER BEADLE, MR. BURTON, MR. MICKELSON, MS. GUMERINGER, MR. OLSON, AND PRES. LECH  
NAYS: NONE  
MOTION CARRIED**

**MINUTES:**

The Board considered the minutes of the November 19, 2020, meeting.

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MS. GUMERINGER AND CARRIED BY A VOICE VOTE TO APPROVE THE NOVEMBER 19, 2020, MINUTES AS DISTRIBUTED.

AYES: MR. MICKELSON, MR. OLSON, TREASURER BEADLE, MR. BURTON, SUPT. BAESLER, MS. GUMERINGER, AND PRES. LECH

NAYS: NONE

MOTION CARRIED

**GOVERNANCE:**

10 Keys Assessment:

Ms. Catharine Hamrick, Segal Benz, presented results from the ten keys assessment of TFFR communication efforts. The ten keys are strategy, brand, website, feedback, simplicity, year-round, targeted, experience, budget, and partners.

Board discussion followed.

Strategic Communication:

Ms. Murtha led a discussion about strategic communication. TFFR staff is working with Segal Benz to develop a strategic communication plan based on the results of the ten keys assessment. The plan will be presented to the Board upon completion.

Board discussion followed.

Legislative Update:

Ms. Murtha shared an update on bills that RIO staff are following or providing testimony on. The Board discussed House Bill 1231 and directed Ms. Murtha to provide neutral testimony to express the Board's concern that the bill would affect the exclusive benefit rule which directs the fiduciary duties of the Board.

Board discussion followed.

Break from 3:00 - 3:10 p.m.

Administrative Rules:

Ms. Murtha shared information about the administrative rules process. RIO staff will present changes to the proposed rules required to implement modifications to actuarial factors previously approved by the Board. Draft rules were prepared by Segal.

Board discussion followed.

**IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO HOLD A SPECIAL TFFR BOARD MEETING ON FEBRUARY 25, 2021 TO ADDRESS PROPOSED LEGISLATION AND ADMINISTRATIVE RULES PROMULGATION.**

**AYES: TREASURER BEADLE, SUPT. BAESLER, MS. GUMERINGER, MR. OLSON, MR. BURTON, MR. MICKELSON, AND PRES. LECH**

**NAYS: NONE**

**MOTION CARRIED**

**REPORTS:**

Reemployed Retirees Report:

Ms. Weeks reviewed the 2019-20 Reemployed Retirees Report. The total number of reemployed retirees was 311 out of a total of 9,036 retirees or 3 percent. Of the 213 employers, 128 employed TFFR retirees. Total salaries earned by reemployed retirees was \$7.7 million or about \$24,872 per retiree.

Board discussion followed.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO APPROVE THE REEMPLOYED RETIREE REPORT.**

**AYES: MS. GUMERINGER, MR. BURTON, MR. MICKELSON, SUPT. BAESLER, MR. OLSON, TREASURER BEADLE, AND PRES. LECH**

**NAYS: NONE**

**MOTION CARRIED**

Audit Report:

Ms. Sauter provided an update of audit activities for the first quarter, July 1, 2020 - September 30, 2020. Internal Audit (IA) has completed the Executive Limitation Audit. IA provided support to CliftonLarsonAllen during the GASB 68 Census Data Audit. The Cash Management and Rebalancing audit and Internal Control assessment are currently in progress. One employer audit and the salary verification audit are currently in progress.

Board discussion followed.

**IT WAS MOVED BY MR. BURTON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO APPROVE THE AUDIT REPORT.**

**AYES: MR. OLSON, MR. MICKELSON, SUPT. BAESLER, MS. GUMERINGER, TREASURER BEADLE, MR. BURTON, AND PRES. LECH**

**NAYS: NONE**

**MOTION CARRIED**

**OPERATIONS:**

Board Policy Review - In-Staff Subbing:

Ms. Murtha discussed Board Policy C-24 which addresses in-staff subbing for active and retired members. The Retirement and Investment Office was contacted by or on behalf of members, legislators, and the Governor's office expressing concern regarding limitations imposed on retirees that may prevent them from assisting schools during the pandemic.

Board discussion followed.

**IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. BURTON AND CARRIED BY A ROLL CALL VOTE TO SUSPEND THE IN-STAFF SUBBING POLICY, AS IT APPLIES TO REEMPLOYED RETIREES, UNTIL JUNE 30, 2021.**

**AYES: MR. BURTON, MS. GUMERINGER, MR. OLSON, TREASURER BEADLE, MR. MICKELSON, SUPT. BAESLER, AND PRES. LECH**

**NAYS: NONE**

**MOTION CARRIED**

Board Policy Review - Employer Reports:

Ms. Murtha discussed Board Policy C-9 which requires TFFR employer payments and reports be submitted to RIO by the 15<sup>th</sup> of the month. Staff has allowed a 10-day grace period without a waiver request from the employer. Staff would like to end this practice and enforce the Board Policy after communicating the change to employers with a planned start date of July 1, 2021.

Board discussion followed.

Pension Administration System (PAS) Project Update:

Ms. Murtha provided an update on the PAS project activities. Staff participated in business interviews related to communication and a cyber-risk assessment, and ten pre-procurement demonstrations with PAS vendors. Staff have participated in change management training to develop agency communication regarding this change. Staff and Segal are discussing business processes to base the Request for Proposal development and meet weekly to discuss the project status. The cyber security and business process assessments will be presented to the Board at the March 25, 2021, meeting.

Board discussion followed.

Outreach:

Ms. Weeks presented an update on outreach activities. The Benefit Counselors held individual benefit counseling sessions in the afternoon

and evening via Teams for members on various dates in December and January and have another date scheduled in February. The counselors are always available to members during business hours. Two virtual group counseling sessions will be held for members statewide on February 24, 2021. A virtual workshop for new Business Managers will be held on January 27, 2021.

Board discussion followed.

**CONSENT AGENDA:**

**IT WAS MOVED BY MS. GUMERINGER AND SECONDED BY MR. MICKELSON AND CARRIED BY A VOICE VOTE TO APPROVE THE CONSENT AGENDA, DISABILITIES 2020-9D AND 2021-1D.**

**AYES: MS. GUMERINGER, MR. MICKELSON, TREASURER BEADLE, SUPT. BAESLER, MR. BURTON, MR. OLSON, AND PRES. LECH**

**NAYS: NONE**

**MOTION CARRIED**

**ADJOURNMENT:**

With no further business to come before the Board, President Lech adjourned the meeting at 4:21 p.m.

Respectfully Submitted:

---

Dr. Rob Lech, President  
Teachers' Fund for Retirement Board

---

Missy Kopp  
Reporting Secretary



**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT  
MINUTES OF THE  
FEBRUARY 8, 2021 SPECIAL BOARD MEETING**

**BOARD MEMBERS PRESENT:** Rob Lech, President  
Mike Burton, Vice President  
Kirsten Baesler, State Supt. DPI  
Toni Gumeringer, Trustee  
Cody Mickelson, Trustee  
Mel Olson, Trustee

**BOARD MEMBERS ABSENT:** Thomas Beadle, State Treasurer

**STAFF PRESENT:** Jayme Heick, Retirement Programs Spec  
Missy Kopp, Retirement Assistant  
Jan Murtha, Deputy ED/CRO  
Sara Sauter, Internal Audit Supvr  
Dottie Thorsen, Internal Auditor  
Denise Weeks, Retirement Program Mgr

**OTHERS PRESENT:** Dean DePountis, Atty. General's Office

**CALL TO ORDER:**

Dr. Rob Lech, President of the Teachers' Fund for Retirement (TFFR) Board of Trustees, called the meeting to order at 1:30 p.m. on Monday, February 8, 2021. The meeting was held virtually and at the ND Retirement and Investment Office (RIO), Bismarck, ND.

**THE FOLLOWING MEMBERS WERE PRESENT REPRESENTING A QUORUM: MR. BURTON, MS. GUMERINGER, PRES. LECH, AND MR. MICKELSON.**

**ACCEPTANCE OF AGENDA:**

The Board considered the agenda for the February 8, 2021, meeting.

**IT WAS MOVED BY MS. GUMERINGER AND SECONDED BY MR. BURTON AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA AS DISTRIBUTED.**

**AYES: MR. BURTON, MR. MICKELSON, MS. GUMERINGER, MR. OLSON, AND PRES. LECH**

**NAYS: NONE**

**MOTION CARRIED**

**ABSENT: SUPT. BAESLER, TREASURER BEADLE, AND MR. OLSON**

Supt. Baesler and Mr. Olson joined the meeting at 1:33.

**ADMINISTRATIVE RULES:**

Ms. Murtha discussed the proposed administrative rules changes required to implement modifications to actuarial factors previously approved by the Board and adding REAL IDs as a valid form of proof of age for TFFR members and beneficiaries. Ms. Murtha also discussed the process to complete the change to the administrative rules. Ms. Murtha noted that Attorney DePountis had reviewed the proposed rules and advised that the proposed rules had: no fiscal impact to the regulated community, did not result in a taking, and had no impact to small entities.

Board discussion followed.

**IT WAS MOVED BY MR. BURTON AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE PROPOSED ADMINISTRATIVE RULES AND AUTHORIZE STAFF TO INITIATE THE RULE PROMULGATION PROCESS.**

**AYES: MR. MICKELSON, MR. OLSON, MR. BURTON, SUPT. BAESLER, MS. GUMERINGER, AND PRES. LECH**

**NAYS: NONE**

**MOTION CARRIED**

**ABSENT: TREASURER BEADLE**

**LEGISLATIVE UPDATE:**

Ms. Murtha provided an update on legislative bills that RIO staff have been tracking.

Board discussion followed.

**ADJOURNMENT:**

With no further business to come before the Board, President Lech adjourned the meeting at 1:45 p.m.

Respectfully Submitted:

---

Dr. Rob Lech, President  
Teachers' Fund for Retirement Board

---

Missy Kopp  
Reporting Secretary



# North Dakota Teachers' Fund for Retirement (TFFR) Segal – Board Update

March 25, 2021

# Agenda

- Segal – Our Project Team
- Segal – Company, ATC Practice, and Client Experience
- Scope of the Project
- Timeline for the Project
- Stage 1 Complete – Highlight / Summarize Four (4) Key Deliverables
  - 10-Key Assessment (Update at January Board Meeting)
  - Cybersecurity Assessment (Separate agenda item)
  - Current Business Model
  - New Business Model
- Stage 2 Underway
- Questions



# Who is Segal? – Our Project Team



William R. Morrow  
Senior Consultant, Denver  
**Project Role: Project Director**



Christopher L. Fikes  
Senior Consultant, Chicago  
**Project Role: Project Manager / Senior Consultant (Business)**



Miriann Yoo  
Vice President and Senior Consultant, New York  
**Project Role: Senior Consultant (Business)**



Jay Preall  
Senior Consultant, Chicago  
**Project Role: Senior Consultant (Technical)**



Jeff Mills  
Vice President, Senior Consultant, Chicago



Catharine Hamrick  
Vice President, Communications (Segal Benz)  
**Project Role: 10 Keys Assessment**

# Who is Segal? – As a Company



Our teams help a wide range of industries. No matter who you are, we can assist you with:

Administration and  
Technology Consulting

Benefit Audit Solutions

Compliance

Health and Welfare  
Benefits

HR and Benefits  
Technology

Insurance

Organizational  
Effectiveness

Performance and  
Rewards

Retirement Benefits

Benefits Communication  
Communication Strategy

Personalized Benefit  
Statements

Surveys and Focus Groups  
Website and Portal Design

Advisor Solutions for  
Financial Intermediaries

Corporate Governance  
and Proxy Voting

Defined Contribution  
Consulting

Discretionary Consulting

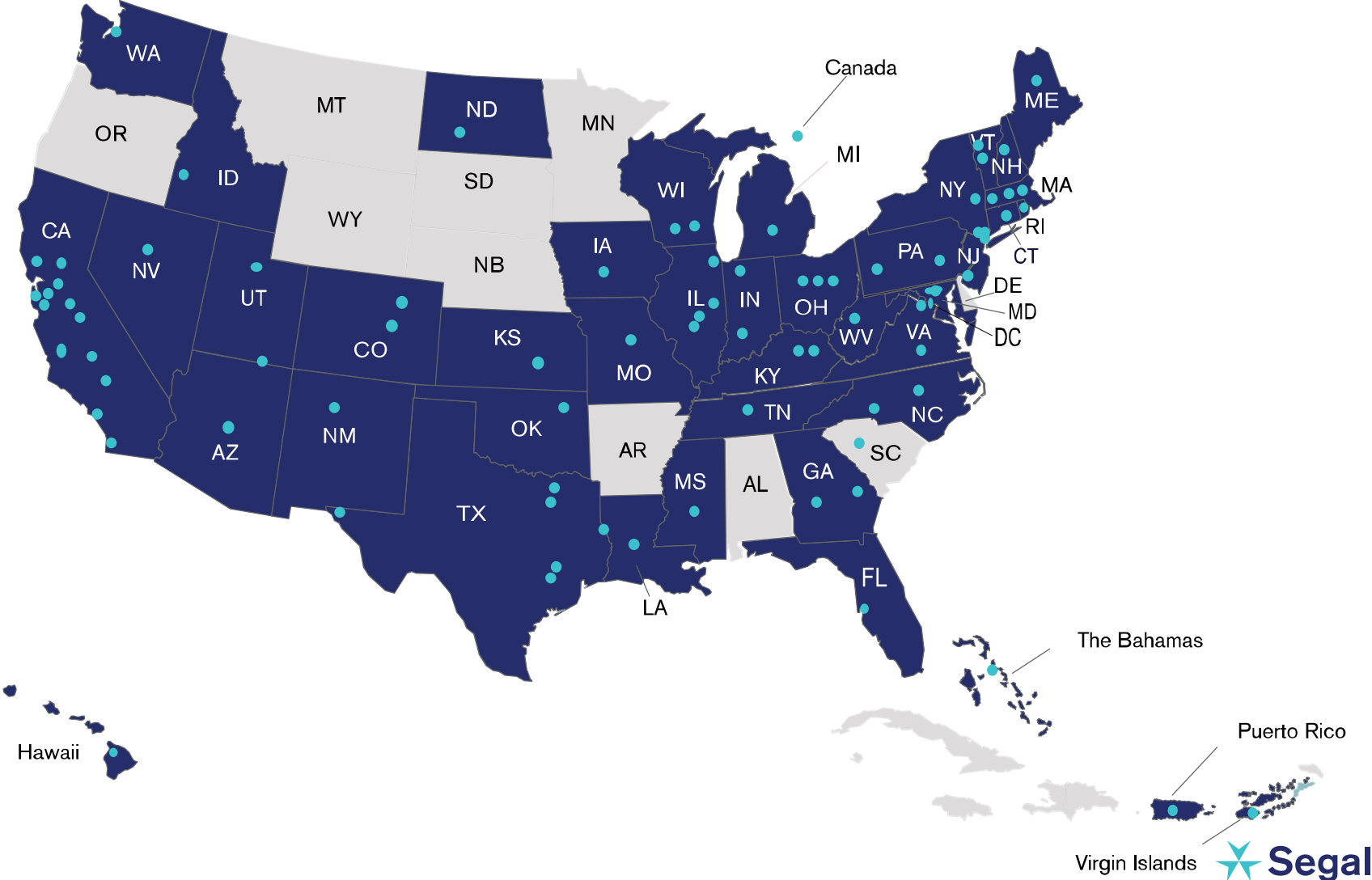
Investment Solutions

Traditional Consulting



**Not any solution—your solution. Personalized advice and help.**

# Who is Segal? – Administration and Technology Consulting (ATC) Our Public Sector Retirement System Clients



# Scope of the Project

There are currently two (2) stages as part of the existing Segal contracted services with NDRIO:

- Stage 1 – Business process re-engineering study
- Stage 2 – Assistance with the Procurement

Upon Pension Administration System vendor selection, NDRIO will proceed with an additional stage for the project:

- Stage 3 – Assistance with Implementation of the awarded system



# Stage 1 Business process re-engineering study

## **Task 1 and 2: Project Initiation / Planning**

*Deliverables: Project Kickoff and Project Workplan*

## **Task 3: Evaluate Current Business Model**

*Deliverable: Current Business Model Report*

## **Task 4: Document New Business Model**

*Deliverables: Commercial Pension Solution Demonstrations, New Business Model Report*

## **Task 5: 10-Key Assessment**

*Deliverables: 10-Key Assessment Report and Communication Strategy Workshop / Presentation*

## **Task 6: Cyber Security Assessment**

*Deliverables: Cyber Security Assessment Report and Risk Register*

# Stage 2 – Assistance with the Procurement

## **Task 1: Plan the Procurement Stage**

*Deliverables: RFP Outline and Project Scheduling*

## **Task 2: Develop PAS RFP**

*Deliverables: Functional / Technical / Service Requirements; Assistance / Guidance with other RFP content, attachments, supporting material, etc. Review / Issuance of RFP.*

## **Task 3: Provide Vendor Selection Services**

*Deliverables: Assistance with procurement process, proposal review, evaluation process, vendor selection and contract negotiation*

# Stage 3 – Assistance with Implementation

## **Future / Optional Contract Item:**

- Segal included 48 tasks in our Proposal
- Condensed those tasks into these 10 categories for quick summary of services:
  1. Monitor the Detailed Project Schedule and Activities
  2. Conduct Regular Project Monitoring
  3. Monitor Potential Project Risks
  4. Monitor Selected PAS Vendor Contracted Activities
  5. Develop and Monitor Project Quality Standard Compliance
  6. Oversight of Objectives for each Project Lifecycle Stage
  7. Work with NDRIIO to Develop a Business Process Re-engineering (BPR), Organizational Change Management (OCM), and Scope Change Plans
  8. Work with NDRIIO to Develop a Training Management Plan
  9. Provide Data Consultant Oversight Services
  10. Overall Project Management

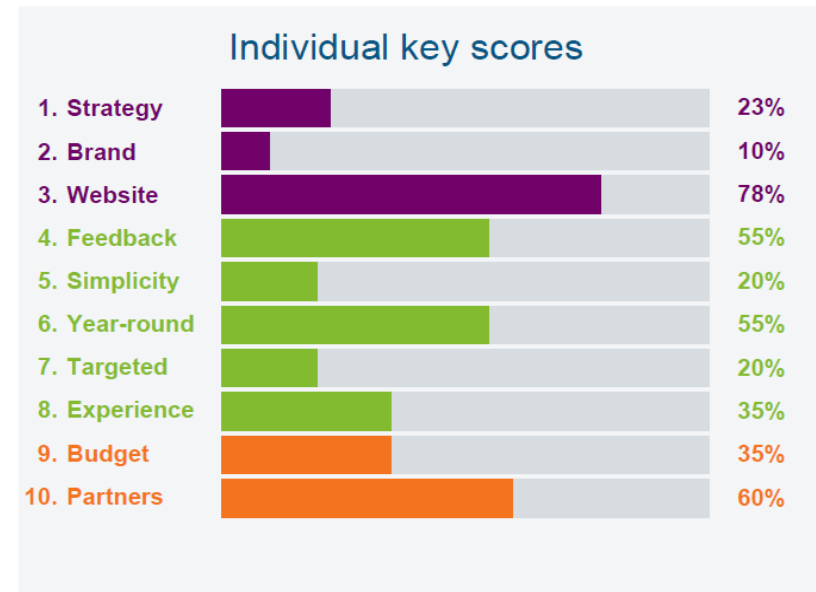
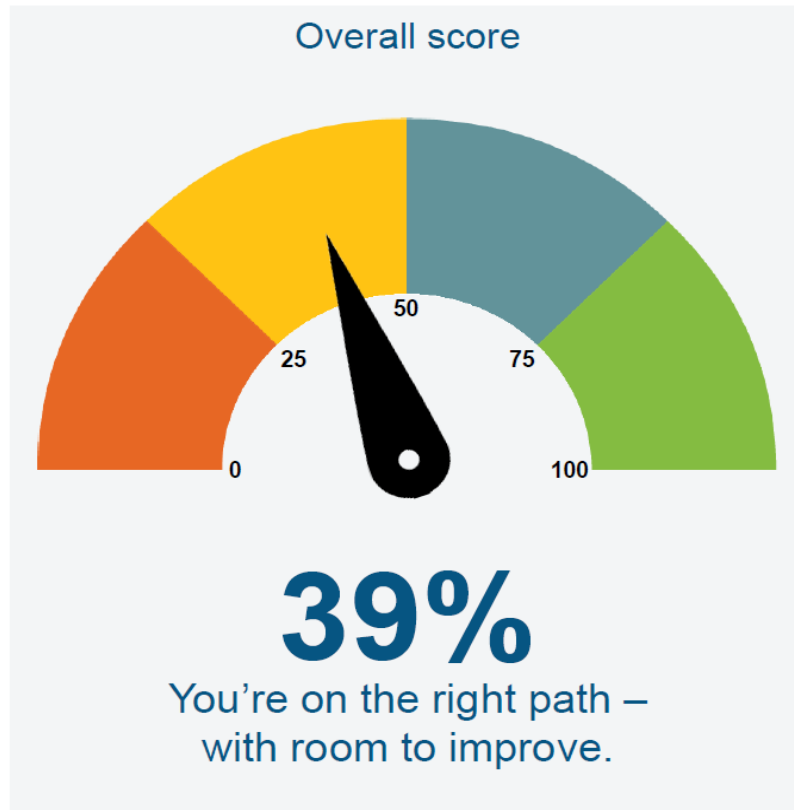
# Timeline of the Project

- Stage 1 – Business process re-engineering study
  - Approximately 4 Months; conducted and completed from Nov-2020 thru Feb/Mar-2021
- Stage 2 – Assistance with the Procurement
  - Approximately 7 Months; currently underway from Mar-2021 thru Sep-2021
- Stage 3 – Assistance with Implementation
  - Usually ranges from 28 to 42 Months
  - October 2021 until TBD

# Stage 1 Complete – Highlight Key Deliverables

- 10-Key Assessment (Presented at January-2021 Board Meeting)
- Cybersecurity Assessment (Separate agenda item during March 25<sup>th</sup> Board Meeting today)
- Current Business Model
- New Business Model

# 10-Key Assessment – Summary



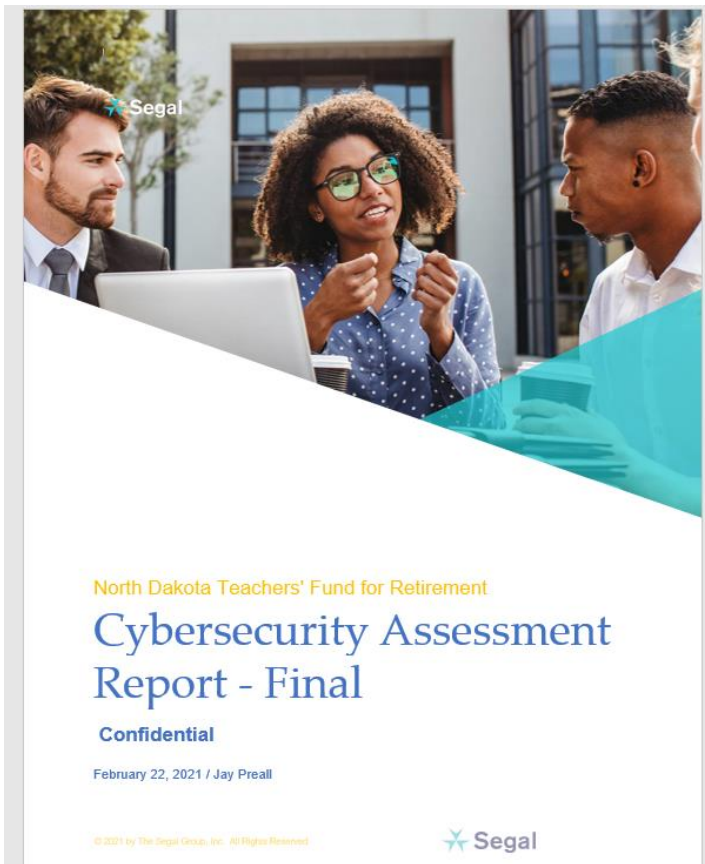
4 January 2021

Benz Communications Confidential—Do not distribute

18

- ❖ Recap of high-level scoring as information was presented during January Board Meeting.

# Cybersecurity Assessment



- ❖ This item will be presented as a separate agenda item at today's (March 25<sup>th</sup>) Board Meeting.

# Current Business Model - Approach

 **1** Schedule Interviews

 **2** Conduct Business Process Interviews

 **3** Conduct Technology Interviews

 **4** Document Current Environment

 **5** Recommend Improvements

 **6** Prioritize Recommendations

 **7** Deliver Current Business Model Report



# Current Business Model – Summarized Issues

Approximately 200 issues were shared by NDRIO with Segal during sixteen (16) interview sessions. These items were then grouped into the following broad categories:

- Product / Solution Issues (74%)
- Technical Issues (4%)
- Business / Operational Issues (22%)

# Current Business Model - Recommendations

1. Acquire a **new PAS solution** with more built-in standard functionality
2. **Enhance self-service** (i.e., portal) with mobile device compatibility, improved functionality and access to real time quality data, ability to update personal information, and estimate retirement benefits
3. **Integration** between document imaging (electronic document processing), the pension administration system and internal workflows
4. Improve **correspondence** and **reporting** capabilities with real-time data updates as well as “point in time” reporting
5. Well documented and up-to-date **business procedures** and **training manuals**.

# Current Business Model - Recommendations

6. Enhanced **contact management** capabilities within the PAS, including scheduling, calls and correspondence
7. Modernize to **new technology** (i.e., internet browser-based solution, browser agnostic) with system performance / response times meeting industry standards
8. Simplified, **more efficient business processes** to better support all aspects of the administration
9. Better **accounting / audit controls**

Note: All of these recommendations are mid-term to long-term efforts in duration and thus will be included in the RFP / Procurement as requirements and a part of the new solution Implementation.

# Current Business Model – “Interim” Recommendations

- Work with Contributing Employers - requirements, format, accuracy, timeliness of reporting, etc.
- Identify governing policies, rules, statutes, etc., that directly affect NDRIO operations and evaluate the potential for changes.
- Update and/or create operational procedure manuals.
- Inventory all system output needs (i.e., correspondence, forms, reports, batch jobs, interfaces, etc.)
- Develop and publish processing schedules / calendars.
- Evaluate and implement process improvements for various business processes:
  - Presumptive Process
  - Dual Members
  - Death Processing
  - Imaging / Correspondence Tracking / Bar-Coding
- Address recommendations from the 10-Key Assessment
- Address recommendations from the Cybersecurity / Risk Assessment

# New Business Model - Approach



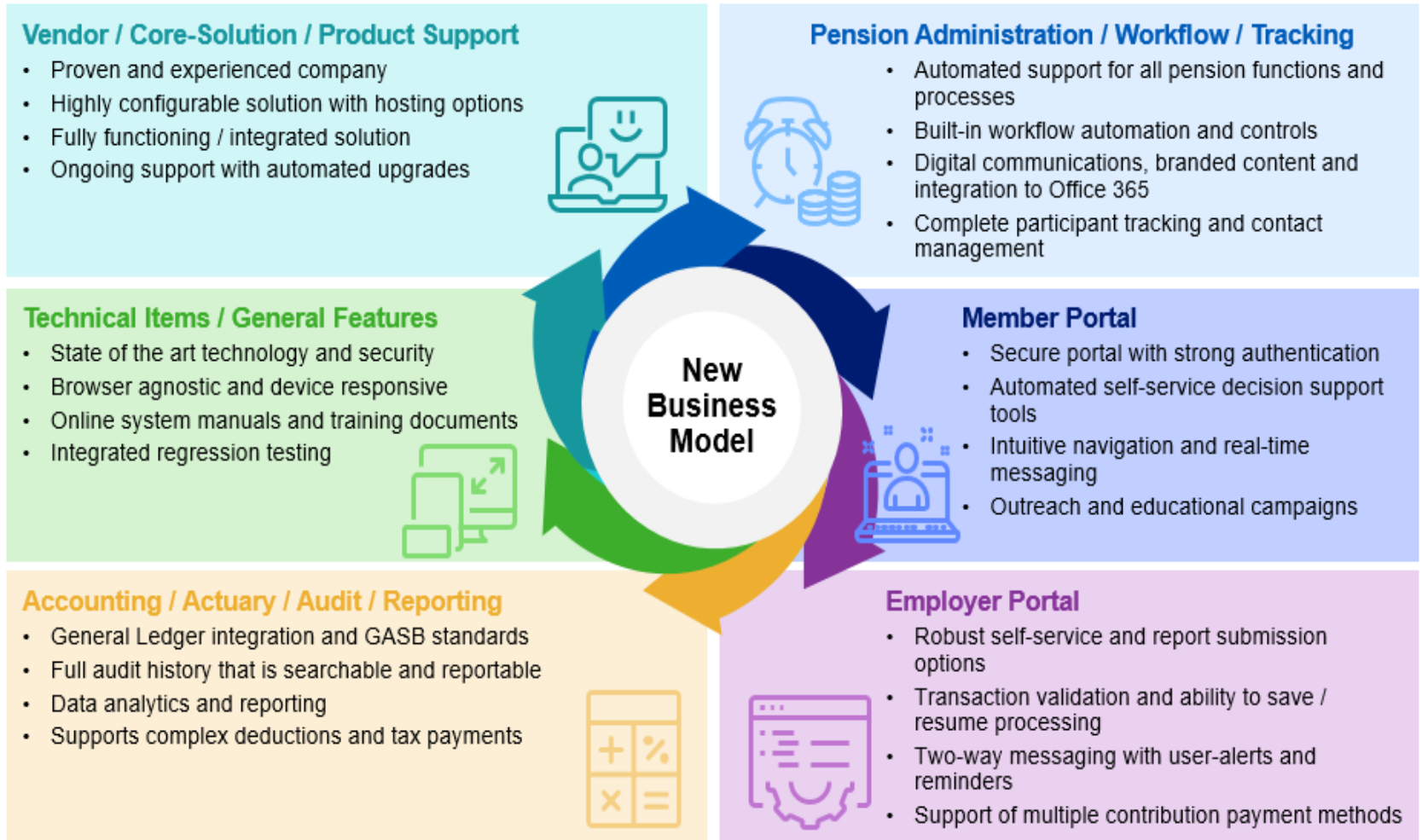
To assist in the development of the New Business Model, Segal facilitated ten (10) system vendor demonstrations, on a pre-procurement basis.

This activity was conducted under strict guidance and supervision from the ND State Procurement Office, following their advice and rules for such demonstrations.

# New Business Model – Vendor Demonstrations

<b>Date</b>	<b>Time</b>	<b>Vendor</b>
Monday 12/7	9am to 11am	Sagitec
Tuesday 12/8	9am to 11am	PensionSoft
Wednesday 12/9	1pm to 3pm	Avenu/CPAS
Monday 12/14	9am to 11am	Vitech
Monday 12/14	1pm to 3pm	JEA
Tuesday 12/15	1pm to 3pm	Procentia
Wednesday 12/16	9am to 11am	CBIZ
Wednesday 12/16	1pm to 3pm	Tegrit
Thursday 12/17	1pm to 3pm	Morneau Shepell
Friday 12/18	9am to 11am	LRS

# New Business Model – 6 Key Items















# New Business Model – Pension Administration System (PAS) and Peripheral Solutions

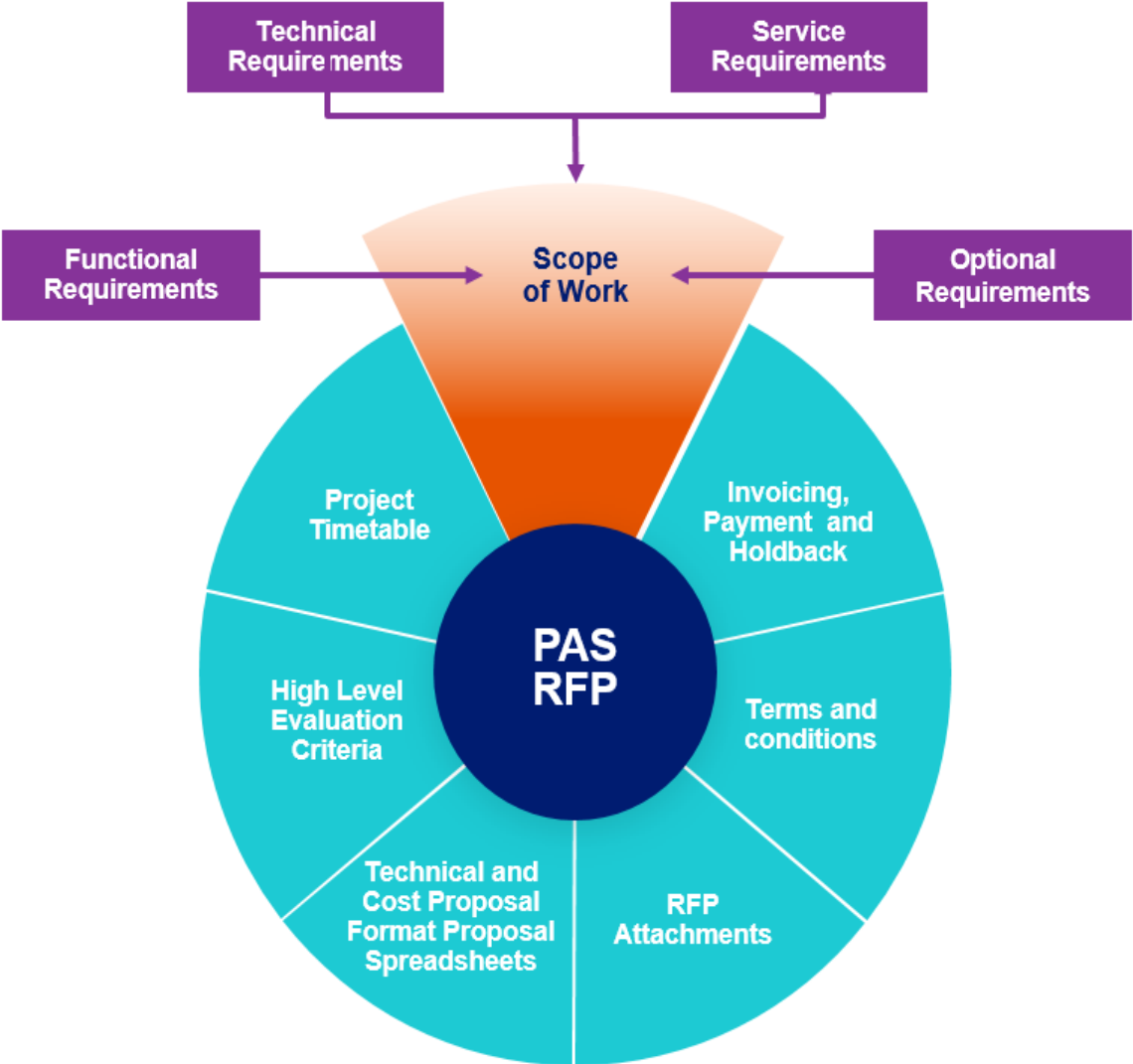




# New Business Model – User Interface and Web Portals

 <h2 data-bbox="415 506 627 549">NDRIO Staff</h2> <div data-bbox="309 614 415 721">  <p data-bbox="318 735 405 763"><b>Robust</b></p> </div> <p data-bbox="463 599 695 771">Comprehensive dashboard and complete views of entire participant information</p> <div data-bbox="318 835 405 928">  <p data-bbox="289 935 434 963"><b>Configurable</b></p> </div> <p data-bbox="463 813 695 913">Empowers staff to deliver excellent customer service</p> <div data-bbox="318 1013 405 1106">  <p data-bbox="318 1113 415 1142"><b>Efficient</b></p> </div> <p data-bbox="463 992 734 1092">More automation and process improvement</p>	 <h2 data-bbox="908 506 1072 549">Employer</h2> <div data-bbox="792 628 879 721">  <p data-bbox="792 735 879 763"><b>Proven</b></p> </div> <p data-bbox="917 592 1188 721">Intuitive design, ease of navigation and full employer reporting capabilities</p> <div data-bbox="792 806 879 899">  <p data-bbox="782 906 888 935"><b>Efficient</b></p> </div> <p data-bbox="917 785 1178 913">Better data validations, controls and error correction capabilities</p> <div data-bbox="792 1006 879 1099">  <p data-bbox="763 1106 908 1135"><b>Configurable</b></p> </div> <p data-bbox="917 978 1197 1106">More autonomy and responsibility given to the Business Managers</p>	 <h2 data-bbox="1323 506 1613 549">Member / Retiree</h2> <div data-bbox="1265 628 1352 721">  <p data-bbox="1265 735 1362 763"><b>Efficient</b></p> </div> <p data-bbox="1391 592 1690 692">Modern online experience with intuitive user navigation</p> <div data-bbox="1265 806 1352 899">  <p data-bbox="1265 906 1352 935"><b>Proven</b></p> </div> <p data-bbox="1391 756 1690 949">Access to more business processes, ability to check the status of in-process requests and additional self-service capabilities</p> <div data-bbox="1265 1006 1352 1099">  <p data-bbox="1236 1120 1391 1149"><b>Collaborative</b></p> </div> <p data-bbox="1391 978 1632 1106">Branded for our clients and incorporating user-feedback</p>
---	---	--

# Stage 2 Assistance with the Procurement – RFP Development is Underway







# PAS PROJECT INTERIM RECOMMENDATIONS

RIO AGENCY RESPONSE

# IDENTIFY THE NEED

What is the Need?

- Preparation for implementation of PAS.

Who does this affect?

- Agency, Employers, Members.

Why should this need be addressed?

- Supports Fiduciary Duty of Prudence.

How will I know this need has been met?

- Positive Staff & Stakeholder Engagement; Improved Efficiency; Reduced Cost.

# BACKGROUND INFORMATION

- Consultant evaluated Current & Future Business Model.
- Consultant issued Interim Recommendations to facilitate Transition.
- Staff discussed each recommendation and timeline for action.

# WORKABLE SOLUTIONS

\* Additional Recommendations from  
Cybersecurity & Communications  
Assessments.

## Governance

- ID Statutes, Rules, & Board Policy that affect operations.
- Ex: Technical Corrections; Authority location.
- Requires adherence to timelines.
- March 2022 - EBPC.

## Administration

- Collaborate w/ Employers.
- Update/Create Process Manuals.
- Inventory Output.
- Develop/Publish Process Schedules.
- Evaluate/Implement Process Improvements.

## Fund Policy

- Review Statutes, Rules, & Board Policies that affect underlying Policy decisions.
- Ex: Return to Teach.
- Requires stakeholder engagement, and consultant/actuary evaluation.

# DISCUSSIONS FOR CHANGE

## Governance

- Initiated by Staff.
- Reviewed/Approved by Board.

## Administration

- Initiated by Staff.

## Fund Policy

- Initiated by Board.
- Facilitated by Staff.
- Reviewed/Approved by Board.



# FINAL RESULT

January 2021 to December 2021

PAS: Stage 1 & 2 Completed

Law, Policy, Process Reviewed & Changes Proposed.  
Employers Engaged.

January 2022 to December 2022

PAS: Stage 3 Initiated

Changes to Law finalized.  
Members & Employers Engaged.

January 2023 to December 2023

PAS: Stage 3 Completed

2023 Session: Statutory Changes & Admin Rules Amended.  
Successful implementation across Members, Employers, and Agency.



North Dakota  
Teachers' Fund for Retirement (TFFR)  
**Cybersecurity Assessment Results**

February 25, 2021

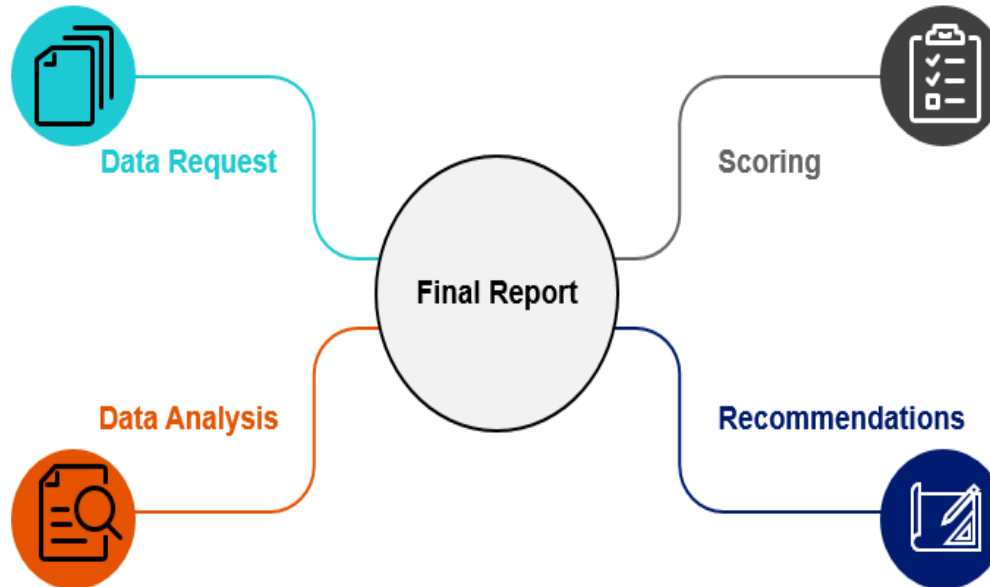
# Assessment Approach

## Important Point!

The assessment focused specifically on NDRIO and did not include assessing NDIR and its support of the local office.

83 Artifacts (i.e., various documents, procedures, protocols, etc.) were requested for review, ranging from an Acceptable Use Policy to Vulnerability Scan Tooling Names

Artifacts were scored based on weighted criteria from the best practices



Artifacts were compared against more than 1,200 best practices

Recommendations were made to address the most impactful areas

# How Scores Were Determined

Artifact Risk Value	Description	Number of Points Scored
Not Provided	The artifact was not provided for the assessment because it was not available or does not exist.	0
Very High Risk	The artifact was provided but was found to be very highly deficient in what is reasonably expected for such an item.	1
High Risk	The artifact was provided but was found to be lacking in many requirements reasonably expected for such an item.	2
Medium Risk	The artifact was provided but was found to be lacking in some minor requirements reasonably expected for such an item.	3
Low Risk	The artifact was provided and was found to meet the requirements for what is reasonably expected for such an item.	4
Not Applicable	The artifact was not applicable for this assessment. For TFFR, this applied to many artifacts controlled by the State IT.	4

- Each artifact was compared to best practices and scored according to the table shown here.
- NDRIO was not able to provide 39 of the 83 requested artifacts, such as Malicious Code Reports and an Incident Response Plan.
- NDRIO received 28 'Not Applicable' scores due to NDRIO providing certain services for you, such as a Network Monitoring Policy.

## Important Point!

When scoring various artifacts, best practices are also 'weighted' when measuring their impact to the overall risk. For example, for asset management activities, it is more important to at least have a list of assets than it is to have a policy identifying who is authorized to add new assets into the environment.

# Cybersecurity Assessment Result

- NDRIO scored **51.17 out of 100** total possible points equating to a **HIGH** risk for a cybersecurity incident to occur.
- To put the NDRIO score into perspective, first time assessment scores Segal has typically seen fall in the '*below 30 out of 100*' range, with organizations then making changes over several months to raise their scores into the '*70+*' range.
- It should be noted that '*audit results*' score higher than '*written policies*' and a written policy scores higher than having no documented policy at all.

	Top Possible Score	Your Assessment Score	Your Risk Rating for this Area
<b>Overall Risk</b>	<b>100.00</b>	<b>51.17</b>	<b>High</b>
<b>Identify</b>	<b>10.00</b>	<b>2.45</b>	<b>Very High</b>
Asset Management	3.00	0.62	Very High
Business Environment	1.50	0.38	Very High
Governance	1.50	0.32	Very High
Risk Assessment	1.00	0.04	Very High
Risk Management	0.50	0.13	Very High
Supply Chain Risk Management	2.50	0.97	Very High
<b>Protect</b>	<b>40.00</b>	<b>17.83</b>	<b>Very High</b>
Identity Management, Authentication and Access Control	10.00	6.05	High
Awareness and Training	2.00	0.10	Very High
Data Security	10.00	1.43	Very High
Information Protection Processes and Procedures	8.00	4.51	High
Maintenance	2.00	1.00	High
Protective Technology	8.00	4.75	High
<b>Detect</b>	<b>35.00</b>	<b>30.53</b>	<b>Low</b>
Anomalies and Events	5.25	3.05	High
Security Continuous Monitoring	24.50	22.49	Low
Detection Processes	5.25	4.99	Low
<b>Respond</b>	<b>10.00</b>	<b>0.32</b>	<b>Very High</b>
Response Planning	1.50	0.04	Very High
Communications	1.50	0.04	Very High
Analysis	1.50	0.24	Very High
Mitigation	5.00	0.00	Very High
Improvements	0.50	0.00	Very High
<b>Recover</b>	<b>5.00</b>	<b>0.05</b>	<b>Very High</b>
Recovery Planning	3.75	0.00	Very High
Improvements	0.75	0.03	Very High
Communications	0.50	0.02	Very High

# Example Detailed Scoring

- Subcategory ID.GV-4 is from the NIST Cybersecurity Framework used for this assessment and addresses the documented governance policies for the organization.
- In this case, because NDRIO did not provide a documented Data Protection Policy, the risk is **Very High** that someone could easily and unknowingly perform an action that would lead to a cybersecurity incident.

<i>Subcategory ID.GV-4:</i> Governance and risk management processes address cybersecurity risks			
Item Reviewed	Current Profile	Target Profile	Current Cyber Security Risk
Data Protection Policy	Not Provided.	Create a Data Protection Policy that includes such items as a statement restricting physical access to workstations to only authorized personnel, a statement prohibiting the use of unknown networks when traveling, such as unverified or open airline, hotel or restaurant networks, and a statement that user workstations should automatically lock the screen after a set period of time of inactivity.	Very High

# Top 10 Improvement Opportunities

Artifact	Your Actual Score
Incident Response Plan	0.00
Data Encryption Tooling and Procedures	0.00
Incident Response Plan Test Results	0.00
Asset Management and Disposal	68.00
Business Partner Agreement Example	82.00
Access Control Policy	0.00
Network Architecture Diagrams	10.00
Security Training Curriculum	0.00
Incident Response Run Books	0.00
Disaster Recovery Plan	44.00

- The items shown here have the greatest impact on improving your assessment score. The top score for each area is 100.
- It is recommended to address the items where the NDRIO score was 0.00 first.
- The goal is to both document the area and put it into practice at NDRIO. For example, when addressing the Incident Response Plan, it should both be written and *practiced on a regular basis*.

# Recommendations

## 1 Collaborate

The local IT Team should become more involved with NDIT in regards to testing incident responses and disaster recovery at a 'big system' level.

## 2 Localize

The NDRIO office should create localized versions of the State governance policies and train staff on them.

## 3 Create

Write **and test** local versions of an Incident Response Plan, a Business Continuity Plan, and a Disaster Recovery Plan for office specific considerations.

## 4 Encrypt

Ensure all data is encrypted so even if a breach does occur, the data is worthless to a hacker.

## 5 Eliminate

Eliminate the use of removable media, such as USB drives, writable DVD players, etc. Users could unknowingly install malware with a compromised USB drive, lose a USB drive that contains confidential data, or deliberately load data onto a removable device for malicious purposes.





# ND TFFR CYBERSECURITY ASSESSMENT

---

RISK MITIGATION PLAN

# OVERVIEW OF CYBERSECURITY ASSESSMENT

---

- Completed by Segal as part of the Pension Administration System project
- Focuses on ND Teachers Fund for Retirement (TFFR) **only** and **not** the State (NDIT)
- Objectives of this cybersecurity assessment
  - Identify potential threats
  - Identify internal and external controls to help mitigate and transfer risk
  - Determine probability/outcomes of vulnerabilities exploited by internal/external actors
  - Provide TFFR with cost-effective and actionable recommendations for improvement

# TFFR AREAS OF RISK

## TOP 10 WEIGHTED ITEMS AND SCORES

TFFR Control	Score
Incident Response Plan	0.00
Data Encryption Tooling and Procedures	0.00
Incident Response Plan Test Results	0.00
Asset Management and Disposal	68.00
Business Partner Agreement Example	82.00
Access Control Policy	0.00
Network Architecture Diagrams	10.00
Security Training Curriculum	0.00
Incident Response Run Books	0.00
Disaster Recovery Plan	44.00

TFFR Control	Score	Reason	Planned Mitigation
Incident Response Plan	0.00	TFFR does not have a local Incident Response Plan in place	<ul style="list-style-type: none"><li>• Identify critical resources, personnel and software that may be impacted by incident</li><li>• Identify actions to be taken with step-by step procedures</li><li>• Identify roles and responsibilities before, during and after an incident</li></ul>
Data Encryption Tooling and Procedures	0.00	TFFR does not have a local policy stating use of encryption or procedures to implement and test to verify all data is encrypted	<ul style="list-style-type: none"><li>• Utilize tooling to encrypt all devices, data in transit and PII or PHI</li><li>• Encrypt Emails</li></ul>
Incident Response Plan Test Results	0.00	TFFR does not have a local Incident Response Plan to test. TFFR will need to create a plan, test and document results	<ul style="list-style-type: none"><li>• Test the plan and document results (test on regular basis)</li><li>• Review the results to ensure roles and responsibilities are clear</li><li>• Document lessons learned</li></ul>



TFFR Control	Score	Reason	Planned Mitigation
Access Control Policy	0.00	TFFR does not have a local policy for stating access control measures for systems, authentication processes, building access and user actions	<ul style="list-style-type: none"> <li>Require all systems to have authentication process; provide users with least functionality required for roles and responsibilities</li> <li>Documented processes for access to building, systems, how/when users can delegate access authority; state user actions can and will be tracked for system access</li> </ul>
Security Training Curriculum	0.00	TFFR does not have a local policy stating security training with cybersecurity topics to safeguard data and the business. Examples: computer viruses, ransomware, email use, SPAM, encryption and attachments	<ul style="list-style-type: none"> <li>Include topics: computer viruses, password management, email use, encryption, attachments</li> <li>Include statement regarding NDIT provides training</li> </ul>
Incident Response Run Books	0.00	TFFR does not have local Incident Response Run Book to document procedures or how to handle incidents of potential risk	<ul style="list-style-type: none"> <li>Record each risk and document procedures for how to handle incident</li> <li>Complete table top exercises, document lessons learned and update as needed</li> </ul>



# BRIEF Q & A SESSION

## QUESTIONS?

---

- Please feel free to ask any questions you may have
- Thank you for your time today

1. PLAN CHARACTERISTICS AND FUND CONSTRAINTS

The North Dakota Teachers' Fund for Retirement (TFFR) is a successor pension benefit plan to the Teachers' Insurance and Retirement Fund (TIRF). TIRF that was established in 1913, 24 years after North Dakota became a state, to provide retirement income to all public school and certain state teachers and administrators in the state of North Dakota. TIRF became TFFR in 1971. The plan is administered by a seven-member Board of Trustees ~~comprised of five active and retired members of the fund appointed by the Governor of North Dakota and~~ which consists of two elected officials - the State Treasurer and the State Superintendent of Public Instruction, and: two active teachers, two retired teachers and one school administrator all appointed by the Governor.

The plan is a multi-employer defined benefit public pension plan that provides retirement, disability, and death benefits in accordance with Chapter 15-39.1 of the North Dakota Century Code (NDCC). Monthly retirement benefits are based on the formula: Number of Years of service X 2.0% X Final Average Salary. Adjustments to the basic formula are made depending on the retirement option selected.

Funding is provided by monthly employee and employer contributions scheduled to increase as follows:

	7/1/11	7/1/12	7/1/14
Employee	7.75%	9.75%	11.75%
Employer	8.75%	10.75%	12.75%

Employee and employer contributions will be reduced to 7.75% each when TFFR reaches 100% funded level on an actuarial value basis.

The TFFR Board has an actuarial valuation performed annually and an Experience Study and Asset Liability Study performed every five years. The actuarial assumed rate of return on assets was reduced to 7.757.25% from 8.07.75% as of July 1, 20152020. Key plan and financial statistics are recorded in the most recent valuation report on file at the North Dakota Retirement and Investment office (RIO).

2. FUND GOALS

The Plan benefits are financed through both statutory employer and employee contributions and the investment earnings on assets held in the Fund. The TFFR Board recognizes that a sound investment program is essential to meet the pension obligations.

As a result, the Fund goals are to:

- 1) Improve the Plan's funding status to protect and sustain current and future benefits.
- 2) Minimize the employee and employer contributions needed to fund the Plan over the long term.
- 3) Avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status.
- 4) Accumulate a funding surplus to provide increases in retiree annuity payments to



**Policy Type:** TFFR Ends

**Policy Title:** Investment Policy Statement

preserve the purchasing power of their retirement benefit.

The Board acknowledges the material impact that funding the pension plan has on the State/School District's financial performance. These goals affect the Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The Board places a greater emphasis on the strategy of improving the funding status and reducing the contributions that must be made to the Fund, as it is most consistent with the long-term goal of conserving money to apply to other important state/local projects.

### **3. RESPONSIBILITIES AND DISCRETION OF THE STATE INVESTMENT BOARD (SIB)**

The TFFR Board is charged by law under NDCC 21-10-02.1 with the responsibility of establishing policies on investment goals and asset allocation of the Fund. The SIB is charged with implementing these policies and investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Under this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The Fund must be invested exclusively for the benefit of the members and their beneficiaries in accordance with this investment policy.

Management responsibility for the investment program not assigned to the SIB in Chapter 21-10 of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, who must establish written policies for the operation of the investment program, consistent with this investment policy.

The SIB may delegate investment responsibility to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory, not advisory.

At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rule and the objectives of the funds participating in the pools.

The SIB is responsible for establishing criteria, procedures, and making decisions with respect to hiring, keeping, and terminating money managers. SIB investment responsibility also includes selecting performance measurement services, consultants, report formats, and frequency of meetings with managers.

The SIB will implement changes to this policy as promptly as is prudent.

#### **4. RISK TOLERANCE**

The Board is unwilling to undertake investment strategies that might jeopardize the ability of the Fund to finance the pension benefits promised to plan participants.

However, funding the pension promise in an economical manner is critical to the State/School Districts ability to continue to provide pension benefits to plan participants. Thus, the Board actively seeks to lower the cost of funding the Plan's pension obligations by taking on risk for which it expects to be compensated over the long term. The Board understands that a prudent investment approach to risk taking can result in periods of under-performance for the Fund in which the funding status may decline. These periods, in turn, can lead to higher required contribution rates. Nevertheless, the Board believes that such an approach, prudently implemented, best serves the long-run interests of the State/School District and, therefore, of plan participants.

#### **5. INVESTMENT OBJECTIVES**

The Board's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB

- 1) The fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
- 2) The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.
- 3) The risk-adjusted performance of the fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

#### **6. POLICY ASSET MIX**

Benefit payments are projected to occur over a long period of time. This allows TFFR to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates. After consideration of all the inputs and a discussion of its own collective risk tolerance, the Board approves the appropriate policy asset mix for the Fund.

Asset Class	Policy Target (%)
Public Equity	45%
- Broad U.S. Equity	27%
- Global ex-U.S. Equity	18%
Fixed Income	27%
- Core Fixed Income	18%
- High Yield	8%
- Cash Equivalents	1%
Alternatives	28%
- Real Estate	<del>7%</del> 9%
- Private Infrastructure	<del>7%</del> 9%
- Timber	<del>2%</del> 0%
- Private Equity	10%
Total	100%

An allocation to Global Alternatives of up to 10% is authorized but shall not increase the expected volatility of the portfolio as measured in Section 5; and if utilized, all other targets will be adjusted pro-rata. The Board does not endorse tactical asset allocation, therefore, it is anticipated the portfolio be managed as close to the policy target as is prudent and practicable while minimizing rebalancing costs. Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy.

**7. RESTRICTIONS**

While the SIB is responsible for establishing specific quality, diversification, restrictions, and performance objectives for the investment vehicles in which the Fund's assets will be invested, it is understood that:

- a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
- b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers
- c. No transaction shall be made which threatens the tax exempt status of the Fund.
- d. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.
- e. No unhedged short sales or speculative margin purchases shall be made.
- f. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

For the purpose of this document, Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

- g. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

For the purpose of this document economically targeted investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved, as well as to create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Also, for the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

- 1) The cost does not exceed the fair market value at the time of investment.
- 2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar task.
- 3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
- 4) The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity are equivalent, the Board's policy favors investments which will have a positive impact on the economy of North Dakota.

## **8. INTERNAL CONTROLS**

A system of internal controls must be in place by the SIB to prevent losses of public funds arising from fraud or employee error. Such controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

## **9. EVALUATION AND REVIEW**

Investment management of the Fund will be evaluated against the Fund's investment objectives. Emphasis will be placed on five year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided to the TFFR Board periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all

significant and/or material matters and changes pertaining to the investment of the Fund, including but not limited to:

- 1) A list of the advisory services managing investments for the board.
- 2) A list of investments at market value, compared to previous reporting period, of each fund managed by each advisory service.
- 3) Earnings, percentage earned, and change in market value of each fund's investments.
- 4) Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators.
- 5) All material legal or legislative proceedings affecting the SIB.
- 6) Compliance with this investment policy statement.

**TFFR Board Adopted:** May 25, 1995.

**Amended:** November 30, 1995; August 21, 1997; July 15, 1999; July 27, 2000; September 18, 2003; July 14, 2005; September 21, 2006; September 20, 2007; October 27, 2011; September 26, 2013; January 21, 2016; September 21, 2017; January 25, 2018; November 19, 2020.

**Approved by SIB:** November 18, 2011, February 26, 2016, September 22, 2017, February 23, 2018, November 20, 2020.

ND Teachers' Fund for Retirement

ND State Investment Board

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Janilyn Murtha  
Deputy Executive Director/  
Chief Retirement Officer

\_\_\_\_\_  
David Hunter  
Executive Director/CIO

## MEMORANDUM

Item III.F.

---

**TO: TFFR Board**  
**FROM: Jan Murtha, Deputy Executive Director – Chief Retirement Officer**  
**DATE: March 18, 2021**  
**RE: Admin Rules**

At its February 8, 2021 Special TFFR Board meeting, the Board approved the proposed amendments to administrative rules and directed staff to proceed with the rules promulgation process. Pursuant to the Boards direction, staff:

- Prepared the proposed amendments to administrative rules, the regulatory analysis, takings assessment, small entity impact statement, and small entity regulatory analysis for distribution (attached).
- Submitted the Full Notice and proposed rules to Legislative Counsel (attached).
- Requested the ND Newspaper Association publish an Abbreviated Notice (attached).
- Conducted a Public Hearing on Friday March 12, 2021, to receive comments on the proposed rule amendments (minutes attached).

In addition to the above actions, Staff also published the proposed amendments on our agency website. Staff received no written or oral comments, nor requests for copies of the proposed amendments to rules or any of the required assessments, during the comment period.

Staff requests that the Board finalize and approve the proposed amendments to rules as presented; and authorize staff to submit the proposed amendments to the Office of Attorney General for an opinion of rule process compliance, and to Legislative Counsel contingent on the Attorney General opinion/approval.

**BOARD ACTION REQUESTED: Approve proposed amendments as Final and authorize staff to continue rule promulgation process as discussed.**

**Section 82-05-01-02 is amended as follows:**

**82-05-01-02. Proof of age.**

A teacher applying for a retirement benefit and each beneficiary entitled to a continuing annuity under the joint and survivor option must provide proof of age. The following documents will be accepted as proof of age: REAL ID, birth certificate, baptismal certificate, passport, or official military record.

**History:** Effective September 1, 1990; amended effective \_\_\_\_\_.

**General Authority:** NDCC 15-39.1-07

**Law Implemented:** NDCC 15-39.1-10; the Real ID Act of 2005 [ Pub.L. 109-13; 119 Stat. 302; 8 U.S.C. § 1252].

**Section 82-05-04-02 is amended as follows:**

**82-05-04-02. Actuarial factors - Optional payment forms.**

~~Under North Dakota Century Code section 15-39.1-16, the actuarial factors used to determine benefit amounts under the optional joint and survivor, term certain and life, partial lump sum and level income forms of annuity payment shall be based on the following actuarial assumptions:~~

1. Interest rate – ~~7.75~~ 7.25 percent per year, compounded annually.
2. Member's mortality (used for nondisabled members) - A mortality table constructed by blending ~~thirty-three~~ thirty percent of the mortality rates under the ~~RP-2014 male "combined" table, employee~~ a combination of PubT-2010 Employee and healthy-annuitant tables PubT-2010 Healthy Retiree Tables for males, adjusted by 104% for ages 55 and older, and projected to 2017 2022 using projection scale MP-2014, set back one year MP-2019, with sixty-seven seventy percent of the mortality rates under the ~~RP-2014 female "combined" table, employee~~ a combination of PubT-2010 Employee and healthy-annuitant tables PubT-2010 Healthy Retiree Tables for females, adjusted by 104% for ages 55 and older, and projected to 2017 2022 using projection scale MP-2014, set back one year MP-2019.
3. Beneficiary's mortality - A mortality table constructed by blending ~~sixty-seven~~ seventy percent of the mortality rates under the ~~RP-2014 male "combined" table, employee~~ a combination of PubT-2010 Employee and healthy-annuitant tables Pub-2010 Contingent Survivor Tables for males, adjusted by 95% for ages 45 and older, and projected to 2017 2022 using projection scale MP-2014, set back one year MP-2019, with thirty-three thirty percent of the mortality rates under the ~~RP-2014 female "combined" table, employee~~ a combination of PubT-2010 Employee and healthy-annuitant tables Pub-2010 Contingent Survivor Tables for females, adjusted by 95% for ages 45 and older, and projected to 2017 2022 using projection scale MP-2014, set back one year MP-2019. Mortality tables for survivors under age 18 use the RP-2014 Juvenile tables with 50% blending of the male/female rates and projected to 2022 using projection scale MP-2019.
4. Disabled member's mortality - A mortality table constructed by blending ~~thirty-three~~ thirty percent of the mortality rates under the ~~RP-2014~~ PubNS-2010 Non-Safety disabled mortality table for males, set forward four years projected to 2022 using



projection scale MP-2019, with ~~sixty-seven~~ seventy percent of the mortality rates under the ~~RP-2014 PubNS-2010 Non- Safety~~ disabled mortality table for females, set-forward four years projected to 2022 using projection scale MP-2019.

In addition, the above actuarial assumptions shall be used to determine actuarial equivalence for other purposes not covered by sections 82-05-04-01, 82-05-04-03, and 82-05-04-04, such as the determination of the reduction to a member's benefit because of the existence of a qualified domestic relations order.

**History:** Effective May 1, 2000; amended effective May 1, 2004; July 1, 2008; April 1, 2016; \_\_\_\_\_

**General Authority:** NDCC 15-39.1-07

**Law Implemented:** NDCC 15-39.1-16, 15-39.1-24

**Section 82-05-04-04 is amended as follows:**

**82-05-04-04. Actuarial factors - Purchase of service.**

Whenever the North Dakota Century Code permits a member to purchase service on an actuarially equivalent basis, the following actuarial assumptions shall be used:

1. Interest rate – ~~7.75~~ 7.25 percent per year, compounded annually.
2. Mortality rates - the same table specified in section 82-05-04-02 for nondisabled members.
3. Retirement - the member will be assumed to retire at the age at which the member is first eligible for an unreduced retirement benefit. Such unreduced retirement date will be determined taking into account any purchased service and assuming the member continues in full-time covered service.
4. Salary increase rate - Increases are assumed to occur once each year. The following table shows the increase rates indexed by the member's years since hire (excluding any service being purchased):

<del>Nearest Service at Beginning of the Year</del> <u>Years from Hire</u>	Percentage Increase at End of Year
0	14.50%
1	<del>7.75%</del> <u>14.8%</u>
2	<del>7.5%</del> <u>6.80%</u>
3	<del>7.25%</del> <u>6.55%</u>

4	7.00%
<u>4-5</u>	<u>6.30%</u>
5	6.75%
<u>6-7</u>	<u>5.80%</u>
6	6.5%
<u>8-9</u>	<u>5.55%</u>
7	6.25%
<u>10-12</u>	<u>5.30%</u>
8-9	6.00%
<u>13-14</u>	<u>5.05%</u>
10-11	5.75%
<u>15-16</u>	<u>4.80%</u>
12-13	5.50%
<u>17-19</u>	<u>4.55%</u>
14-15	5.25%
<u>20-23</u>	<u>4.30%</u>
16-18	5.00%
<u>24-30</u>	<u>4.05%</u>
19-22	4.75%
<u>31 and over</u>	<u>3.80%</u>
23-24	4.5%
25 or more	4.25%

**History:** Effective May 1, 2000; amended effective July 1, 2008; April 1, 2016; \_\_\_\_\_.

**General Authority:** NDCC 15-39.1-07

**Law Implemented:** NDCC 15-39.1-16, 15-39.1-24

## Regulatory Analysis

1. Who are the classes of persons who will probably be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule?

**Members and Beneficiaries of the TFFR Program are the class of persons affected by the proposed rule.**

2. What is the probable impact, including economic impact, of the proposed rule?

**Increased flexibility for proof of age documentation, and maintaining health of the TFFR Fund by adopting updates to the actuarial factors recommended by the fund actuaries.**

3. What is the probable costs to the agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues?

**Incidental cost to the agency relating to rule promulgation and corresponding system updates.**

4. What were the alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency/board and why was each method rejected in favor of the proposed rule?

**Under N.D.C.C. 15-39.1-05.2(3) the TFFR Board is required to review actuarial assumptions and update such factors in accordance with their duties as fiduciaries of the Fund. The proposed amendments reflect the result of their review and consideration. Including REAL ID as a proof of age document reflects an implementation of federal law.**

5. Please explain the information and data assessment as well as how the amounts of impact were determined, to the extent practicable.

**An actuarial experience study was relied on by the Board in making its determination and REAL ID represents an implementation of Federal Law.**

## **Takings Assessment**

1. Assess the likelihood that the proposed rule may result in a taking or regulatory taking.

### **Not Likely.**

2. Clearly and specifically identify the purpose of the proposed rule.

### **Update actuarial factors to maintain health of Fund, and increase flexibility in providing proof of age documentation.**

3. Explain why the proposed rule is necessary to substantially advance that purpose and why no alternative action is available that would achieve the agency's goals while reducing the impact on private property owners.

**No impact to private property is expected. Under N.D.C.C. 15-39.1-05.2(3) the TFFR Board is required to review actuarial assumptions and update such factors in accordance with their duties as fiduciaries of the Fund. The proposed amendments reflect the result of their review and consideration. Including REAL ID as a proof of age document reflects an implementation of federal law.**

4. Estimate the potential cost to the government if a court determines that the proposed rule constitutes a taking or regulatory taking.

### **Not applicable.**

5. Identify the source of payment within the agency's budget for any compensation that may be ordered.

### **Not applicable.**

6. Certify that the benefits of the proposed rule exceed the estimated compensation costs.

### **Not applicable.**

## **Small Entity Economic Impact Statement**

1. Which small entities are subject to the proposed rule?

**None**

2. What are the administrative and other costs required for compliance with the proposed rule?

**Incidental cost to the agency relating to rule promulgation and corresponding system updates.**

3. What is the probably cost and benefit to private persons and consumers who are affected by the proposed rule?

**Only Fund members and beneficiaries are affected; and the only impact is increased flexibility for proof of age documentation, and maintaining health of the TFFR Fund by adopting updates to the actuarial factors recommended by the fund actuaries.**

4. What is the probable effect of the proposed rule on state revenues?

**None.**

5. Is there any less intrusive or less costly alternative methods of achieving the purpose of the proposed rule?

**No. Under N.D.C.C. 15-39.1-05.2(3) the TFFR Board is required to review actuarial assumptions and update such factors in accordance with their duties as fiduciaries of the Fund. The proposed amendments reflect the result of their review and consideration. Including REAL ID as a proof of age document reflects an implementation of federal law.**

## Small Entity Regulatory Analysis

1. Was establishment of less stringent compliance or reporting requirements for small entities considered? To what result?

**The proposed rules changes do not address small entities and therefore have no impact on small entities.**

2. Was establishment of less stringent schedules or deadlines for compliance or reporting requirements considered for small entities? To what result?

**The proposed rules changes do not address small entities and therefore have no impact on small entities.**

3. Was consolidation or simplification of compliance or reporting requirements for small entities considered? To what result?

**The proposed rules changes do not address small entities and therefore have no impact on small entities.**

4. Were performance standards established for small entities for replacement design or operational standards required in the proposed rule? To what result?

**The proposed rules changes do not address small entities and therefore have no impact on small entities.**

5. Was exemption of small entities from all or any part of the requirements in the proposed rule considered? To what result?

**The proposed rules changes do not address small entities and therefore have no impact on small entities.**



3442 East Century Avenue | P.O. Box 7100 | Bismarck, ND 58507-7100  
Telephone: 701-328-9885 | Toll Free: 800-952-2970 | Fax: 701-328-9897 | [www.rio.nd.gov](http://www.rio.nd.gov)

---

February 19, 2021

Ms. Vonette Richter  
Legal Division Director  
North Dakota Legislative Council  
State Capitol 600 East Boulevard, 2nd Floor  
Bismarck, ND 58505-0360

Dear Ms. Richter:

The Notice of Intent to Amend Administrative Rules and a copy of the proposed rules are enclosed as required by N.D.C.C. § 28-32-10(1), on behalf of the ND Teachers' Fund For Retirement. Please contact me with any questions or concerns.

Sincerely,

Jan Murtha  
*Deputy Executive Director/ Chief Retirement Officer*  
ND Retirement & Investment Office  
3442 E. Century Avenue  
Bismarck, ND 58507-7100

(701) 328-9895

## FULL NOTICE OF INTENT TO AMEND ADMINISTRATIVE RULES

TAKE NOTICE that the North Dakota Retirement and Investment Office on behalf of the Teachers' Fund For Retirement Board will hold a public hearing to address proposed amendments to N.D. Admin. Code 82-05-01-02, 82-05-04-02, and 82-05-04-04 at 10:00 a.m. on Friday, March 12, 2021 at 3442 East Century Avenue, Bismarck, ND, 58507. The purpose of the proposed amendments is to implement state statutes and federal law relating to the Teachers' Fund For Retirement program requirements. The proposed amendments address the following:

In N.D.A.C. 82-05-01-02, the amendment expands the list of documents accepted by the program as proof of age to include REAL ID;

In N.D.A.C. 82-05-04-02, the amendment updates the actuarial factors, such as the interest rate, and member and beneficiary mortality tables used by the program to calculate optional payment forms;

In N.D.A.C. 82-05-04-04, the amendment updates the actuarial factors, such as the interest rate and salary increase rate used by the program to calculate purchase of service.

The proposed amendments are not expected to have an impact on the regulated community in excess of \$50,000.

The proposed rules may be reviewed at the office of the North Dakota Retirement and Investment Office at 3442 East Century Avenue, P.O. Box 7100, Bismarck, ND, 58507-7100. A copy of the proposed rules and/or a regulatory analysis may be requested by writing the above address, e-mailing [rio@nd.gov](mailto:rio@nd.gov), or calling 701-328-9885. Written or oral comments on the proposed rules sent to the above address or telephone number and received by Wednesday, March 24, 2021, will be fully considered.

If you plan to attend the public hearing and will need special facilities or assistance relating to a disability, or would like to attend the hearing virtually, please contact the North Dakota Retirement and Investment Office at the above telephone number or address at least one day prior to the public hearing.

Dated this 19th day of February, 2021.

Janilyn (Jan) K. Murtha  
*Deputy Executive Director/ Chief Retirement Officer*  
ND Retirement & Investment Office





# Affidavit of Publication

Colleen Park, being duly sworn, states as follows:

1. I am the designated agent, under the provisions and for the purposes of, Section 31-04-06, NDCC, for the newspapers listed on the attached exhibits.

2. The newspapers listed on the exhibits published the advertisement of: **ND Retirement & Investment Office – Administrative Rules relating to proof of age & actuarial factors**; 1 time(s) as required by law or ordinance.

3. All of the listed newspapers are legal newspapers in the State of North Dakota and, under the provisions of Section 46-05-01, NDCC, are qualified to publish any public notice or any matter required by law or ordinance to be printed or published in a newspaper in North Dakota.

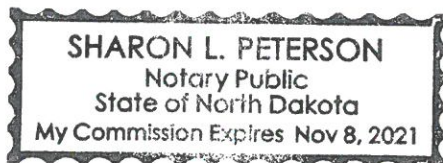
Signed: Colleen Park

State of North Dakota

County of Burleigh

Subscribed and sworn to before me this 11 day of March, 20 21.

Sharon L. Peterson



## School looks into a camera system to livestream activities

JANUARY 13, 2021

The Ashley school board held their regular meeting on Wednesday, January 13, 2021 at 7:00pm in the ITV room.

Present: Kyle Thiery, Amy Schleppe, Lyle Fey, Ross Litsey, \*Kevin Nitschke, Jason Schmidt, Chris Doane, Teresa Dockter, \*Sabrina Hornung. Motion by Schleppe to approve the agenda with three additions. Second by Thiery, motion carried unanimously.

\*Kevin Nitschke entered the meeting at 7:02pm. Motion by Litsey to approve the minutes of the December 9th meeting as written. Second by Schleppe, motion carried unanimously.

\*Sabrina Hornung entered the meeting at 7:04pm. Motion by Nitschke to approve payment of general fund bills (\$23,003.65) and special assessment fund bill (\$997.56). Second by Thiery, motion carried unanimously.

Motion by Nitschke to approve all financial reports as presented. Second by Litsey, motion carried unanimously.

Motion by Schleppe to approve the contract for Tucker Meidinger as assistant baseball coach (\$3,216). Second by Nitschke, motion carried unanimously.

Motion by Thiery to approve Denise Martz as the Ashley school district's homeless

liaison and Chris Doane as the foster care liaison. Second by Schleppe, motion carried unanimously.

Motion by Nitschke to hire Ann Bettenhausen to teach driver's ed at \$1,300 for classroom instruction and \$30/hour per student for B-T-W instruction. Second by Schleppe, motion carried unanimously. Mr. Schmidt anticipates 10-14 students.

Mr. Schmidt stated Kidder County school is switching from Arizona State University to NDCDE for their virtual elementary students, therefore they will discontinue providing the monitor. Mr. Doane said we currently have one student and the family is in favor of the change. Motion by Schleppe to switch to NDCDE for elementary virtual students. Second by Thiery, motion carried unanimously.

Schleppe, Thiery and Mr. Schmidt will attend the virtual negotiations seminar.

The board held the first reading on the following policies: Records Retention; District Schools Parent and Family Engagement.

Discussion on a camera system for the gym. Mr. Schmidt will research options and bring more information to the next meeting.

Legislative session has begun--weekly updates will be emailed.

Superintendent's report: 1) Team bus broke down in Minot & was towed to Bismarck-- problem is a control box housing the sensors, waiting on parts; 2) Another CARES act is forthcoming, details on how much and how it can be spent are pending ; 3) Governor mask mandate may

be lifted 1/18--board directed administrators to use their discretion regarding masks if that happens.

Principal's report: 1) Intervention/Exact Path is working well; 2) Currently ten NDCDE students--grade scale is different than ours, letter grades will be entered as given. Five students switched back to in-person learning after semester break.

Next meeting will be February 10, 2021 at 7:00pm. Motion by Schleppe to adjourn, second by Thiery. Motion carried unanimously, meeting adjourned at 7:49pm.

Teresa Dockter  
Business Manager

Lyle Fey  
President

### ASHLEY SCHOOL BOARD REPORT

Ashley School District  
01/12/2021 10:39 AM

Amount Vendor Name Description

Ashley Super Valu, Supt/princ/pk supplies.....	91.03
BSN Sports, LLC, Girls WR Uniforms/ Med supplies.....	711.49
Central business systems INC, copier maint.....	949.26
Cole papers Inc, cust supplies.....	255.56
Dickey Rural Networks, Server-maint,phones.....	2,038.25
H.A. Thompson & Sons Repairs,.....	666.33
Link's Do it Best, cust supplies.....	112.90
Mccleary Lumber Inc, ag/bus shop supplies.....	66.96
MidAmerican Research Chemical, Cust Supplies.....	1,031.00
Montana Dakota Utilities, electricity/heat.....	12,595.44
ND Council Educational Leaders, Ed Jobs Membershi.....	215.00

NDUS Group Account, 4THQ Billing.....	1,844.51
Northern Plains Cooperative, us fuel.....	1,844.51
School specialty INC, Elem supplies.....	66.80
SyncB/Amazon, Toner/cust supplies.....	196.97
Thrifty White Pharmacy, Athletic Supply.....	4.23
Westside Heating & AC, Propane bus shop.....	780.00
Fund Total:	23,003.65
Checking Account Total:	23,003.65

**Special Assessment Fund:**  
McIntosh County Treasurer Special Assessment \$997.56  
General Fund Bills Paid Between Board Meetings January 2021

Paid, Description, Amount	
Horace Mann, disability.....	364.64
City of Ashley, water/sewer/garbage.....	199.44
NDCDE, Course fees-distance learners & others.....	7,351.00
Jason Schmidt, Reimb iPad.....	607.36
Visa, Lib books/filters/zoom fees.....	238.05
NDCDE, Course fees.....	2861.00

## Notice to Contractors

The North Dakota Department of Transportation (NDDOT) will receive bids for the construction of the following project(s):

Job No.: 25  
Project No(s): HES-1-999(041)  
Type: PAVEMENT MARKING  
County(s): MCINTOSH, BURLEIGH, EMMONS, GRANT, KIDDER, LOGAN, MCLEAN, MERCER, MORTON, OLIVER, SHERIDAN, & WELLS Cos  
Location: VARIOUS US/STATE HIGHWAYS IN THE BISMARCK DISTRICT  
Job No.: 31

Project No(s): HES-2-999(059)  
Type: PAVEMENT MARKING  
County(s): MCINTOSH, BARNES, CASS, DICKEY, KIDDER, LAMOURE, LOGAN, RANSOM, STEELE, & STUTSMAN Cos  
Location: VARIOUS US/STATE HIGHWAYS IN THE VALLEY CITY DISTRICT

Bids will be received via the Bid Express on-line bidding exchange at www.bidx.com until 09:30AM, March 12, 2021. Bids will be opened at that time at the NDDOT building on the capitol grounds in Bismarck and the bid results will be distributed and posted online at https://www.dot.nd.gov/business/bidinfo.htm approximately 30 minutes after bids are opened.

The proposal forms, plans, and specifications are available on the NDDOT website at http://www.dot.nd.gov and may be inspected at the Construction Services Division, 608 East Boulevard Avenue, Bismarck, North Dakota.

All bidders not currently prequalified with NDDOT must submit an online Contractor's Prequalification request to the Department at least ten (10) business days prior to the bid opening. The online application can be found on the NDDOT website at https://www.dot.nd.gov/business/contractors.htm

NDDOT reserves the right to reject any and all proposals, waive technicalities, or to accept such as may be determined in the best interests of the state.

For disability/language assistance, call 701-328-2978.

Requested by:  
William T. Panos, Director  
North Dakota Department of Transportation

### PUBLIC NOTICE

The Democratic-NPL Party, District 7, 8, 28, 30, 31, 32, 33, 34, 35, and 47 hereby gives official notice of party reorganization to be held on **Saturday, March 6 at 10:00 a.m.** The event will be held in virtual format. Pre-registration required at https://demnpl.com/event/district-32-reorganization-meeting/.

### ABBREVIATED NOTICE OF INTENT TO AMEND AND ADOPT ADMINISTRATIVE RULES

relating to  
Veterinary Medicine.  
**North Dakota Board of Veterinary Medical Examiners**

will hold a public hearing to address proposed amendments to the N.D. Admin. Code.

**DoubleTree by Hilton 825 E. Beaton Dr. West Fargo, ND 58078**  
**Thurs., March 18, 2021 5:30 p.m.**

A copy of the proposed rules and/or regulatory analysis may be requested by writing the NDBVME, P.O. Box 328, Lisbon, ND 58054 or calling 701-683-4705. Also, written comments may be submitted to the above address until March 31, 2021. If you plan to attend the public hearing and will need special facilities or assistance relating to a disability, please contact the North Dakota Board of Veterinary Medical Examiners at the above telephone number or address at least one week prior to the public hearing.  
Dated this 9th day of February, 2021.  
Sara Lyons, DVM  
NDBVME Executive Secretary

### ABBREVIATED NOTICE OF INTENT TO AMEND ADMINISTRATIVE RULES

82-05-01-02, 82-05-04-02, and 82-05-04-04 RELATING TO PROOF OF AGE AND ACTUARIAL FACTORS RELATING TO OPTIONAL PAYMENT FORMS AND PURCHASE OF SERVICE UNDER THE NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT PROGRAM

**ND Retirement and Investment Office on behalf of the Teachers' Fund For Retirement Board**

will hold a public hearing to address proposed changes to the North Dakota Administrative Code.

**3442 E. Century Ave. Bismarck, ND 58507**  
**Fri., March 12, 2021 10:00 a.m.**

A copy of the proposed rules may be obtained by writing the North Dakota Retirement and Investment Office on behalf of the Teachers' Fund For Retirement Board at 3442 East Century Avenue, P.O. Box 7100, Bismarck, ND, 58507-7100 or calling (701)328-9885. Also, written comments may be submitted to the North Dakota Retirement and Investment Office at 3442 East Century Avenue, P.O. Box 7100, Bismarck, ND, 58507-7100 until Wednesday, March 24, 2021. If you plan to attend the public hearing and will need special facilities or assistance relating to a disability, or would like to attend the hearing virtually, please contact the North Dakota Retirement and Investment Office at the above telephone number or address at least one day prior to the public hearing.

Dated this 8th day of February, 2021.  
Janilyn (Jan) K. Murtha  
Deputy Executive Director/  
Chief Retirement Officer  
ND Retirement & Investment Office

## Effort to make beef checkoff voluntary fails

by Dylan Sherman  
NDNAEF

An attempt to make the state beef checkoff payments voluntary failed in the North Dakota House on Feb. 9 by a vote of 41 to 53. However, legislators said changes need to be made in the future.

House Bill 1487 would have made the \$1 beef checkoff paid to the state Beef Commission voluntary for local producers. Beef producers now pay a \$1 per head checkoff on all beef sold in the U.S. and a second \$1 per head to the state Beef Commission. Beef producers can request a refund for the state check-off payments.

Beef producers in favor of the bill told the House Agriculture Committee on Feb. 5 about difficulty they face in applying for a refund and where the checkoff money is being spent in state.

Rep. Sebastian Ertelt, R-Lisbon, the sponsor of the bill, argued that the checkoff is another tax for producers, from a non-elected board.

"This is a tax, you can call it a checkoff, assessment, a fee or you can call it whatever you want, but it's a tax," he said. "[The Beef Commission] is an appointed board, and it has the control over the funds that go to it."

Rep. Jon Nelson, R-Rugby, said his district has more cattle constituents than humans, and last year



Beef producers pay \$1 per head checkoff on beef sold in the U.S. and \$1 per head to the state the Independent Beef Association of North Dakota invited him to a gathering discussing issues.

"They don't feel they have a place at the table," he said. "I think the beef checkoff is a great tool, to market beef, but everyone should be at the table." He voted against the bill, but he said he wants to see the Beef Commission change to an elected board. Rep. Dennis Johnson, R-Devils Lake, chairman of the House Agriculture Committee, said it was demonstrated to the committee that it is very easy to get the refund from the state.

"When we passed [the checkoff] in 2015 for the extra dollar, it was very specifically put into language that you would have the opportunity to get the refund," he said.

## Lions gave service during 2020

Thank you for serving FUN in July:

- Robinson Lions held the Brock Bowerman annual truck pull to fund local charities.
- Tuttle Lions held a pizza party to thank volunteers for helping clean up the town after two destructive storms.

Thank you for serving HOPE in October:

- Wing Lions raised money to help a local family who lost their home in a fire.
- The Medina Lions sponsored Harvest Fest with take-out meals and held essential blood drives.

Thank you for serving FOOD:

- Kulm Lions, Zealand Lions and Gackle Lions held community picnics.
- The Sterling Lions held turkey and ham bingo; funded by their local businesses. The Sterling Lions hold regular bingo second and fourth Monday at 7pm in their clubhouse.
- Kulm Lions gave 50 turkeys to local families.
- Kulm Lions, Lehr Lions, Ashley Lions, and Linton Lions donated to local food banks.
- Gackle Lions served Thanksgiving meals to shut-ins and the elderly.
- Zealand Lions held a spaghetti dinner and raised \$900 for local community projects.

Thank you for serving JOY in December:

- Wing Lions gave gift bags to local children.
- Strasburg Lions held Santa Claus Day, handing out gift bags to children plus ham giveaways and door prizes.
- Hazelton Lions handed out gift bags to schools to deliver to the children.
- Linton Lions purchased, wrapped and delivered toys to Emmons County Social Services to families in need.
- Streeter Lions gave over 400 free sack lunches to people in their vehicles and free toys were handed out by two elves in their suits, pointy boots and little hats.
- Zealand Lions sang Christmas carols in front of every home in their town and gift bags were handed out to the children.
- A Napoleon Lion filled all the gift bags donated by the local business association for the local children.

Thank you Braddock Lions for serving your community for the past 50 years.

Thank you for all the bingo games held these past weeks at Hager's Bar to raise money for charity. Thank you Lions for all you did to make your communities a better place to live, work, and raise your children. Wishing you all a safer and healthier New Year!!!



Paid for by honorary Sterling Lion Crystal Dueker, officially with Fargo Gateway Lions. She has served in this area during these past months alongside these generous Lions Clubs to help in their communities.

**Newspaper Hours**  
Open M, W, Thu 9-2 p.m  
288-3531  
redhead@drtel.net  
**Deadlines Fridays at Noon**

# North Dakota Newspaper Association

1435 Interstate Loop  
 Bismarck, North Dakota 58503  
 Phone: 1-701-223-6397 Fax: 1-701-223-8185

## INVOICE

March 11, 2021

Order: **21023NN2**

Invoice# **10938**

Attn: <b>Janilyn Murtha</b> <b>ND Retirement &amp; Investment Office</b> 3442 E Century Ave. Bismarck, North Dakota 58507-7100	
Voice:	Fax:

Advertiser: **ND Retirement & Investment Office**

Brand:

Campaign

Client Order Number:

Amount Due:

\$2,490.25

*Please detach and return this portion with your payment*

ND Retirement & Investment Office Invoice# 10938 P.O.#: Client Order Number:

Run Date	Ad Size	Rate Type	Rate	Color Rate	Total	Discount	(%)	Amount after Discount	Page
<b>Ashley Tribune (Ashley, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Beach, Golden Valley News (Beach, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Beulah, The Beacon (Beulah, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Bismarck Tribune (Bismarck, North Dakota)</b>									
02/15/2021	6.50	Notice Display	\$13.69		\$88.99	\$0.00	(0.00%)	\$88.99	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$13.69</b>	<b>\$0.00</b>	<b>\$88.99</b>	<b>\$0.00</b>		<b>\$88.99</b>	
<b>Bottineau Courant (Bottineau, North Dakota)</b>									
02/16/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Bowbells, Burke County Tribune (Bowbells, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Bowman County Pioneer (Bowman, North Dakota)</b>									
02/19/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Cando, Towner County Record Herald (Cando, North Dakota)</b>									
02/20/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	

Run Date	Ad Size	Rate Type	Rate	Color Rate	Total	Discount	(%)	Amount after Discount	Page
<b>Carrington, Foster County Independent (Carrington, North Dakota)</b>									
02/15/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	_____
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Carson Press (Elgin, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	_____
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Cavalier Chronicle (Cavalier, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	_____
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Center Republican (Hazen, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	_____
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Cooperstown, Griggs County Courier (Cooperstown, North Dakota)</b>									
02/19/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	_____
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Crosby, The Journal (Crosby, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	_____
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Devils Lake Journal (Devils Lake, North Dakota)</b>									
02/16/2021	6.50	Notice Display	\$9.30		\$60.45	\$0.00	(0.00%)	\$60.45	_____
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$9.30</b>	<b>\$0.00</b>	<b>\$60.45</b>	<b>\$0.00</b>		<b>\$60.45</b>	
<b>Dickinson Press (Dickinson, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	_____
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Elgin, Grant County News (Elgin, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	_____
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Ellendale, Dickey County Leader (Ellendale, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	_____
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Fargo, The Forum (Fargo, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$13.69		\$88.99	\$0.00	(0.00%)	\$88.99	_____
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$13.69</b>	<b>\$0.00</b>	<b>\$88.99</b>	<b>\$0.00</b>		<b>\$88.99</b>	
<b>Finley, Steele County Press (Finley, North Dakota)</b>									
02/19/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	_____
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Garrison, McLean County Independent (Garrison, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	_____
Caption: relating to proof of age & actuarial factors									

Run Date	Ad Size	Rate Type	Rate	Color Rate	Total	Discount	(%)	Amount after Discount	Page
<b>Subtotal:</b>		<b>6.50</b>	<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Grafton, Walsh County Record (Grafton, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>		<b>6.50</b>	<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Grand Forks Herald (Grand Forks, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$13.69		\$88.99	\$0.00	(0.00%)	\$88.99	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>		<b>6.50</b>	<b>\$13.69</b>	<b>\$0.00</b>	<b>\$88.99</b>	<b>\$0.00</b>		<b>\$88.99</b>	
<b>Harvey, The Herald-Press (Harvey, North Dakota)</b>									
02/20/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>		<b>6.50</b>	<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Hettinger, Adams County Record (Hettinger, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>		<b>6.50</b>	<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Jamestown Sun (Jamestown, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$9.30		\$60.45	\$0.00	(0.00%)	\$60.45	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>		<b>6.50</b>	<b>\$9.30</b>	<b>\$0.00</b>	<b>\$60.45</b>	<b>\$0.00</b>		<b>\$60.45</b>	
<b>LaMoure Chronicle (LaMoure, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>		<b>6.50</b>	<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Lakota American (Lakota, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>		<b>6.50</b>	<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Langdon, Cavalier County Republican (Langdon, North Dakota)</b>									
02/15/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>		<b>6.50</b>	<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Linton, Emmons County Record (Linton, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>		<b>6.50</b>	<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Lisbon, Ransom County Gazette (Lisbon, North Dakota)</b>									
02/15/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>		<b>6.50</b>	<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Mandan News (Mandan, North Dakota)</b>									
02/19/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>		<b>6.50</b>	<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Mayville, Traill Co Tribune (Mayville, North Dakota)</b>									
02/20/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
Caption: relating to proof of age & actuarial factors									
<b>Subtotal:</b>		<b>6.50</b>	<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>McClusky Gazette (McClusky, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	

Run Date	Ad Size	Rate Type	Rate	Color Rate	Total	Discount	(%)	Amount after Discount	Page
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Medora, Billings County Pioneer (Beach, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Milnor The Sargent County Teller (Milnor, North Dakota)</b>									
02/19/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Minnewaukan Benson County Farmers Press (Minnewaukan, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Minot Daily News (Minot, North Dakota)</b>									
02/16/2021	6.50	Notice Display	\$13.69		\$88.99	\$0.00	(0.00%)	\$88.99	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$13.69</b>	<b>\$0.00</b>	<b>\$88.99</b>	<b>\$0.00</b>		<b>\$88.99</b>	
<b>Mohall Renville County Farmer (Mohall, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Napoleon Homestead (Napoleon, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>New England, Hettinger County Herald (New England, North Dakota)</b>									
02/18/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>New Rockford Transcript (New Rockford, North Dakota)</b>									
02/15/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Rolla Turtle Mountain Star (Rolla, North Dakota)</b>									
02/15/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Rugby Pierce County Tribune (Rugby, North Dakota)</b>									
02/20/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Stanley Mountrail County Promoter (Stanley, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Steele Ozone &amp; Kidder County Press (Steele, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Towner Mouse River Journal (Towner, North Dakota)</b>									

Run Date	Ad Size	Rate Type	Rate	Color Rate	Total	Discount	(%)	Amount after Discount	Page
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Valley City Times-Record (Valley City, North Dakota)</b>									
02/16/2021	6.50	Notice Display	\$9.30		\$60.45	\$0.00	(0.00%)	\$60.45	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$9.30</b>	<b>\$0.00</b>	<b>\$60.45</b>	<b>\$0.00</b>		<b>\$60.45</b>	
<b>Wahpeton, Daily News (Wahpeton, North Dakota)</b>									
02/16/2021	6.50	Notice Display	\$9.30		\$60.45	\$0.00	(0.00%)	\$60.45	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$9.30</b>	<b>\$0.00</b>	<b>\$60.45</b>	<b>\$0.00</b>		<b>\$60.45</b>	
<b>Watford City, McKenzie County Farmer (Watford City, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$6.71		\$43.62	\$0.00	(0.00%)	\$43.62	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$6.71</b>	<b>\$0.00</b>	<b>\$43.62</b>	<b>\$0.00</b>		<b>\$43.62</b>	
<b>Williston Herald (Williston, North Dakota)</b>									
02/17/2021	6.50	Notice Display	\$9.30		\$60.45	\$0.00	(0.00%)	\$60.45	
<b>Caption:</b> relating to proof of age & actuarial factors									
<b>Subtotal:</b>	<b>6.50</b>		<b>\$9.30</b>	<b>\$0.00</b>	<b>\$60.45</b>	<b>\$0.00</b>		<b>\$60.45</b>	

Gross Advertising	\$2,490.25	Total Misc	\$0.00	Amount Paid	\$0.00
Agency Discount	\$0.00	Tax	\$0.00	Adjustments	\$0.00
Other Discount	\$0.00	Total Billed	\$2,490.25	Payment Date	
Service Charge	\$0.00	Unbilled	\$0.00	Balance Due	\$2,490.25

If you'd like to pay your invoice online, go to [www.ndna.com/billpay](http://www.ndna.com/billpay). We accept Visa/Mastercard. A 3% fee will automatically be added to your total. We also accept checks and ACH, with no additional fee added. Contact Rhonda at [rhondaw@ndna.com](mailto:rhondaw@ndna.com) or 701-595-7311 for ACH information. Thank you!

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT  
ADMINISTRATIVE RULES PUBLIC HEARING MEETING MINUTES  
MARCH 12, 2021 - 10:00 A.M.  
RETIREMENT AND INVESTMENT OFFICE CONFERENCE ROOM**

**STAFF PRESENT:** Missy Kopp, Retirement Assistant  
Jan Murtha, Deputy Executive Director/Chief Retirement Officer  
Denise Weeks, Retirement Program Manager

Ms. Jan Murtha, Deputy Executive Director/Chief Retirement Officer, acted as the hearing officer and opened the public hearing at 10:00 a.m. on Friday, March 12, 2021, at the Retirement and Investment Office (RIO) Conference Room, Bismarck, ND.

It was explained that the public hearing was called for the purpose of allowing all interested individuals an opportunity to submit information concerning proposed amendments to Title 82 of the ND Administrative Code, specifically:

82-05-01-02 **Proof of age** – Proposed amendment adds REAL ID as an acceptable document for proof of age for members and beneficiaries when applying for retirement benefits or continuing annuity under the join and survivor option.

82-05-04-02 **Actuarial factors – Optional payment forms** – Proposed amendment updates the actuarial factors including the interest rate and the member and beneficiary mortality tables used by TFFR to calculate optional payment forms.

82-05-04-04 **Actuarial factors – Purchase of service** – Proposed amendment updates the interest rate, mortality rates, and salary increase rate used to calculate purchase of service on an actuarially equivalent basis.

It was explained that the information gathered at this hearing will be transmitted to the TFFR Board for its deliberation and final decision at its March 25, 2021 meeting.

At this point, the hearing was opened for comments.

There were no others in attendance, and no other comments were received.

Ms. Murtha indicated that written and oral comments would be received until March 24, 2021.

Ms. Murtha closed the hearing at 10:17 a.m.

Respectfully Submitted:



---

Jan Murtha, Deputy ED/CRO  
Teachers' Fund for Retirement



---

Missy Kopp  
Reporting Secretary



## RIO Legislative Update March 23, 2021

Bill No.	Description	Sponsor/Introducer
HB 1022	RIO Budget	Appropriations Committee

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0281-03000.pdf>

**HB 1022 contains the 2021-23 budget authority for RIO to administer the SIB investment program and TFFR retirement program which are special funds. RIO’s 2021-23 budget request is \$6.49 million including a \$311,154 increase in the Governor’s Budget primarily for 2% annual salary increases and higher benefit costs, \$73,123 to join the Governor’s IT Unification plan and \$52,000 to reinstate our Contingency line plus \$309,225 in additional amendments primarily to add one FTE for a Public Information Officer (½ SIB and ½ TFFR) and \$73,000 to more properly fund our Contingency line (to \$125,000).** RIO will also request an amendment to HB 1022 to rollover the remaining balance of the \$9 million one-time funding for the TFFR Pension Administration System (PAS) project into the 2021-23 biennium. House Appropriations– Gov. Ops (GO) effectively approved RIO’s Amended Budget Request excluding \$73,000 to more properly fund our Contingency line to \$125,000. RIO’s Amended Budget includes a base payroll change, House salary and health insurance increase, funding for desktop support and Office 365, 1 FTE for a PIO (\$236,225) and transfer of 2 FTE to ITD for IT unification (RIO IT professionals will remain onsite). **On 2/16, House Appropriations unanimously gave a Do Pass recommendation to the RIO Budget bill. However, that recommendation was on an amended version different from that recommended by the Government Operations Committee. House Appropriations Gov’t. Ops. Chair Vigesaa highlighted the results of a recent study supporting RIO’s PIO request to enhance strategic communication given increasing public interest in SIB investments which more than tripled from \$5 billion in 2010 to over \$18 billion in 2020. One committee representative stated he could not support this request and made a motion to remove the PIO FTE and related funding noting that other agency budgets are being cut. The committee voted 11-10 to amend RIO’s Budget to eliminate the FTE for a PIO (\$236,525). They also voted on a nearly unanimous voice vote to remove the request to implement the Governor’s NDIT Unification plan (moving two IT FTE from RIO budget to NDIT budget and associated salary amounts from salary line to operating line), indicating they would be removing similar requests from other agency budgets. On 2/22, the House re-referred HB 1022 back to House Appropriations. On 2/23, House Appropriations voted unanimously to also remove “desktop support” funding from HB 1022.**

Status: Passed House 87-5 on 2/24 (without PIO, IT Unification and desktop support);

Senate Hearing 3/17 at 2:30pm.

HB 1038	Legacy Fund Earnings Committee	Legislative Management
---------	--------------------------------	------------------------

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0178-01000.pdf>

**HB 1038 creates the legacy fund earnings committee to study the potential uses of legacy fund earnings, including the use of earnings to provide tax relief, provide for reinvestment of legacy fund earnings, fund research and technological advancements, promote economic growth and diversification, and promote workforce development and career and technical education. The committee may consider public input on**

the use of legacy fund earnings and review the operation of other funds, such as Norway's sovereign wealth fund. Legislative management shall report its findings and recommendations, together with any legislation required to implement those recommendations, to the sixty-eighth legislative assembly.

**Status: Passed House / Passed Senate; Signed by Governor 3/9/21**

**HB 1041      PERS Program**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0091-01000.pdf>

A BILL for an Act to amend and reenact subsection 2 of section 54-52-06, section 54-52.1-06, and subsection 2 of section 54-52.6-09 of the North Dakota Century Code, relating to public employees retirement system penalties for late payments or failures to follow required processes; and to provide a penalty.

**Status: Passed House and Sent to Senate 1/12; Passed Senate 3/16/21 46-1**

**HB 1140      Contingency Fee Arrangements      Rep Klemin, Devlin, Roers Jones,  
Sen. Dwyer, Larson, Lee**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0612-01000.pdf>

A BILL for an Act to amend and reenact section 54-12-08.1 of the North Dakota Century Code, relating to contingent fee arrangements. This may be impactful to securities litigation agreements. Secretary of State Jaeger did an excellent job presenting this bill and highlighting its interesting history.

**Status: Passed House 2/2; Passed Senate 3/9; Signed by Governor 3/17**

**HB 1174      TFFR Program      Rep. Kempenich and Kreidt, Senator Klein**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0677-01000.pdf>

HB 1174 enacts the requirements of the Secure Act of 1999 which changed federal law relating to "required minimum distributions" (RMD's) in retirement plans. RMD's are minimum amounts that a retirement plan account owner must withdraw annually starting when the member reaches a certain age. The Secure Act changed that age. This bill was reviewed by plan actuaries who found no impact to the actuarial position of the fund, or material impact to liabilities or costs.

**Status: Passed House 1/22; Passed Senate 3/5; Signed by Governor 3/15**

**HB 1188      Certs for Special Education Teacher      Rep. Schreiber-Beck, D. Johnson, Sen. Oban**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0670-02000.pdf>

A BILL for an Act to create and enact a new section to chapter 15.1-32 of the North Dakota Century Code, relating to services provided by special education technicians; and to amend and reenact section 15.1-02-16 of the North Dakota Century Code, relating to a certificate of completion for special education technicians.

**Status: Passed House as amended 2/8/21; Passed Senate 3/19/21 44-2**

**HB 1209**      **PERS Program**      **Rep. M. Ruby, Dockter, O'Brien, Schauer, Sen. Anderson, Dever**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0566-02000.pdf>

A BILL for an Act to amend and reenact section 54-52-02.9, 54-52-06, 54-52-06.5, and 54-52.6-09 of the North Dakota Century Code, relating to public employees retirement system employer and temporary employee contribution rates; and to provide an effective date.

**Status: Passed House 89-5 on 2/23; Senate Committee Hearing 3/18 at 9am**

**HB 1211**      **Veterans' Funds**      **Rep. Magrum, Hoverson, Kasper, B. Koppelman, Louser, Schauer, Vetter  
Sen. Meyer, Vedaa**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0690-02000.pdf>

A BILL for an Act to amend and reenact sections 37-14-03 and 37-14-14 of the North Dakota Century Code, relating to the veterans' aid fund and veterans' postwar trust fund; and to declare an emergency. Although this bill references NDCC Chapter 21-10, it does not appear it will have an impact on SIB clients.

**Status: Passed House 2/8 91-0; Referred to GVA; Passed Senate 45-1 on 3/8; Signed by Governor 3/16.**

**HB 1231**      **SIB Program**      **Rep. Satrom, K. Koppelman, Ostlie, Paulson, D. Ruby, Schauer, Vetter  
Sen. Conley**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0127-02000.pdf>

A BILL for an Act to amend and reenact section NDCC 21-10-05, relating to duty of the investment director to consider investing locally. This may have implications for both the PERS and TFFR plans. **During the 2021-22 interim, the legislative management shall consider studying the benefits of investing legacy fund moneys locally before investing any moneys outside the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations to the sixty-eighth legislative assembly.**

**Status: House amended to legislative study; Second reading passed 94-0; Referred to GVA;  
Committee Hearing 03/04/21**

**HB 1380**      **SIB/Legacy Fund**      **Rep. Lefor, Bosch, Dockter, Headland, Howe, Nathe, Porter, M. Ruby, Steiner  
Sen. Patten, Sorvaag, Wardner**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0218-06000.pdf>

A BILL for an Act to create and enact a new section to chapter 6-09.4, a new section to chapter 21-10, and a new section to chapter 57-38 of NDCC, relating to a **legacy sinking and interest fund, a legacy earnings fund, and an income tax relief fund; to amend and reenact section 21-10-12 of NDCC relating to legacy fund definitions; to provide for a transfer; and to provide a statement of legislative intent.**

The **legacy sinking and interest fund** consists of all moneys deposited in the fund under section 3 of this Act. Moneys in the fund may be spent by the public finance authority pursuant to legislative appropriations to meet the debt service requirements for evidences of indebtedness issued by the authority. Any moneys in the fund in excess of the amounts necessary to meet the debt service requirements for a biennium, may be appropriated by the legislative assembly for other purposes.

**Legacy earnings fund** - 1. There is created in the state treasury the legacy earnings fund. The fund consists of all moneys transferred to the fund under subsection 2 and all interest and earnings upon moneys in the fund. 2. Any legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota must be immediately transferred by the state treasurer to the legacy earnings fund. 3. **If the amounts transferred under subsection 2 exceed the amount available for appropriation under subsection 4 the state treasurer shall transfer the excess, within thirty days, as follows: a. 40% to the strategic investment and improvements fund to be used in accordance with the provisions of section 15 - 08.1 - 08; b. 40% to the legacy fund to become part of the principal; and c. 20% to the income tax relief fund under section 4 of this Act. 4.**

**For each biennium subsequent to the biennium in which the legacy fund earnings are transferred under subsection 2, the amount available for appropriation from the legacy earnings fund is six percent of the five - year average value of the legacy fund assets as reported by the SIB. The average value of the legacy fund assets must be calculated using the value of the assets at the end of each fiscal year for the five - year period ending with the most recently completed even-numbered fiscal year. 5. **On July first of each odd - numbered year, from the amount available for appropriation or transfer from the legacy earnings fund for the biennium, the state treasurer shall transfer funding in the following order: a. The first one hundred million dollars to the legacy sinking and interest fund under section 1 of this Act; b. The next forty million dollars to the clean sustainable energy fund; c. The next forty million dollars to the infrastructure revolving loan fund under section 6 - 09 - 49, but not in an amount that would bring the balance of the infrastructure revolving loan fund to more than five hundred million dollars; and d. Any remaining funds for other purposes as designated by the legislative assembly.****

**A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows: Income tax relief fund. There is created in the state treasury the income tax relief fund. It is the intent of the sixty-seventh legislative assembly that the sixty-eighth legislative assembly consider additional allocations from the legacy earnings fund, including allocations to the highway tax distribution fund, value- added agricultural programs, the innovation loan fund to support technology advancement, state building maintenance and improvements, and for other one-time initiatives and projects, including initiatives and projects to diversify the state's economy, to improve the efficiency and effectiveness of state government, and to reduce ongoing general fund appropriations of state agencies.**

**Section 2 defines principal of the legacy fund as “all moneys in the legacy fund not included in earnings as defined under subsection 1.” This bill no longer creates an additional SIB client (Legacy Earnings Fund). That fund will be in the state treasury but not invested by the SIB.**

**Status: Passed House 71-22 on 2/24/21; [Senate Committee hearing 3/17 at 10am](#)**

**HB 1425    SIB/Legacy Fund            Rep. Nathe, D. Anderson, Bosch, Headland, Howe, Lefor, Mock, Porter  
Sen. Meyer, Bell, Wardner**

**<https://www.legis.nd.gov/assembly/67-2021/documents/21-0415-10000.pdf>**

**A BILL for an Act to create and enact section 6-09-49.1 and a new section to NDCC 21-10, relating to the legacy infrastructure revolving loan fund and SIB; to amend and reenact sections 21-10-02 and 21-10-11 of NDCC, relating to the SIB and Legacy Advisory Board; and to provide a continuing appropriation.**

**HB 1425 Section 2 amends NDCC 21-07** to add “Prudent investor rule - Exception” for Legacy Fund.

**HB 1425 Section 3.5 amends NDCC 21-10-02 Board Powers** by stating the SIB shall give preference to investment firms and institutions with a presence in the state (without reference to their qualifications).

**HB 1425 Section 4 amends NDCC 21-10-11 Advisory Board** by stating target Legacy Fund in-state **investment allocations at 10% of fixed income and 10% of equity.**

RIO will review recent SIB and Advisory Board presentations with regards to in-state investment target percentages for other U.S. public funds, highlight due diligence best practices being used by SIB, RIO and Callan including “competitive rate of return” targets for existing BND in-state investment program, and highlight recent SIB and Advisory Board approval of recommended investment policy changes including a new 3% Private Capital target for the Legacy Fund with a preference for in-state investments at a competitive rate of return to complement an existing \$400 million (5%) commitment by the SIB and Advisory Board to the BND In-State Investment Program. RIO understands HB 1425 may be applied to “new money”, although this understanding is not stated in the current bill “in order to allow the Advisory Board and SIB implementation flexibility”. Sen. Hogue proposed clarifying implementation language not accepted.

**Status: House Finance & Taxation Do Pass 14-0-0 on 2/9; Re-referred to Appropriations 2/11; House Appropriations Do Pass 15-5-1; Engrossed HB 1425 Passed House 85-8 on 2/24; Senate Finance & Tax Committee Hearing 3/10 “Do Pass” 7-0-0; Senate Appropriations 3/24 8:30am.**

**HB 1475 SIB/Legacy Fund**

**Rep. Satrom, Haggert, Kempenich, Keifert, Mitskog, Ostlie**

**Sen. Conley, Wanzek**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0693-05000.pdf>

A BILL for an Act to create and enact a new section to chapter 4.1-01 and a **new section to chapter 21-10 of the North Dakota Century Code, relating to an agriculture innovation fund and a transfer of legacy fund earnings; and to provide a continuing appropriation.**

**Status: Passed House 81-11 on 2/24/21; Senate Ag Committee Hearing 3/12 “Do Pass” 6-0-0; Referred to Senate Appropriations.**

**SB 2033 NEW Fund**

**Legislative Management**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0187-03000.pdf>

A BILL for an Act to create and enact a new chapter to title 15 of the North Dakota Century Code, relating to creation of a **new university system capital building fund**; to provide an appropriation; to provide for a transfer; **State Board of Higher Ed may provide for fund to be invested by SIB**; and declare an emergency.

**Status: Amended and Passed by Senate, 1/25; House Education Committee Hearing 3/8 “Do Pass” 12-0-1; Passed House 3/22 79-12.**

**SB 2043 Highway Patrolmen’s Retirement Fund**

**Gov. & Veteran’s Affairs Committee**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0090-01000.pdf>

A BILL for an Act to amend and reenact section 39-03.1-10 of the North Dakota Century Code, relating to contributions to the highway patrolmen's retirement system by the state.

**Status: Senate Passed 47-0 on 2/19; House Committee hearing 3/19 at 9am**

**SB 2044                      PERS Retirement                      Gov. & Veteran's Affairs Committee**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0092-01000.pdf>

A BILL for an Act to amend and reenact section 39-03.1-10, subsection 2 of section 39-03.1-11.2, subsection 8 of section 54-52-17, subsection 10 of section 54-52-26, subsection 2 of section 54-52-28, subsection 2 of section 54-52.1-03.2, subsection 1 of section 54-52.1-03.3, and subsection 2 of section 54-52.6-21 of the North Dakota Century Code, relating to public employees retirement system unpaid benefit payments, missing member confidentiality requirements, compliance with Internal Revenue Code distribution requirements, insurance programs for which retiree health insurance credit moneys may be used, and clarification of eligibility for retiree health insurance credit payments.

**Status: Senate Passed 47-0 on 1/18; Passed House 91-0**

**SB 2045                      PERS Retirement                      Gov. & Veteran's Affairs Committee**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0094-01000.pdf>

A BILL for an Act to create and enact a new section to chapter 54-52.2 of the North Dakota Century Code, relating to payment of administrative expenses for the public employees retirement system deferred compensation plan; and to provide a continuing appropriation.

**Status: Passed Senate 46-1 on 1/18; House GVA Committee 3/11 at 2pm**

**SB 2046                      PERS Retirement                      Gov. & Veteran's Affairs Committee**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0095-02000.pdf>

A BILL for an Act to amend and reenact subsection 1 of section 54-52-02.9, subsection 2 of section 54-52-05, subsection 1 of section 54-52-06, subsection 6 of section 54-52.6-02, and section 54-52.6-09 of the North Dakota Century Code, relating to increased employer and employee contributions under the public employees retirement system defined benefit and defined contribution plans; and to provide a penalty.

**Status: Senate Passed as amended 47-0 on 2/19; House Committee hearing on 3/19 at 9am**

**SB 2291                      Social Investing Prohibition                      Senator Bell**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0717-03000.pdf>

A BILL for an Act to create and enact a new section to chapter 21-10, a new section to chapter 54-44, and a new section to chapter 54-60 of the North Dakota Century Code, relating to social investments made by the state investment board and the boycott of energy or commodities companies; to provide for a department of commerce study of the implications of complete divestment of companies that boycott energy or commodities; and to provide for reports to legislative management. [RIO engaged with legislators to highlight SIB's existing policies with regards to social investing including maximizing risk adjusted returns.](#)

**Status: Senate passed as amended, 42-4 on 2/17; Passed House 3/17 82-12; 3/22 Signed by House Speaker and Senate President – Sent to Governor**

## PERS Health Care Related Bills

**HB 1029**      **PERS Health Care**      **Legislative Management**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0170-01000.pdf>

A BILL for an Act to amend and reenact section 54-52.1-04.2 of the North Dakota Century Code, relating to public employee uniform group insurance for health benefits; to provide for application; and to declare an emergency.

**Status: House passed 90-0 on 1/12; Senate Passed 46-0 on 3/3; Signed by Governor 3/9**

**HB 1042**      **PERS Health Care**      **Gov. & Veterans Affairs Committee**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0093-01000.pdf>

A BILL for an Act to amend and reenact subsection 3 of section 54-52.1-04.16, relating to the public employees retirement system's uniform group insurance program part D contracts with pharmacy benefit managers.

**Status: House passed as amended, 90-0 on 1/19; Senate Passed 47-0 3/05; Signed by Governor 3/15**

**HB 1233**      **PERS Health Care**      **Rep. Kasper, Jones, Keiser, Lefor, Louser, Meier, Rohr, Schauer, Steiner**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0147-02000.pdf>

A BILL for an Act to provide for the public employees retirement system to contract for an audit of pharmacy benefit managers providing contract services for the state uniform group health insurance program; and to provide for a legislative management report.

**Status: Passed House 91-2 on 2/24/21; Senate HS Committee 3/17 "Do Pass" 5-1-0 as amended. Referred to Appropriations.**

**HB 1245**      **PERS Health Care**      **Rep. Kasper, Dockter, Keiser, B. Koppelman, Lefor, Louser, Meier, Pollert, D. Ruby, Steiner Sen. Hogue**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0148-04000.pdf>

A BILL for an Act to amend and reenact sections 54-52.1-04, 54-52.1-04.1, 54-52.1-04.2, 54-52.1-04.7, 54-52.1-04.8, and 54-52.1-05 of the North Dakota Century Code, relating to public employee uniform group insurance plans; to provide for application; and to declare an emergency.

Status: Passed House 90-4 on 2/23/21; Senate Committee Hearing 3/18 at 10am

## Failed Bills

**HB 1037** Legacy Earnings Fund & Transfers Legislative Management/Legacy Earnings Committee

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0111-02000.pdf>

**HB 1037 gives the SIB authority over the investment of a newly created “Legacy Earnings Fund” and requires all legacy fund earnings, which are constitutionally required to be transferred to the general fund at the end of each biennium, be immediately transferred into the new Legacy Earnings Fund.** This bill would go into effect for legacy fund earnings generated and transferred during the 2021-23 biennium. **The bill then spells out the amount available for appropriation out of this new fund as six percent (6%) of the five-year average value of legacy fund assets as determined by SIB.** Any amounts in the new legacy earnings fund in excess of this 6% amount are to be retained in the fund as a reserve balance for future use only if the amounts transferred from the legacy fund are insufficient to cover the calculated 6% of average value amount. Beginning with the 2023-25 biennium, the legislature will be able to appropriate out of the new legacy earnings fund an amount equal to the six percent amount calculated above or the balance of the fund, whichever is less. **For the 2021-23 biennium and going forward, all constitutionally mandated legacy fund earnings which are transferred to the general fund will be immediately transferred to the new legacy earnings fund. All interest and earnings derived from this fund will also be kept in this fund.** Therefore, for the 2021-23 biennium, there will be a reduction in available general fund revenues in an amount equal to the legacy fund earnings in the biennium. RIO will also note the Legacy Earnings Fund could be set-up as a sub-account within Legacy Fund, if desired.

Status: Failed House 0-91 on 2/24

**HB 1114** Teacher Support Program Rep. Heinert and Owens, Senator Schaible

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0255-02000.pdf>

A BILL for an Act to amend and reenact sections 15.1-18.2-05 and 15.1-18.2-06 of the North Dakota Century Code, relating to the expansion of the teacher support program to provide mentoring to all first- and second-year teachers in the state; and to provide an appropriation.

Status: House Educ. Do Pass 12-1-1 on 1/14; House Do Not Pass 23-71-0 on 2/22

**B 1155** PERS Health Care Rep. Keiser, Sen. Oban

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0135-03000.pdf>

A Bill for an Act to amend and reenact section 54-52.1-02 of the North Dakota Century Code, relating to the public employees retirement system uniform group insurance program benefits; and to provide for application.

Status: Failed House 37-56 on 2/23/21



**HB 1202**      **Land Board Investments**      **Reps. Kempenich, Brandenburg, Delzer, M. Ruby, Schatz, Tveit**  
**Senators Klein, Patten**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0252-01000.pdf>

**HB 1202 amends NDCC 21-10-06 and NDCC 15-01-02 relating to funds managed by the SIB and board of university and school lands.** “Investment authority over the permanent funds derived from the sale of any of the lands” including the “Common schools trust fund and other investments under the control of the board of university and school lands” are transferred to the SIB under HB 1202.

**Status: Failed 2/3/21; 27-66**

**HB 1138**      **Free Speech**      **Rep. Kading, Becker, Lefor, D. Ruby, Schatz, and Schauer,**  
**Sen. Heitkamp, O. Larsen, Myrdal**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0454-01000.pdf>

To provide for a civil action against state/political subdivision for state constitutional free speech violation.

**Status: Failed to Pass House 2/10/21; 28-66**

**HB 1147**      **PERS Health Care**      **Rep. Brandenburg, Dobervich, Mitskog Sen. Erbele, Oban, K. Roers**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0447-02000.pdf>

A BILL for an Act to create and enact section 54-52.1-04.19 of the North Dakota Century Code, relating to public employee fertility health benefits; to amend and reenact section 26.1-36.6-03 of the North Dakota Century Code, relating to self-insurance health plans; to provide for a report; to provide for application; to provide an expiration date; and to declare an emergency.

**Status: Failed House 31-63 on 2/24**

**HB 1250**      **PERS Health Care**      **Rep. M. Nelson, Adams Sen. Mathern**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0068-01000.pdf>

A BILL for an Act to create and enact a new section to chapter 54-52.1 of the North Dakota Century Code, relating to public employee health insurance drug benefit coverage; to amend and reenact section 26.1-36.6-03 of the North Dakota Century Code, relating to self-insurance health plans; to require a report; to provide for application; to provide an expiration date; and to declare an emergency.

**Status: Failed 1/19/21**

**HB 1260**      **Wage Moratorium**      **Rep. Becker, Kasper, B. Koppelman, Rohr, Steiner**  
**Sen. Anderson, Heitkamp**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0598-07000.pdf>

A BILL for an Act to create and enact a new section to chapter 54-06 of the North Dakota Century Code, relating to a wage and salary moratorium on state or local officials and employees if certain temporary restrictions on businesses are imposed.

**Status: Failed House 25-68 on 2/18/21**

**HB 1274** Legacy Fund Fiscal Impact Reps. Kempenich, B. Anderson, Longmuir, Pollert, Shatz  
Senators Erbele, Klein, Wardner

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0248-01000.pdf>

**HB 1274 creates and enacts a new section to NDCC 21-10 relating to fiscal impact statements for any measure or policy affecting the legacy fund.** The legacy and budget stabilization fund advisory board shall review any legislative measure, initiated or referred measure, or asset allocation and investment policy affecting the legacy fund. **If the advisory board determines the measure or policy will have a fiscal impact on the fund, the board shall request the state retirement and investment office to arrange for the preparation and submission of a fiscal impact statement to the advisory board before the measure or policy is acted upon.** The fiscal impact statement must be prepared by an independent consultant paid by the state retirement and investment office. The fiscal impact statement must include the estimated fiscal impact of the measure or policy for the next biennium and for the next ten biennia. The Senate is

**Status: Failed 1/22/21; 24-67**

**HB 1275** Legacy Earnings & Transfers Reps. Boschee, P. Anderson, Buffalo, Dobervich, Ista, Mitskog  
Senators Heckaman, Hogan, Mathern, Oban

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0668-02000.pdf>

**HB 1275 is similar to HB 1037 and gives the SIB authority over the investment of a new “Legacy Earnings Fund” and a new “Human Services and Public Health Stabilization Fund”,** but also provides a distribution waterfall for the continuing appropriation of funds from the Legacy Earnings Fund including the “Arts and Culture Endowment Fund” and “Human Services and Public Health Stabilization Fund” among others.

**HB1275 states the amount available for appropriation out of this new fund as seven percent (7%) of the five-year average value of legacy fund assets as determined by SIB (versus 6% for HB 1037).** Any amounts in the new legacy earnings fund in excess of this 7% amount are to be retained in the fund as a reserve balance for future use only if the amounts transferred from the legacy fund are insufficient to cover the calculated 7% of average value amount. Beginning with the 2023-25 biennium, the legislature will be able to appropriate out of the new legacy earnings fund an amount equal to the six percent amount calculated above or the balance of the fund, whichever is less. **For the 2021-23 biennium and going forward, Section 7 of the bill will require all of the constitutionally mandated legacy fund earning which are transferred to the general fund to be immediately transferred to the new legacy earnings fund. All interest and earnings derived from this fund will be kept in this fund.** Therefore, for the 2021-23 biennium, there will be a reduction in available general fund revenues in an amount equal to the legacy fund earnings in the biennium. **RIO will also note the Legacy Earnings Fund could be reported as a sub-account within the Legacy Fund, if desired, to reduce administrative costs.**

**Status: Failed House 14-76 on 2/24/21**

**HB 1342** PERS Retirement Rep. Lefor, Dockter, Nathe, O'Brien  
Sen. Anderson, Dever, Wardner

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0202-05000.pdf>

A BILL for an Act to amend and reenact subsection 1 of section 54-52-02.9, subsection 2 of section 54-52-05, subsection 1 of section 54-52-06, subsection 6 of section 54-52.6-02, subsection 1 of section 54-52.6-09, and subsection 2 of section 54-52.6-09 of the North Dakota Century Code, relating to increased employer and employee contributions under the public employees retirement system defined benefit and defined contribution plans; to provide an appropriation; and to provide a statement of legislative intent.

**Status: Failed House 37-57 on 2/23/21**

**HB 1446 SIB/Legacy Fund**

**Rep. Magrum, Ertelt, Kading, B. Koppelman, Simons, Toman  
Sen. Clemens, Heitkamp.**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0069-04000.pdf>

A BILL for an Act to create and enact a **new section to chapter 21-10 and a new section to chapter 57-02 of the North Dakota Century Code, relating to the transfer of legacy fund earnings to a property tax relief fund and a property tax credit for property used as a primary residence**; to provide a continuing appropriation; to provide for a transfer; to provide an exemption; to provide an effective date; and to declare an emergency.

**Status: Failed House 24-69 on 2/16**

**SB 2040**

**PERS Retirement**

**Senate Appropriation Comm Senators Mathern, Heckaman, Oban  
Representatives Boschee, Dobervich, Mitskog**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0421-02000.pdf>

Relating to bonded debt repayments; to amend and reenact sections 6-09.4-06, 6-09.4-10, and 15.1-36-08 of the North Dakota Century Code, relating to borrowing and lending authority of the public finance authority, reserve funds associated with bonds, and the school construction assistance revolving loan fund; to provide an appropriation; and to provide a bond issue limit.

**Status: Senate Appropriations Do Not Pass 12-2-0 on 2/17; Senate Failed 7-40 on 2/18**

**SB 2042**

**PERS Retirement**

**Gov. & Veterans' Affairs Committee**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-0089-01000.pdf>

A BILL for an Act to amend and reenact subsection 1 of section 54-52-02.9, subsection 1 of section 54-52-06, subsection 6 of section 54-52.6-02, and subsection 2 of section 54-52.6-09 of the North Dakota Century Code, relating to increased employer and employee contributions under the public employees retirement system defined benefit and defined contribution plans; and to provide a penalty.

**Status: Senate GVA Do Not Pass 7-0-0 on 2/18; Senate Failed 1-46 on 2/19**

**SB 2069**

**Applications for Public Employment**

**Gov. & Veteran's Affairs Committee**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-8037-02000.pdf>

SB 2069 expands the confidentiality of applications for public employment to include finalists.

**Status: Senate Passed as amended 40-7 on 1/26; Failed House 3/17/21 1-92**

**SB 2320**

**Legacy Fund**

**Sen. Klein, Wardner, Rep. Kempenich, Kreidt, Pollert**

<https://www.legis.nd.gov/assembly/67-2021/documents/21-1004-01000.pdf>

A BILL for an Act to create and enact a new section to chapter 21-10 of the North Dakota Century Code, relating to fiscal impact statements for a measure or policy affecting the legacy fund.

**Status: Failed 2/5/21; 0-45**

# TFFR Investment Report

For the Periods Ended December 31, 2020  
and Interim Returns at January 31, 2021

March 15, 2021

Note: This document contains unaudited data which is deemed to be materially accurate, but is unaudited and subject to change.

Dave Hunter, Executive Director/CIO

**Darren Schulz, Deputy Chief Investment Officer**

Connie Flanagan, Chief Financial Officer

Eric Chin, Chief Risk Officer

ND Retirement & Investment Office (RIO)

State Investment Board (SIB)

# TFFR Investment Ends – December 31, 2020

PERS earned 12.19% in 2020 and 9.77% for the 5-years ended Dec. 31, 2020 exceeding Policy Benchmarks by 0.50%.

SIB clients should receive net investment returns consistent with their written investment policies and market variables. This “End” is evaluated based on comparison of each client’s (a) actual net investment return, (b) standard deviation and (c) risk adjusted excess return, to the client’s policy benchmark over **5 or more years**.

	Current FYTD 12/31/2020	1 Yr Ended 12/31/2020	3 Yrs Ended 12/31/2020	5 Yrs Ended 12/31/2020	10 Yrs Ended 12/31/2020	Risk 5 Yrs Ended 12/31/2020	Risk Adj Excess Return 5 Yrs Ended 12/31/2020
TFFR \$2.955 billion							
Total Fund Return - Net	14.86%	12.07%	8.25%	9.69%	8.29%	10.2%	0.38%
Policy Benchmark Return	14.66%	12.00%	8.38%	9.24%	7.72%	10.2%	
Excess Return	0.20%	0.07%	-0.13%	0.45%	0.57%	101%	

**Key:** TFFR investments averaged over \$2.5 billion the last 5-years and Excess Returns have averaged roughly **0.45%** per year. **PERS’s use of active management has enhanced Net Investment Returns by over \$55 million for the 5-years ended Dec. 31, 2020** (or \$2.5 billion x 0.45% = \$11.25 million per year x 5 years = **\$56.25 million**). These returns were achieved while adhering to prescribed Risk limits (e.g. 101% versus a policy limit of 115%) and positive Risk Adjusted Returns at 12/31/2020.

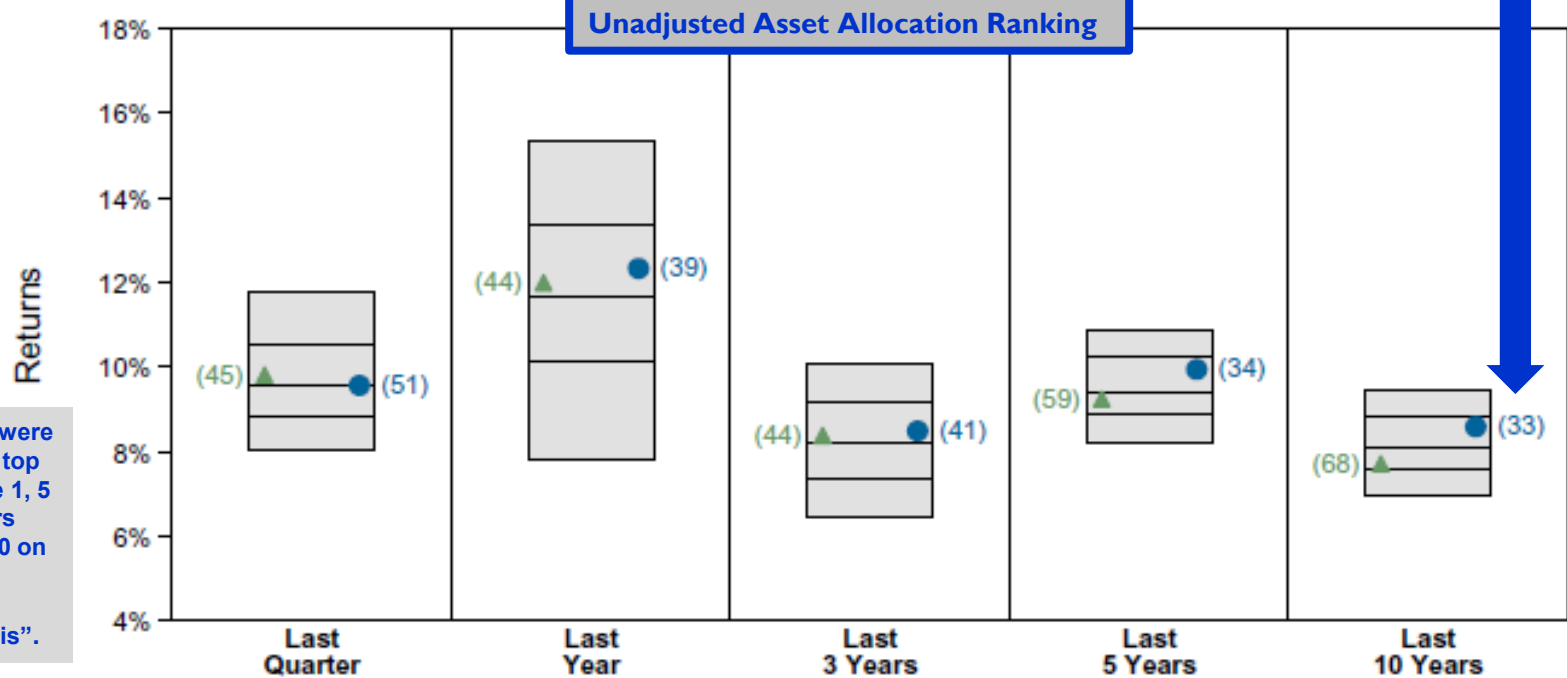
5-Yr. Returns Dec. 31, 2020	Asset Allocation	Benchmark Return	Allocation x Return
	<i>Asset Class</i>	<i>a</i>	<i>b</i>
		<i>a x b</i>	
	Equity	55%	12.2%
	Fixed Income	26%	5.9%
	Real Assets	18%	5.5%
	Cash	1%	1.2%
			0.0%
	Policy Benchmark Return (5-years)		9.24%

**Current Policy Benchmark:** 55% Global Equity (45% Public 10% Private); 26% Fixed Income (18% Investment Grade, 8% High Yield); 18% Global Real Assets (9% Real Estate; 7% Infra.; 2% Timber); and 1% Cash.

Note: Amounts are unaudited and subject to change.

# TFFR Gross Returns Ranked in 33<sup>rd</sup> Percentile for 10-Years Ended 12/31/2020

## Callan Public Fund Sponsor Database



TFFR Returns were ranked in the top quartile for the 1, 5 and 10 years ended 12/31/20 on an "Asset Allocation Adjusted Basis".

10th Percentile	11.80	15.34	10.06	10.89	9.46
25th Percentile	10.55	13.37	9.15	10.23	8.81
Median	9.59	11.68	8.19	9.39	8.10
75th Percentile	8.84	10.14	7.39	8.91	7.57
90th Percentile	8.04	7.80	6.46	8.20	6.98
<b>Total Fund</b> ●	9.57	12.33	8.49	9.95	8.59
<b>Policy Target</b> ▲	9.81	12.00	8.39	9.25	7.72

\* Current Quarter Target = 18.0% Blmbg Aggregate, 16.8% Russell 1000 Index, 10.5% MSCI World ex US, 10.0% NDTFFR-Private Equity, 10.0% MSCI World, 9.0% NCREIF Total Index, 8.0% Blmbg:HY Corp 2% Iss Cap, 4.2% Russell 2000 Index, 3.6% NCREIF NFI-ODCE Eq Wt Net, 3.6% CPI All Urban Cons lagged 3 months, 3.5% MSCI EM, 1.9% NCREIF Timberland Index and 1.0% 3-month Treasury Bill.

## Asset Class Allocation

	December 31, 2020			September 30, 2020		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Global Equities</b>	<b>\$1,689,253,966</b>	<b>57.17%</b>	<b>\$(120,186,634)</b>	<b>\$234,544,670</b>	<b>\$1,574,895,929</b>	<b>58.13%</b>
<b>Public Equities</b>	<b>\$1,533,778,441</b>	<b>51.90%</b>	<b>\$(126,675,830)</b>	<b>\$221,259,501</b>	<b>\$1,439,194,770</b>	<b>53.13%</b>
<b>World Equities</b>	<b>\$380,106,112</b>	<b>12.86%</b>	<b>\$(90,966,236)</b>	<b>\$64,664,827</b>	<b>\$406,407,521</b>	<b>15.00%</b>
<b>Domestic Equities</b>	<b>\$691,129,062</b>	<b>23.39%</b>	<b>\$(4,936,528)</b>	<b>\$85,915,086</b>	<b>\$610,150,504</b>	<b>22.52%</b>
Large Cap	531,195,324	17.98%	(5,344,911)	57,380,385	479,159,849	17.69%
Small Cap	159,933,739	5.41%	408,383	28,534,701	130,990,655	4.84%
<b>International Equities</b>	<b>\$462,543,267</b>	<b>15.65%</b>	<b>\$(30,773,066)</b>	<b>\$70,679,588</b>	<b>\$422,636,745</b>	<b>15.60%</b>
Developed	361,579,243	12.24%	(31,458,728)	53,813,458	339,224,513	12.52%
Emerging Markets	100,964,024	3.42%	685,662	16,866,130	83,412,232	3.08%
<b>Private Equities</b>	<b>\$155,475,525</b>	<b>5.26%</b>	<b>\$6,489,196</b>	<b>\$13,285,170</b>	<b>\$135,701,159</b>	<b>5.01%</b>
<b>Global Fixed Income</b>	<b>\$759,076,802</b>	<b>25.69%</b>	<b>\$105,585,834</b>	<b>\$14,395,637</b>	<b>\$639,095,331</b>	<b>23.59%</b>
<b>Domestic Fixed Income</b>	<b>\$759,076,802</b>	<b>25.69%</b>	<b>\$105,585,834</b>	<b>\$14,395,637</b>	<b>\$639,095,331</b>	<b>23.59%</b>
Investment Grade	557,944,512	18.88%	98,286,634	4,830,822	454,827,056	16.79%
Below Investment Grade	201,132,289	6.81%	7,299,199	9,564,816	184,268,274	6.80%
<b>Global Real Assets</b>	<b>\$456,291,627</b>	<b>15.44%</b>	<b>\$(22,665,888)</b>	<b>\$9,735,264</b>	<b>\$469,222,251</b>	<b>17.32%</b>
<b>Real Estate</b>	<b>\$271,428,379</b>	<b>9.19%</b>	<b>\$(2,261,538)</b>	<b>\$3,375,208</b>	<b>\$270,314,709</b>	<b>9.98%</b>
<b>Other Real Assets</b>	<b>\$184,863,249</b>	<b>6.26%</b>	<b>\$(20,404,349)</b>	<b>\$6,360,056</b>	<b>\$198,907,542</b>	<b>7.34%</b>
Infrastructure	129,203,148	4.37%	(20,404,349)	6,182,570	143,424,927	5.29%
Timber	55,660,101	1.88%	0	177,486	55,482,615	2.05%
<b>Cash</b>	<b>\$50,424,145</b>	<b>1.71%</b>	<b>\$24,581,425</b>	<b>\$9,896</b>	<b>\$25,832,824</b>	<b>0.95%</b>
<b>Total Fund</b>	<b>\$2,955,046,540</b>	<b>100.0%</b>	<b>\$(12,685,263)</b>	<b>\$258,685,468</b>	<b>\$2,709,046,334</b>	<b>100.0%</b>


**Market Value – 12/31/2020**

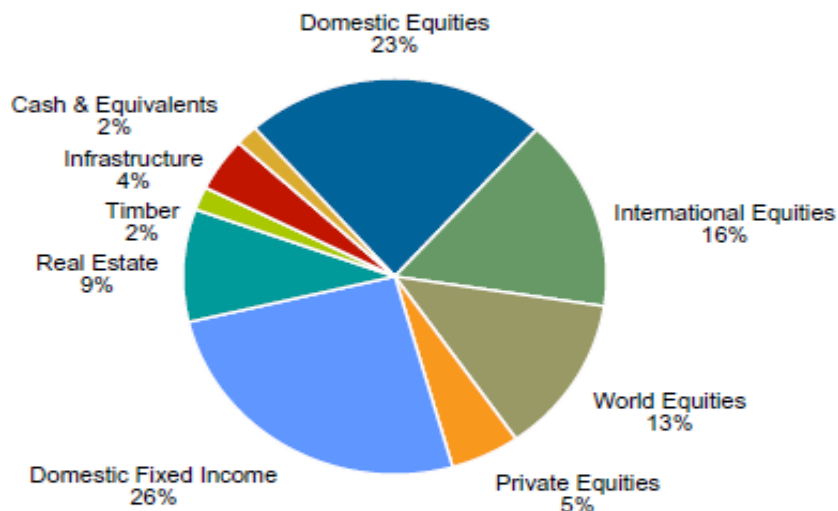

**Net Spending – Q4**


**Net Investment Income – Q4**

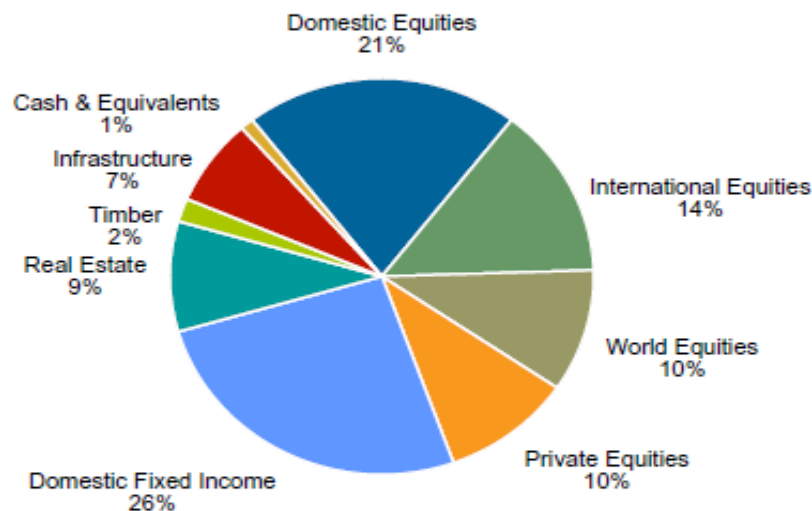
## Actual vs Target Asset Allocation As of December 31, 2020

The top left chart shows the Fund's asset allocation as of December 31, 2020. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Callan Public Fund Sponsor Database.

### Actual Asset Allocation



### Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equities	691,129	23.4%	21.0%	2.4%	70,569
International Equities	462,543	15.7%	14.0%	1.7%	48,837
World Equities	380,106	12.9%	10.0%	2.9%	84,601
Private Equities	155,476	5.3%	10.0%	(4.7%)	(140,029)
Domestic Fixed Income	759,077	25.7%	26.0%	(0.3%)	(9,235)
Real Estate	271,428	9.2%	9.0%	0.2%	5,474
Timber	55,660	1.9%	1.9%	0.0%	0
Infrastructure	129,203	4.4%	7.1%	(2.7%)	(81,091)
Cash & Equivalents	50,424	1.7%	1.0%	0.7%	20,874
<b>Total</b>	<b>2,955,047</b>	<b>100.0%</b>	<b>100.0%</b>		

Actual Asset Allocations are within 5% of Target as of Dec. 31, 2020.



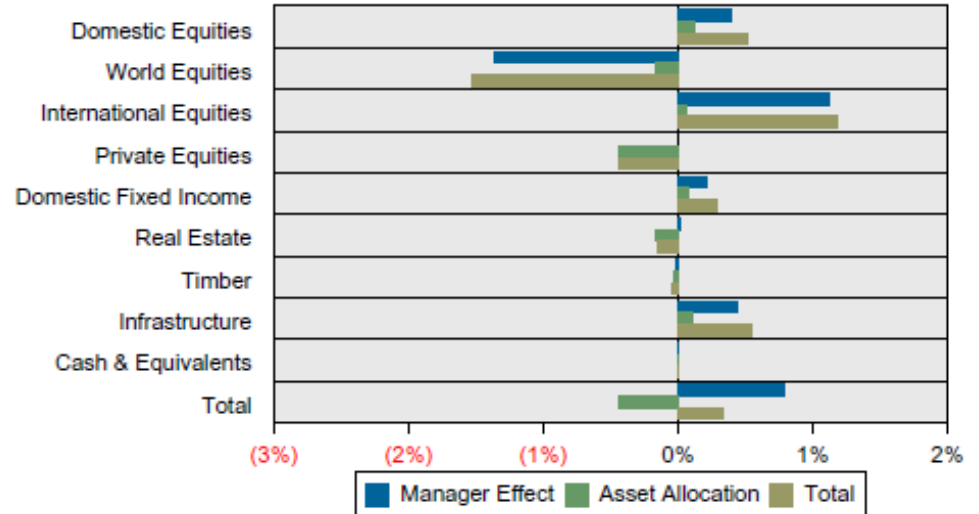
# Cumulative Total Fund Relative Attribution - December 31, 2020

## 2021 Investment Work Plan:

World Equity managers Epoch and LSV remain on Watch at this time. RIO and Callan intend to advance at least one new public equity manager and/or strategy for SIB consideration in 2021.

TFFR increased its target allocation to Private Equity to 10% after Callan completed a comprehensive asset liability study in late-2020. Callan and RIO intend to advance at least one new private equity manager for SIB consideration in 2021.

## One Year Relative Attribution Effects



## One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equities	22%	21%	23.09%	20.82%	0.39%	0.13%	0.51%
World Equities	15%	15%	6.62%	15.90%	(1.36%)	(0.17%)	(1.53%)
International Equities	15%	14%	17.62%	9.87%	1.12%	0.06%	1.18%
Private Equities	5%	6%	12.24%	12.24%	0.00%	(0.44%)	(0.44%)
Domestic Fixed Income	24%	23%	8.39%	7.59%	0.21%	0.07%	0.29%
Real Estate	10%	10%	1.66%	1.60%	0.02%	(0.16%)	(0.14%)
Timber	2%	2%	(0.12%)	0.81%	(0.02%)	(0.03%)	(0.05%)
Infrastructure	5%	6%	9.06%	1.07%	0.43%	0.11%	0.54%
Cash & Equivalents	1%	1%	0.55%	0.67%	(0.00%)	(0.01%)	(0.01%)

**Total** 12.33% = 12.00% + 0.78% + (0.44%) 0.34%

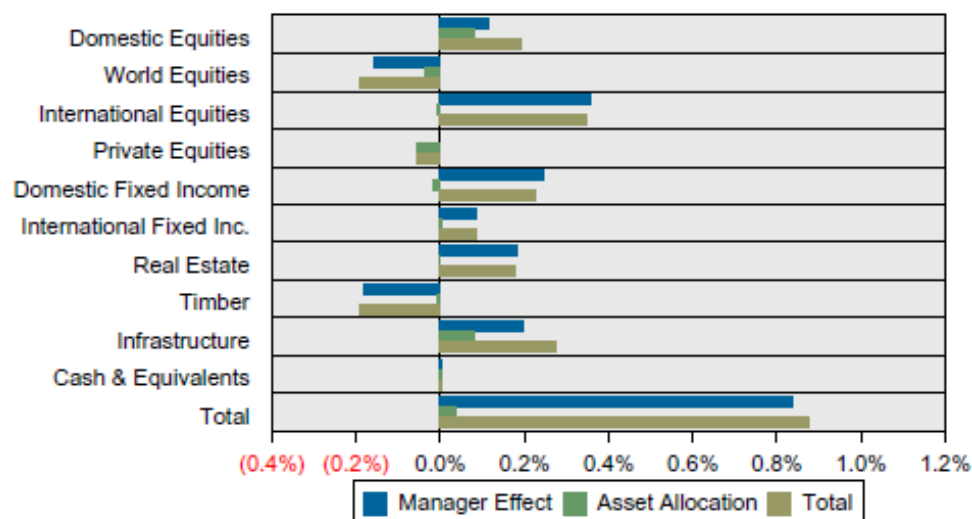
## Cumulative Total Fund Relative Attribution - December 31, 2020

### Ten Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equities	25%	24%	14.11%	13.44%	0.11%	0.08%	0.19%
World Equities	13%	13%	-	-	(0.16%)	(0.04%)	(0.19%)
International Equities	16%	16%	7.26%	5.08%	0.35%	(0.01%)	0.35%
Private Equities	4%	5%	4.46%	4.46%	0.00%	(0.05%)	(0.05%)
Domestic Fixed Income	19%	19%	5.95%	4.61%	0.24%	(0.02%)	0.23%
International Fixed Inc.	4%	4%	-	-	0.08%	0.00%	0.09%
Real Estate	10%	10%	10.86%	9.00%	0.18%	(0.00%)	0.18%
Timber	3%	3%	-	-	(0.18%)	(0.01%)	(0.19%)
Infrastructure	4%	5%	-	-	0.20%	0.08%	0.28%
Cash & Equivalents	1%	1%	0.67%	0.64%	0.00%	0.00%	0.00%

<b>Total</b>	<b>8.59% = 7.72% + 0.84% + 0.04%</b>	<b>0.87%</b>
--------------	--------------------------------------	--------------

### Ten Year Annualized Relative Attribution Effects



**TFFR's actual investment returns** for the 10-years ended 12/31/2020 are a **Blue dot labeled Total Fund** in the chart below.  
**TFFR's policy benchmark returns** for the 10-years ended 12/31/2020 are a **Green dot labeled Total Fund Target** below.  
**TFFR's actual Returns are above most U.S. plans while TFFR's actual Risk is below most U.S. plans in Last 10-Years.**




## Ten Year Annualized Risk vs Return



Squares represent membership of the Callan Public Fund Sponsor Database

# TFFR Net Investment Returns

As of January 31, 2021

ND TEACHERS FUND FOR RETIREMENT INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2021				
	January-21			Current Fiscal YTD
	Market Value	Allocation		Net
Actual		Policy		
<b>Total Fund - Net Investment Return</b>	2,956,324,106	100%	100%	<b>14.99%</b>
<i>Policy Target Benchmark</i>				14.56%
<b>Excess Return</b>				<b>0.43%</b>
<b>Global Equity</b>	1,645,888,958 	55.7%	55%	23.7%
<i>Benchmark</i>			45%	23.7%
<b>Global Fixed Income</b>	832,762,497 	28.2%	26%	3.5%
<i>Benchmark</i>				3.9%
<b>Global Real Assets</b>	462,497,206 	15.6%	18%	3.5%
<i>Benchmark</i>				1.8%
<b>Global Cash &amp; Cash Equivalents</b>	15,175,446	0.5%	1%	0.1%
<i>Benchmark</i>				0.1%

NOTE: Monthly returns and market values are preliminary and subject to change.

**Note: Asset Allocation is a primary driver of long-term investment returns.**



February 2021

## **North Dakota State Investment Board**

Performance Evaluation  
as of December 31, 2020

---

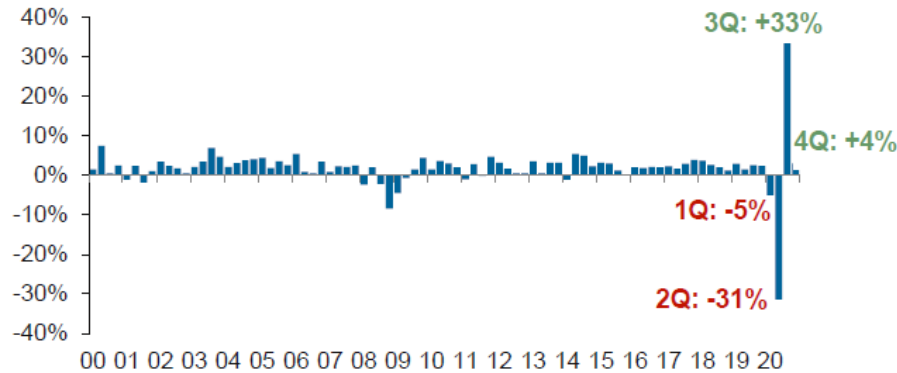
**Paul Erlendson**  
Senior Vice President

**Alex Browning**  
Senior Vice President

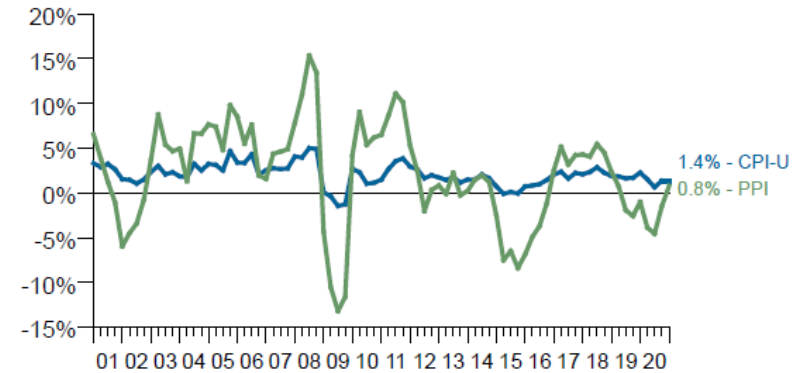
# U.S. Economy—Summary

For Periods Ended 12/31/20

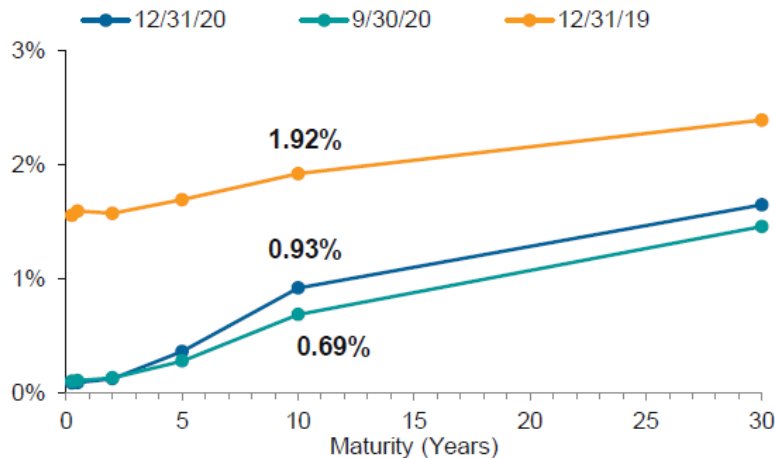
## Quarterly Real GDP Growth\*



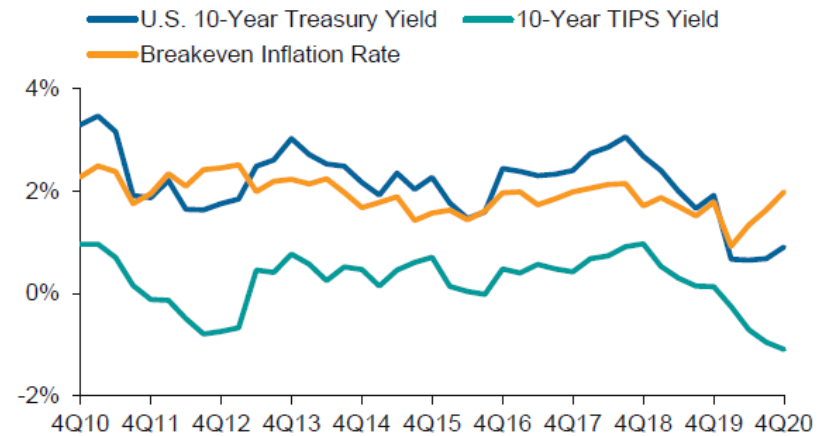
## Inflation Year-Over-Year



## U.S. Treasury Yield Curves

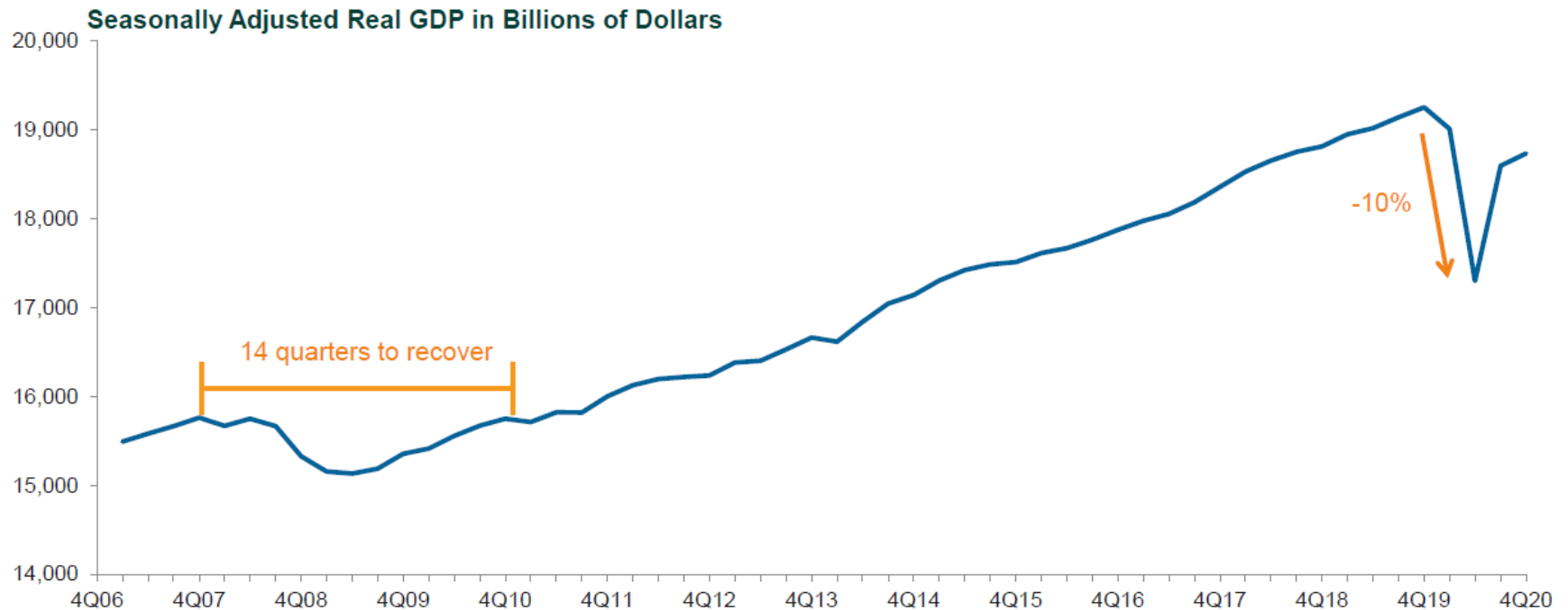


## Historical 10-Year Yields



\*Preliminary estimate for 4Q20. Sources: Bloomberg, Bureau of Labor Statistics, Callan, IHS Markit (annualized)

## GDP Rebounds in Second Half of 2020 After Precipitous First-Half Decline

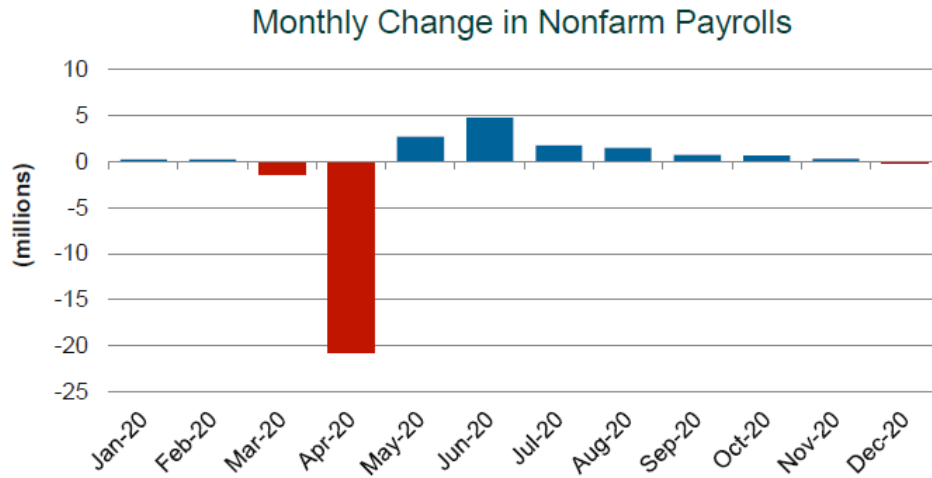


- Real GDP for 2020 declined an estimated 3.5% year-over-year.
- The Advanced estimate of 4Q real GDP is +4.0%, which reflects a continued rebound after 3Q real GDP of +33.4%. These numbers come after a difficult 2Q real GDP of -31.4%. Quarterly GDP numbers are quarter-over-quarter annualized.
- After the Global Financial Crisis, it took 3.5 years before real GDP reclaimed its pre-recession highs.
- GFC peak to trough was down 4%.



# U.S. Employment Situation

While the Recovery Continues, the Employment Landscape Remains Depressed



Change in Payrolls by Sector from February to December 2020



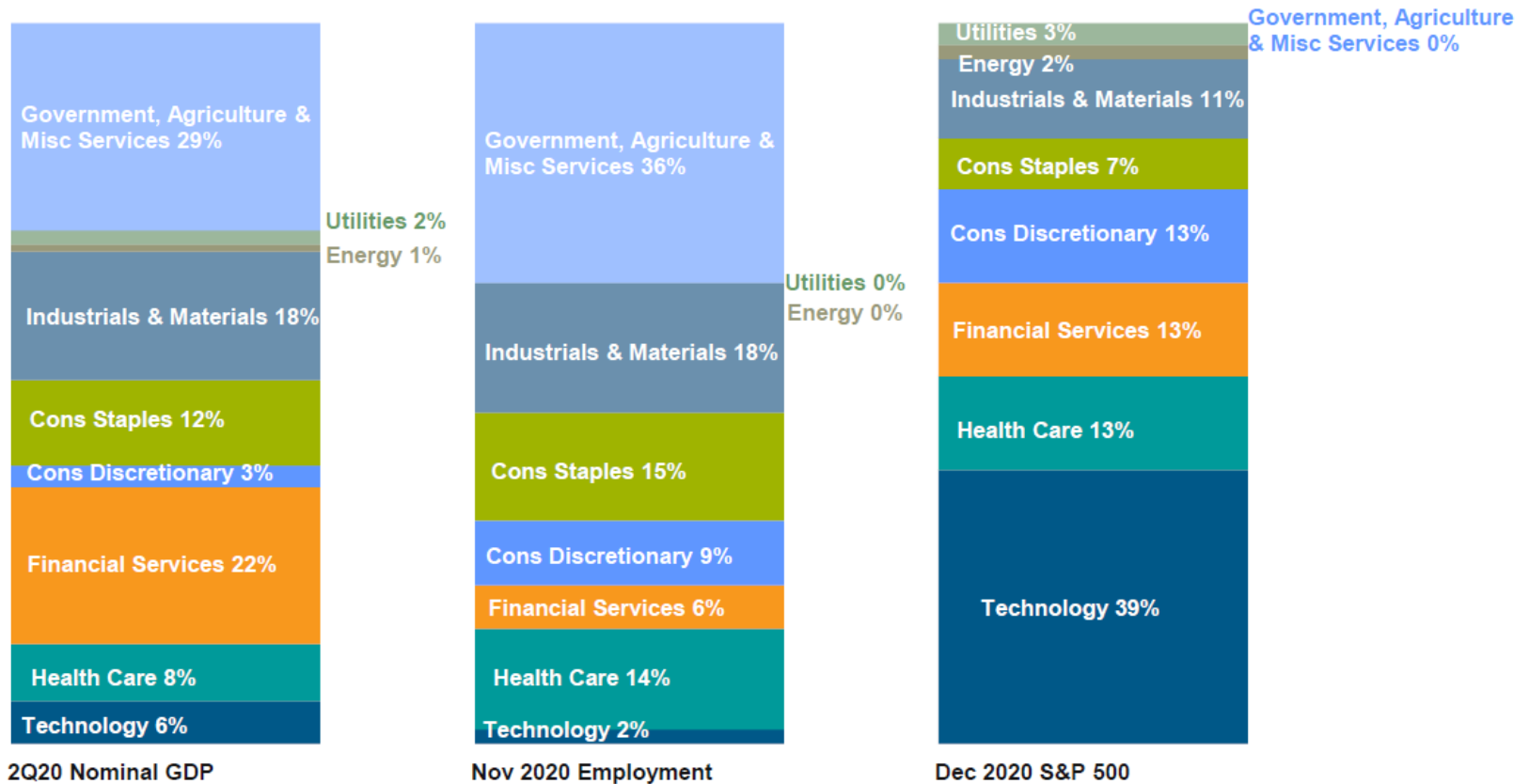
- There are currently 9.8 million fewer jobs in the economy than there were in February 2020
  - This reflects a 6.5% drop in total employment
- December marked the first time since April that the economy lost jobs
- Unemployment rate remained the same in December at 6.7%

Source: Department of Labor



# The Stock Market Is Not the Economy

## Sector Share of GDP, Employment, and S&P 500 Index



Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, S&P Dow Jones Indices, J.P. Morgan Asset Management Guide to the Markets – U.S. Data are as of 12/31/20. Technology: information (economy, employment), technology and communication services (S&P 500). Financial services includes real estate (S&P 500). Consumer discretionary: Arts, entertainment, recreation, accommodation, and food services (economy), leisure and hospitality (employment). Consumer staples: wholesale trade and retail trade (economy, employment). Industrials and materials: construction, manufacturing, transportation and warehousing (economy, employment). Energy: mining (economy), mining and logging (employment). Government, agriculture & misc. services: government, other services, professional and business services, education and agriculture, forestry, fishing, and hunting (economy), government, other services, professional and business services, and education (employment).

# Callan Periodic Table of Investment Returns

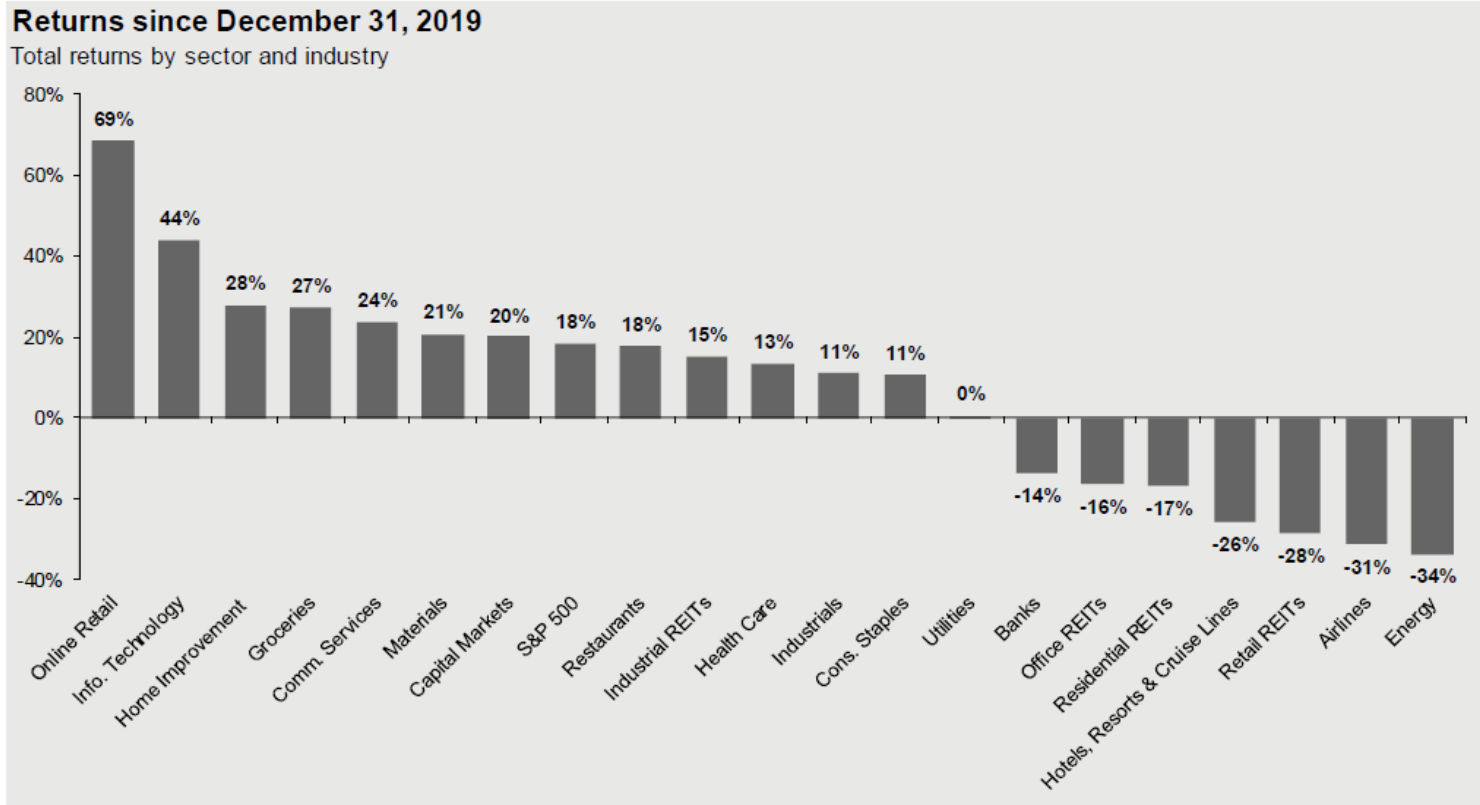
Cumulative Returns			Quarterly Returns				Year 2020
3 Years	7 years	10 Years	1Q 20	2Q 20	3Q 20	4Q 20	Year Ending December 31, 2020
Large Cap Equity 11.4%	Large Cap Equity 12.7%	Large Cap Equity 13.6%	U.S. Fixed Income 3.1%	Emerging Market Equity 7.4%	Emerging Market Equity 9.6%	Small Cap Equity 31.4%	Small Cap Equity 20.0%
Small Cap Equity 10.0%	Small Cap Equity 10.4%	Small Cap Equity 11.8%	Global ex-U.S. Fixed Income -2.7%	Small Cap Equity 3.5%	Large Cap Equity 8.9%	Emerging Market Equity 19.7%	Large Cap Equity 18.4%
Emerging Market Equity 9.1%	Real Estate 7.3%	Real Estate 8.4%	High Yield -12.7%	Dev ex-U.S. Equity 3.4%	Small Cap Equity 4.9%	Dev ex-U.S. Equity 15.8%	Emerging Market Equity 18.3%
Dev ex-U.S. Equity 7.4%	High Yield 6.0%	High Yield 7.6%	Large Cap Equity -19.6%	Real Estate 2.6%	Dev ex-U.S. Equity 4.9%	Real Estate 13.3%	Global ex-U.S. Fixed Income 10.1%
High Yield 6.4%	Dev ex-U.S. Equity 5.3%	Dev ex-U.S. Equity 5.3%	Dev ex-U.S. Equity -23.3%	Large Cap Equity 2.0%	High Yield 4.6%	Large Cap Equity 12.1%	Dev ex-U.S. Equity 7.6%
Real Estate 4.4%	Emerging Market Equity 3.2%	U.S. Fixed Income 3.7%	Emerging Market Equity -23.6%	Global ex-U.S. Fixed Income 1.0%	Global ex-U.S. Fixed Income 4.1%	High Yield 6.5%	U.S. Fixed Income 7.5%
U.S. Fixed Income 2.2%	U.S. Fixed Income 2.1%	Emerging Market Equity 3.7%	Real Estate -28.5%	High Yield 1.0%	Real Estate 2.1%	Global ex-U.S. Fixed Income 5.1%	High Yield 7.1%
Global ex-U.S. Fixed Income 1.8%	Global ex-U.S. Fixed Income 0.1%	Global ex-U.S. Fixed Income 1.5%	Small Cap Equity -30.6%	U.S. Fixed Income 0.6%	U.S. Fixed Income 0.6%	U.S. Fixed Income 0.7%	Real Estate -9.0%

Sources: ● Bloomberg Barclays Aggregate ● Bloomberg Barclays Corp High Yield ● Bloomberg Barclays Global Aggregate ex US  
● FTSE EPRA Nareit Developed ● MSCI World ex USA ● MSCI Emerging Markets ● Russell 2000 ● S&P 500



# U.S. Stock Market Returns in 2020 Were Widely Dispersed

Concentration of outperformance in technology, online retail, and supporting industries

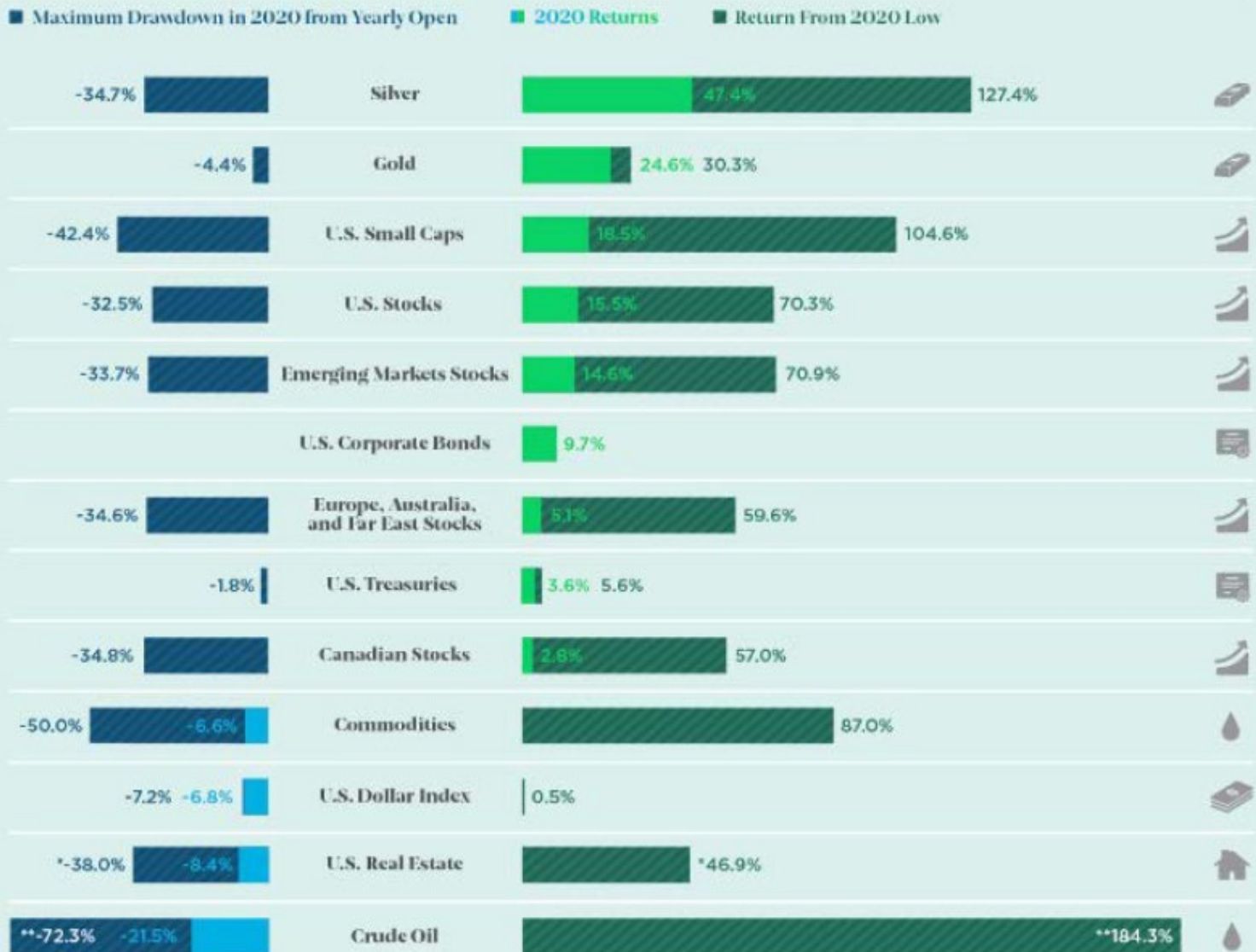


Best-performing sectors employ far fewer workers than many of the underperforming sectors (health care, capital markets, banks, hospitality, transportation, energy).

Sources: FactSet, J.P. Morgan Asset Management Guide to the Markets – U.S., S&P Dow Jones Indices; Data are as of 12/31/20.

# Asset Classes Performance

2020



Source: Visual Capitalist



\*Calculated using lowest 2020 daily close rather than low.

\*\*Calculated using the April monthly average of daily lows (\$16.93)

# New Market Peaks in Year of the Pandemic: 4Q20

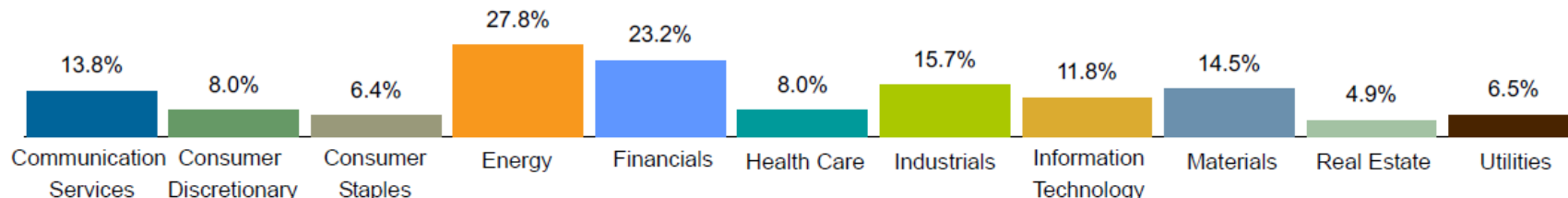
## Record highs in 2020

- The S&P 500 Index hit a record high in 4Q20. The Index was up 12.1% for the quarter, bringing the 2020 gain to 18.4%.
  - Since March low, S&P is up over 70%, with all sectors posting increases greater than 40%.
  - 4Q winner: Energy (+28%), but down 34% for the year
  - Technology (+12% in 4Q) top 2020 sector with 44% gain
  - Pandemic has cast a pall over certain sectors while rewarding others: online retail soared 69% in 2020, while hotels/cruise lines, airlines, and retail REITs dropped ~30%.
  - Apple, Microsoft, Amazon, Facebook, Alphabet made up 22% of S&P 500 at year-end, and for 2020, accounted for 12.1% of 18.4% Index return.

## Anti-momentum rally

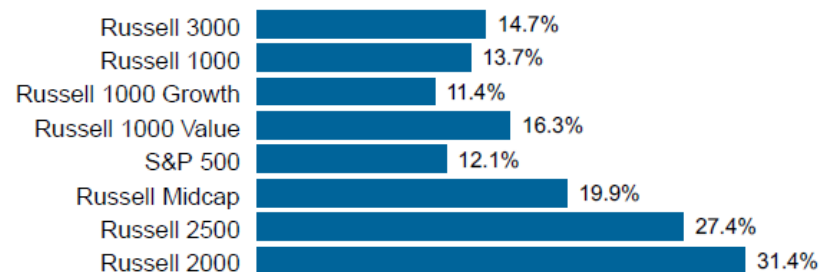
- In 4Q, driven by vaccine progress, political clarity, and further stimulus, value outperformed growth across the cap spectrum. . However, value trails growth by significant margin for the full year.
- Small caps outperformed large in 4Q but were even on the year. Small value was the best performer for 4Q, but 2020 gain is a mere 4.6%.

## Industry Sector Quarterly Performance (S&P 500)

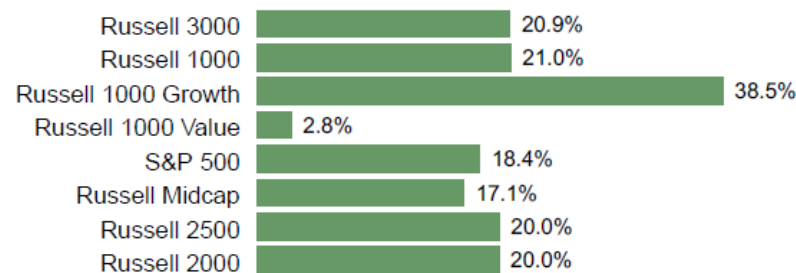


Sources: FTSE Russell, S&P Dow Jones Indices

## U.S. Equity: Quarterly Returns



## U.S. Equity: One-Year Returns



# Global ex-U.S. Equity Performance:4Q20

COVID-19 vaccine rollouts extend and expand risk-on rally

- Prospects of global economic recovery propelled by COVID-19 vaccination fueled double-digit returns across developed and emerging markets.
- Expectations of reverting back to normal economic activity by late 2021 fueled risk assets.
- Emerging markets outperformed developed markets, led by LATAM—specifically Brazil.
- Small cap outperformed large as business confidence improved with news of vaccination.

Market rotates to cyclicals

- Positive outlook on reflation trade stoked Energy, Materials, and Financials.
- Beta and volatility led factor performance due to market rotation.

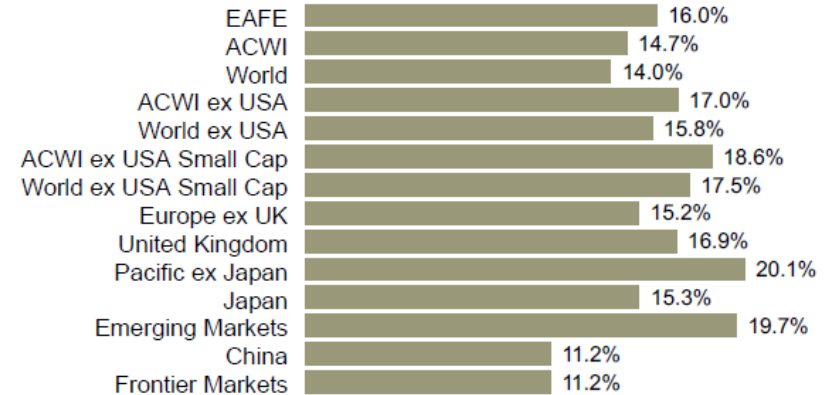
U.S. dollar vs. other currencies

- U.S. dollar continued to lose ground as appetite for risk increased.

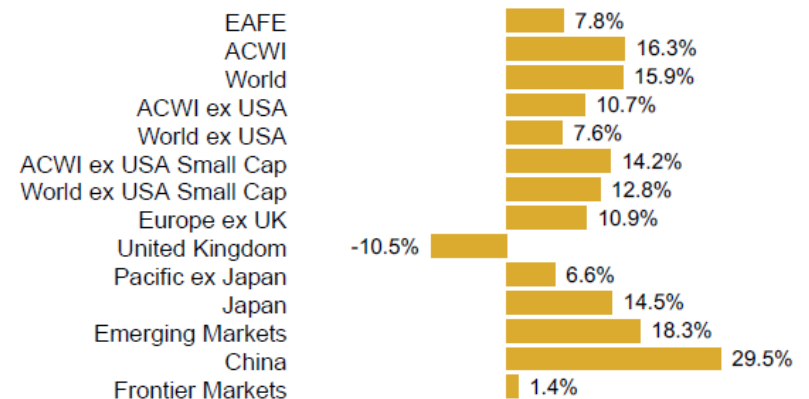
Growth vs. value

- Value outpaced growth as sentiment shifted to cyclical sectors.

Global Equity: Quarterly Returns



Global Equity: One-Year Returns



Source: MSCI

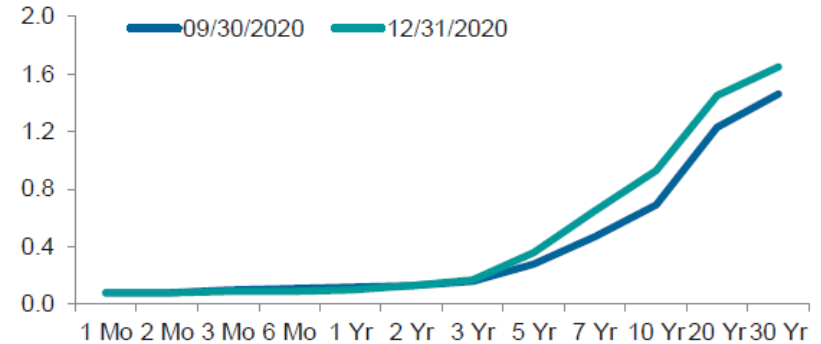


# Implications of U.S. Rates Rising in 4Q20

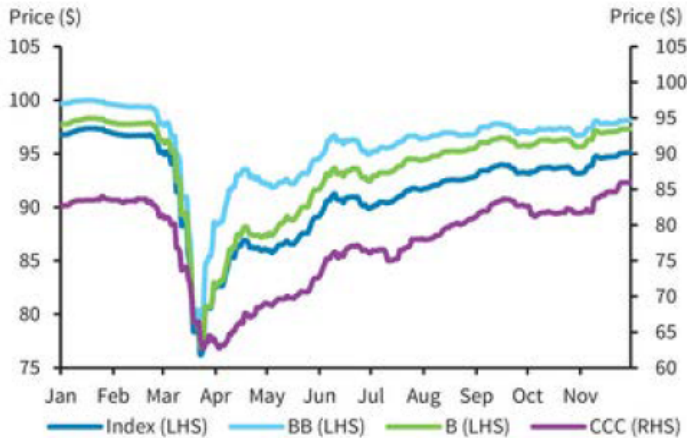
Opens opportunities for floating-rate securities

- U.S. Treasury rates rose in 4Q, most notably in the intermediate and long portions of the yield curve.
- As Democrats won both seats in the Georgia runoff, greater fiscal stimulus is likely. This may lead to further steepening of the yield curve and increased inflation expectations.
- A rising rate environment opens opportunities for floating-rate securities like leveraged loans, and makes securities with shorter durations such as securitized credit more attractive.

U.S. Treasury Yield Curve



Leveraged Loan Index Price Recovery



10-year Breakeven Inflation Rate



Sources: St. Louis Fed, Bloomberg Barclays



## U.S. Fixed Income Performance: 4Q20

### Treasury yields rose

- The 10-year U.S. Treasury yield closed 4Q20 at 0.93%, up 24 bps from 3Q20 but off from the year-end level of 1.92%.
- TIPS outperformed nominal U.S. Treasuries as 10-year breakeven spreads widened from 163 bps to 199 bps.
- No rate hikes are expected until at least 2023.

### Bloomberg Barclays Aggregate gained slightly

- Corporate credit outperformed treasuries as investors continued to hunt for yield.
- Corporate credit ended the year up 9.89% despite record issuance in 2020.

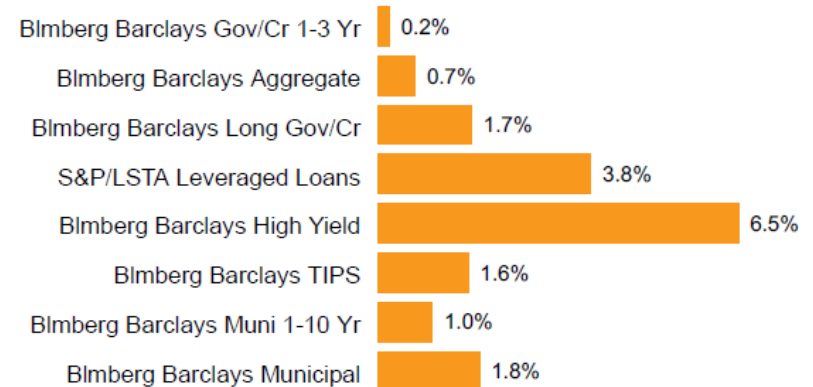
### High yield bonds gained on the quarter as rally extended

- High yield bonds outperformed IG in 4Q, returning 6.48%, but trailed IG for the year.
- Leveraged loans gained 3.8% as demand remained strong to finish the year.

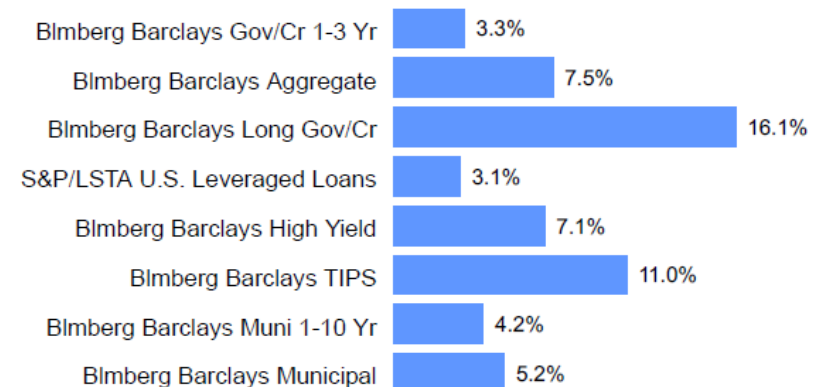
### Munis boosted by favorable supply/demand dynamics

- Municipals outperformed Treasuries for the quarter, but remained down for the year.
- Tax-exempt issuance was muted amid strong demand.
- Lower quality outperformed for the quarter; however, higher quality outperformed for the year.

### U.S. Fixed Income: Quarterly Returns



### U.S. Fixed Income: One-Year Returns





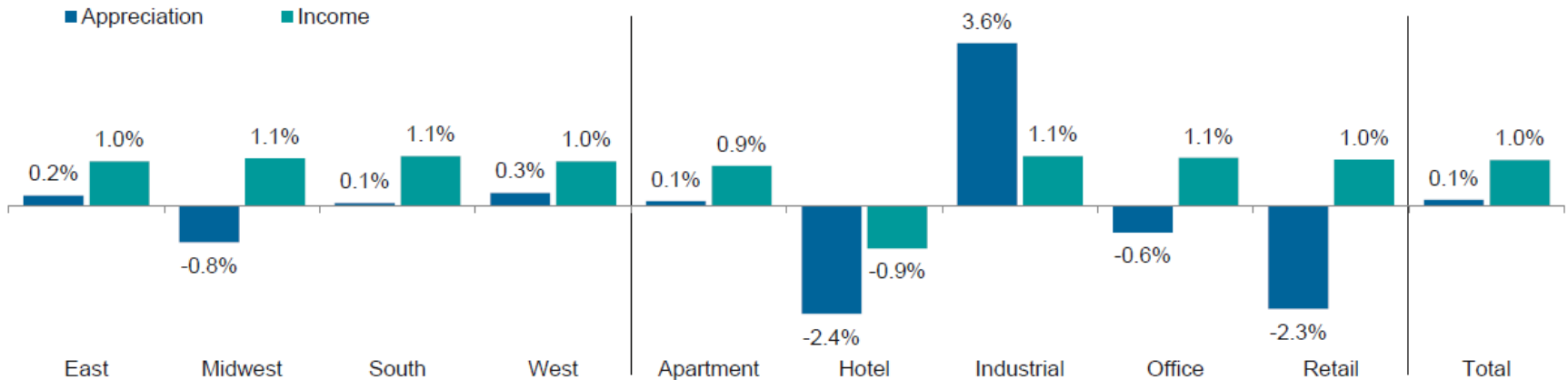
# U.S. Private Real Estate Market Trends

## Results

- Hotel and Retail are the most challenged sectors while Office faces uncertainty; Industrial remains the best performer.
- Income remains positive except in Hotel sector.
- Appraisers have more certainty on pandemic's impact on valuations.
- Return dispersion by manager within the ODCE Index due to composition of underlying portfolios

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
NCREIF ODCE	1.3%	1.2%	4.9%	6.2%	9.9%
Income	0.9%	3.9%	4.1%	4.2%	4.8%
Appreciation	0.4%	-2.6%	0.8%	1.9%	5.0%
NCREIF Property Index	1.1%	1.6%	4.9%	5.9%	9.0%
Income	1.0%	4.2%	4.4%	4.6%	5.1%
Appreciation	0.1%	-2.5%	0.4%	1.3%	3.8%

## NCREIF Property Index Returns by Region and Property Type



Source: NCREIF



## Recent Trends in Private Equity

### Rush of IPOs in 2H 2020

- IPO activity nearly doubled in second half of 2020
- Notable IPOs: Ant Group, Airbnb, Doordash, and GoodRx

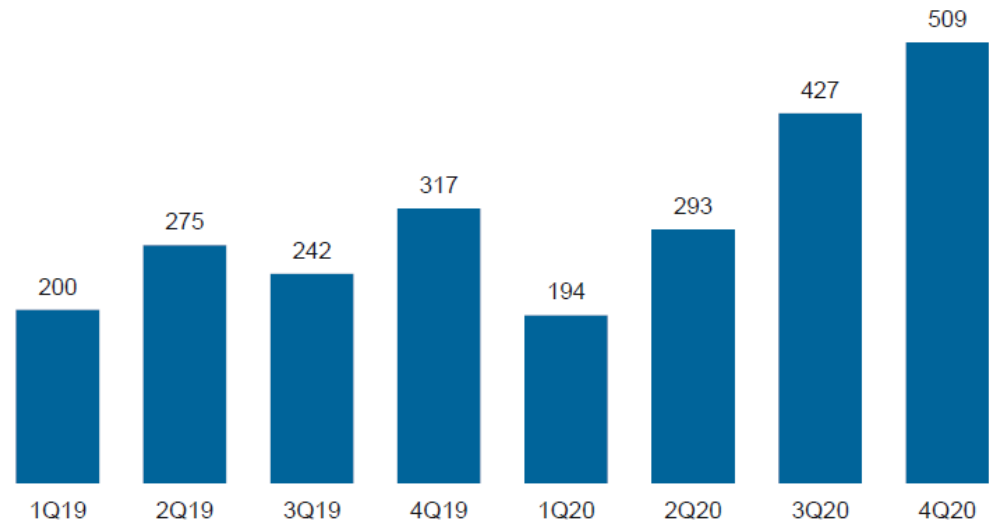
### Late-Stage Venture Capital Surges

- Likewise, late-stage venture capital saw elevated activity in anticipation of these IPOs

### SPAC Activity Remains Strong

- With over 250 SPACs raised this year, SPAC activity remained strong through the end of 2020

IPO Exits by Quarter

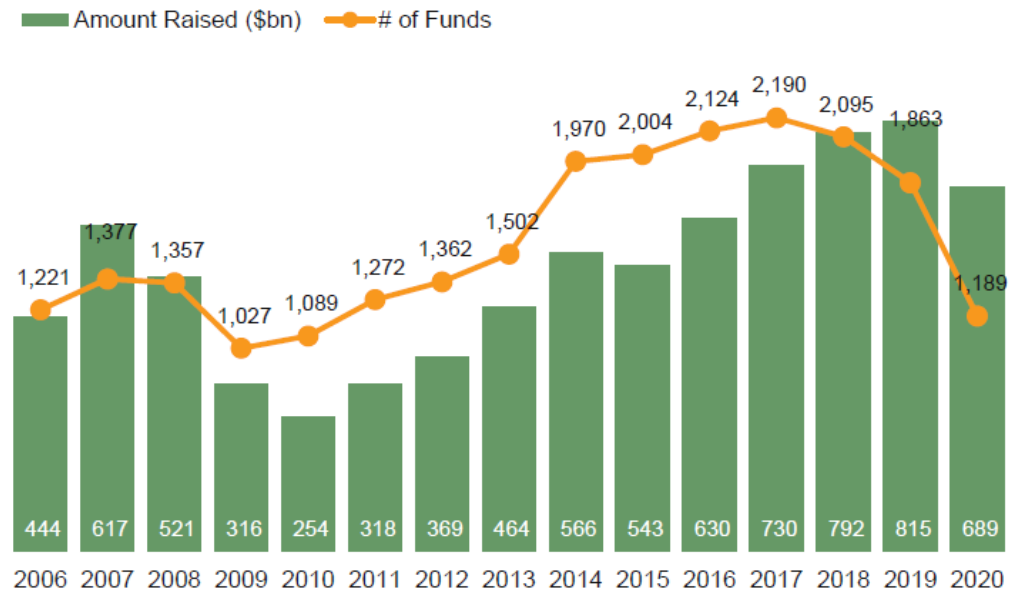


# Private Equity Global Fundraising

## Slowdown during pandemic

- Fundraising for 2020 at 85% of 2019 levels
- Many fundraises pushed out to 2021 due to worries over investor appetite and inability of funds to deploy capital during the onset of the pandemic.
- Fundraising expected to pick up in 2021

### Annual Fundraising



# SIB Highlights and RIO Mission Statement

Updated as of December 31, 2020

## SIB Highlights:

- SIB client assets under management have more than tripled from \$5 billion in 2010 to \$18.4 billion in 2020, while increasing by over \$5 billion (or 38%) in the last two years.
- SIB investment fees have been significantly reduced from 0.84% in 2010 to 0.42% in 2020.
- The SIB's keen focus on fees is saving our clients over \$20 million per year in lower costs which increases client net investment income.
- The SIB's prudent use of active investment management has generated \$125 million of incremental income for our clients in the last 2-years including \$50 million for Legacy, \$40 million for PERS & TFFR, and \$35 million for WSI & Budget Stabilization.
- SIB client investment performance compares favorably with our peers including U.S. public pension plans and larger sovereign wealth funds.
- Actual net investment returns for 98% of our SIB clients have exceeded approved performance benchmarks for the 5-years ended Dec. 31, 2020.
- Active management has generated over \$70 million of incremental income for the Legacy Fund in the last half of 2020 after deducting all investment fees and expenses.
- SIB clients earned \$4.2 billion of net investment income in the two years ended 12/31/2020; including the Legacy Fund which earned \$1.9 billion with returns in excess of 18% in 2019 and 12% in 2020. to 1

Mission Statement: RIO serves the State Investment Board (SIB) and exists in order that:

- 1) SIB clients receive investment returns, consistent with their written investment policies and market variables, in a cost effective investment manner and under the Prudent Investor Rule (NDCC 21-10-07 "Legal Investments").
- 2) Potential SIB clients have access to information regarding the services provided by the SIB.
- 3) SIB clients receive satisfactory services from our Board & RIO staff including TFFR, PERS, WSI and Legacy & Budget Stabilization Funds.

# North Dakota In-State Investment Program Overview

## Neutral Factual Testimony

The State Investment Board (SIB) has supported Bank of North Dakota's (BND) Match Loan CD Program, which provides cost-efficient funding to businesses looking to grow existing operations or establish a new business in North Dakota, for over 30 years.

In 2019 and 2020, the Legacy Fund Advisory Board (Advisory Board) and SIB doubled the size of its commitment to the BND Match Loan CD Program from \$200 million in 2019 to \$400 million in 2020 (and represents an approximate 5% target asset allocation).

In 2020 and 2021, the Advisory Board and SIB conducted a study to determine the most efficient and prudent manner to expand the in-state investment program. After reviewing the study, the Advisory Board approved a new 3% Private Capital allocation with a preference for in-state investments. The SIB approved this recommendation to increase Legacy in-state investment targets to 8%.

As a result, the Legacy Fund asset allocation policy now includes a 5% target for the BND Match Loan CD Program as a Fixed Income sector allocation in addition to a target 3% Private Capital allocation (+/- 3%) with a preference for in-state investments at a competitive rate (which reduced Legacy's asset allocation to Global Equities from 50% to 47%).

Private market investments take a significant length of time to prudently deploy capital as it commonly takes many years to hit investment targets.

Legacy Fund earned a net investment return of 9.25% per annum for the 5-years ended Dec. 31, 2020. In the last half of 2020, Legacy's net investment return was 14.3% (or \$1 billion) which exceeded the policy benchmark return by 1% (or \$70 million) after all fees and expenses.

As of January 31, 2021, the Legacy Fund balance exceeded \$8.1 billion including nearly \$2.7 billion of net investment income (since inception) with current biennium to date earnings of \$636 million (as defined by NDCC 21-10-12). Legacy Fund earnings were \$455,263,216 in the 2017-19 biennium (as defined by NDCC 21-10-12) and were transferred to the General Fund in mid-2019.

*Note: Reported amounts post June 30, 2020, are unaudited and subject to change.*

# SIB Raises In-State Investment Targets up to 8% as Recommended by Legacy Fund Advisory Board

During the past 18 months, the SIB has doubled the size of the Legacy Fund In-State Investment Program by increasing its long-standing commitment to the Bank of North Dakota Match Loan Program – from a \$200 million commitment in August of 2019 to a \$400 million in November 2020. In 2021, the Advisory Board and SIB seeks to further expand its commitment to the Legacy Fund In-State Investment Program by adding a new private capital allocation with a preference to target in-state investments in private equity and private credit. The SIB approved these Advisory Board recommendations in February and is working towards identifying a new In-State Investment Program management firm.

## Legacy Fund Gains Over \$1 billion in Last Half of 2020

The Legacy Fund balance exceeded \$8 billion at year-end 2020 and has earned over \$2.7 billion of net investment income since inception.

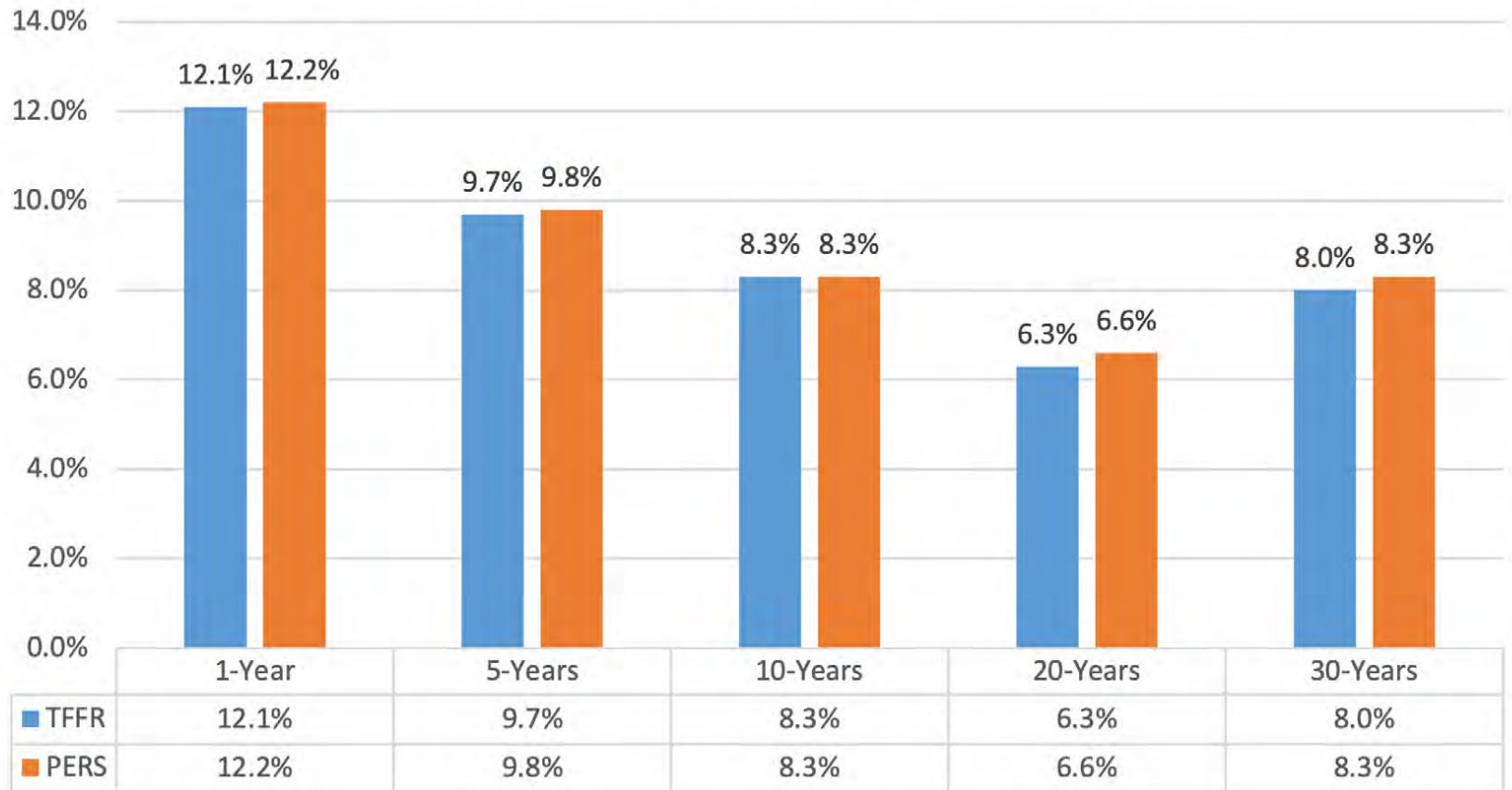
Legacy Fund net investment returns exceeded 14.3% in the last half of 2020 and 9.25% per annum for the 5-years ended 12/31/2020. Month-end valuations and investment results are reported on RIO's website.

Legacy Fund Balance (\$ in billions)



# TFFR and PERS Returns Exceed 12% in 2020 and 9.7% for the 5-Years Ended December 31, 2020.

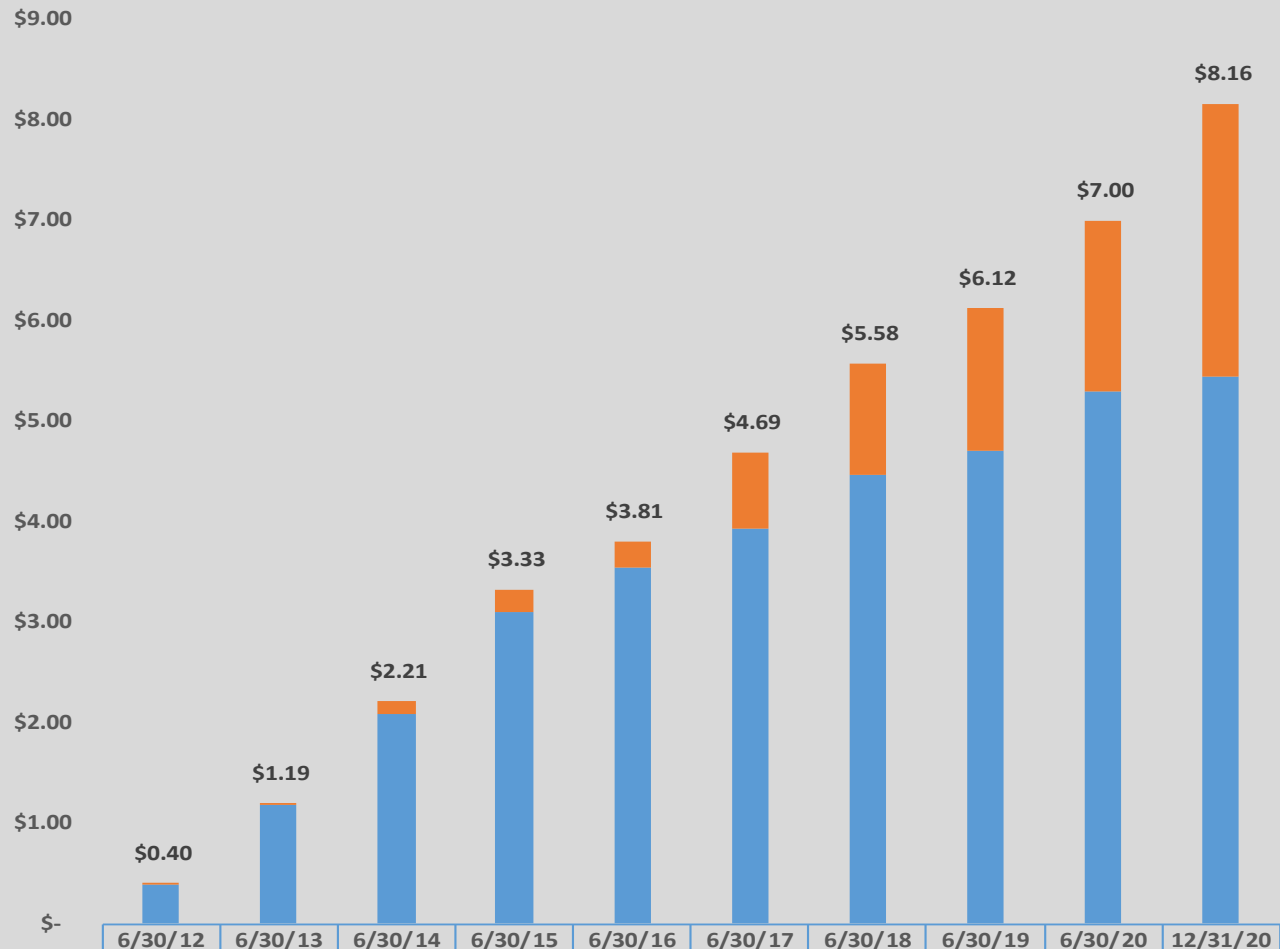
Net Investment Returns for Periods Ended December 31, 2020



# Legacy Fund Gains over \$1 Billion in Last Half of 2020

The Legacy Fund earned a net investment return of 14.37% in last half of 2020. This \$1 billion of net investment income, along with \$146 million of new oil and gas tax deposits, drove the Legacy Fund to exceed \$8.1 billion at 12/31/2020.

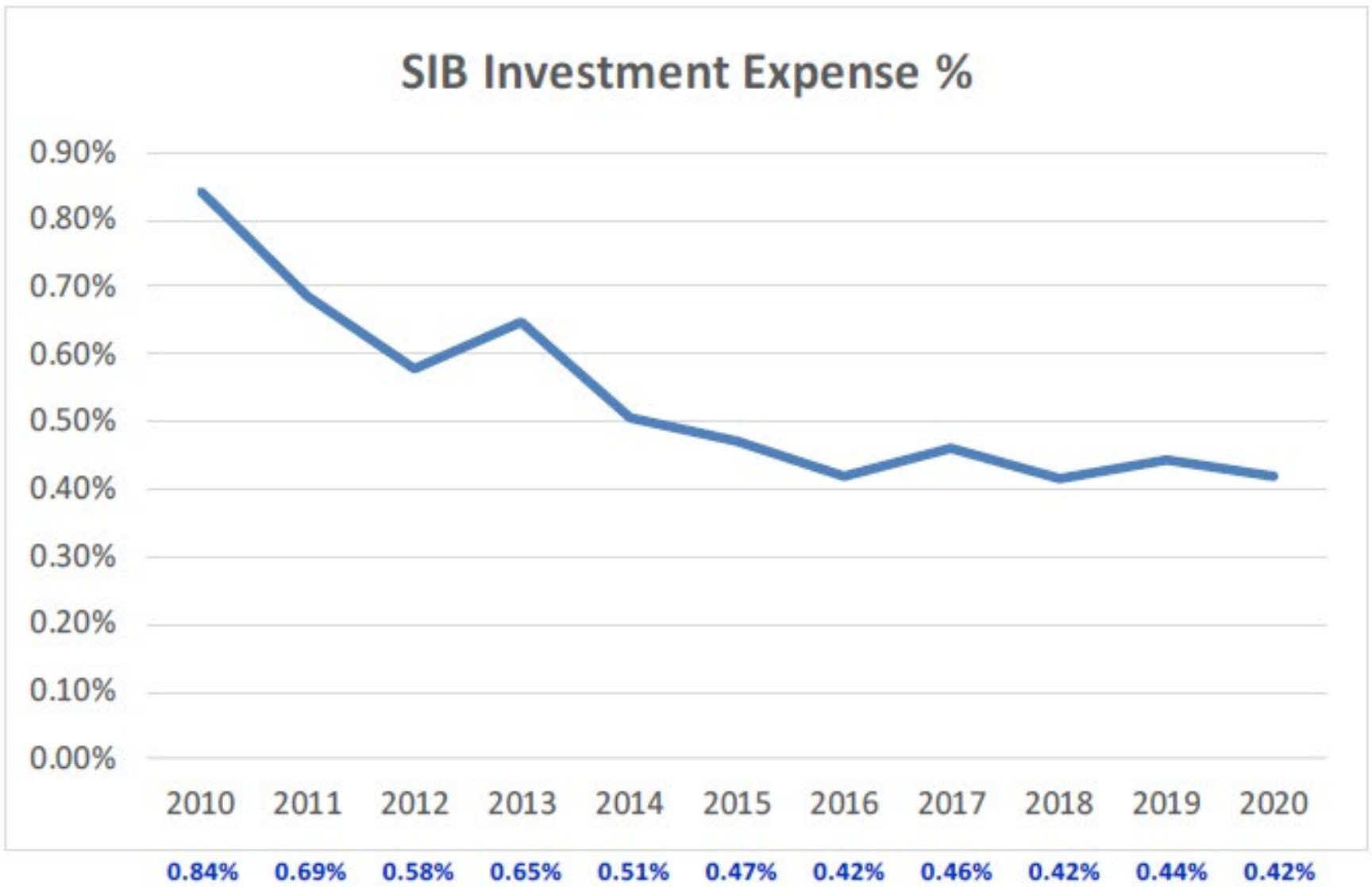
Legacy Fund Balance (\$ in billions)



Cumulative Net Income (\$ billions)	\$0.00	\$0.01	\$0.12	\$0.22	\$0.27	\$0.75	\$1.11	\$1.41	\$1.69	\$2.70
Cumulative Net Deposits (\$ billions)	\$0.40	\$1.19	\$2.09	\$3.11	\$3.54	\$3.94	\$4.47	\$4.71	\$5.30	\$5.45
Balance (\$ billions)	\$0.40	\$1.19	\$2.21	\$3.33	\$3.81	\$4.69	\$5.58	\$6.12	\$7.00	\$8.16



# SIB Investment Expense % Reduced by 50% from 0.84% in Fiscal 2010 to 0.42% in Fiscal 2020



# PERS Net Investment Returns

As of December 31, 2020

PERS Investment Returns (Net of Fees)	Calendar Year Ending 12/31/2020	Calendar Year Ending 12/31/2019	Calendar Year Ending 12/31/2018	Calendar Year Ending 12/31/2017	Calendar Year Ending 12/31/2016	Calendar Year Ending 12/31/2015	Calendar Year Ending 12/31/2014	Calendar Year Ending 12/31/2013	Calendar Year Ending 12/31/2012	Calendar Year Ending 12/31/2011
PERS Actual (Net of Fees)	12.2%	18.0%	-4.1%	17.2%	7.1%	0.5%	6.0%	16.6%	13.4%	-0.8%
PERS Policy Benchmark	12.0%	17.4%	-3.2%	14.2%	7.2%	0.1%	5.2%	15.3%	12.5%	0.4%

PERS Investment Returns (Net of Fees)	Fiscal Year Ending 6/30/2020	Fiscal Year Ending 6/30/2019	Fiscal Year Ending 6/30/2018	Fiscal Year Ending 6/30/2017	Fiscal Year Ending 6/30/2016	Fiscal Year Ending 6/30/2015	Fiscal Year Ending 6/30/2014	Fiscal Year Ending 6/30/2013	Fiscal Year Ending 6/30/2012	Fiscal Year Ending 6/30/2011
PERS Actual (Net of Fees)	3.4%	5.5%	9.2%	13.1%	0.3%	3.5%	16.4%	13.4%	-0.1%	21.3%
PERS Policy Benchmark	3.2%	6.4%	7.9%	11.9%	0.6%	2.2%	15.7%	11.8%	1.1%	20.6%

PERS Investment Returns (Net of Fees)	5 Years Ending 12/31/2020	10 Years Ending 12/31/2020	20 Years Ending 12/31/2020	30 Years Ending 12/31/2020
PERS Actual (Net of Fees)	9.77%	8.34%	6.61%	8.35%
PERS Policy Benchmark	9.27%	7.88%	6.60%	8.21%

PERS Investment Returns (Net of Fees)	5 Years Ending 6/30/2020	10 Years Ending 6/30/2020	20 Years Ending 6/30/2020	30 Years Ending 6/30/2020
PERS Actual (Net of Fees)	6.20%	8.38%	6.61%	8.35%
PERS Policy Benchmark	5.90%	7.93%	6.60%	8.21%

NDPERS and NDTFFR U.S. Large Cap Equity returns were 26% in 2020 and 31% in 2019, while averaging 14.7% per annum for the 10 years ended 12/31/2020 (the latter of which exceeded the Russell 1000 Index by over 0.65% per annum).

Asset Allocation is a primary driver of long-term investment returns.



# **Retirement Trends and Projections**

## North Dakota Teachers' Fund for Retirement

March 2021

# TFFR Member Categories

TFFR member categories are based on DPI title codes and presented according to teacher and administrator categories defined in NDCC 15.1-02-13.6.

## ➤ Teachers

## ➤ Special Teachers

- Special Ed Teachers
- Guidance & School Counselors
- Speech Language Pathologists
- Social Workers
- School Psychologists
- Library Media Specialists
- Technology Coordinators

## ➤ Superintendents

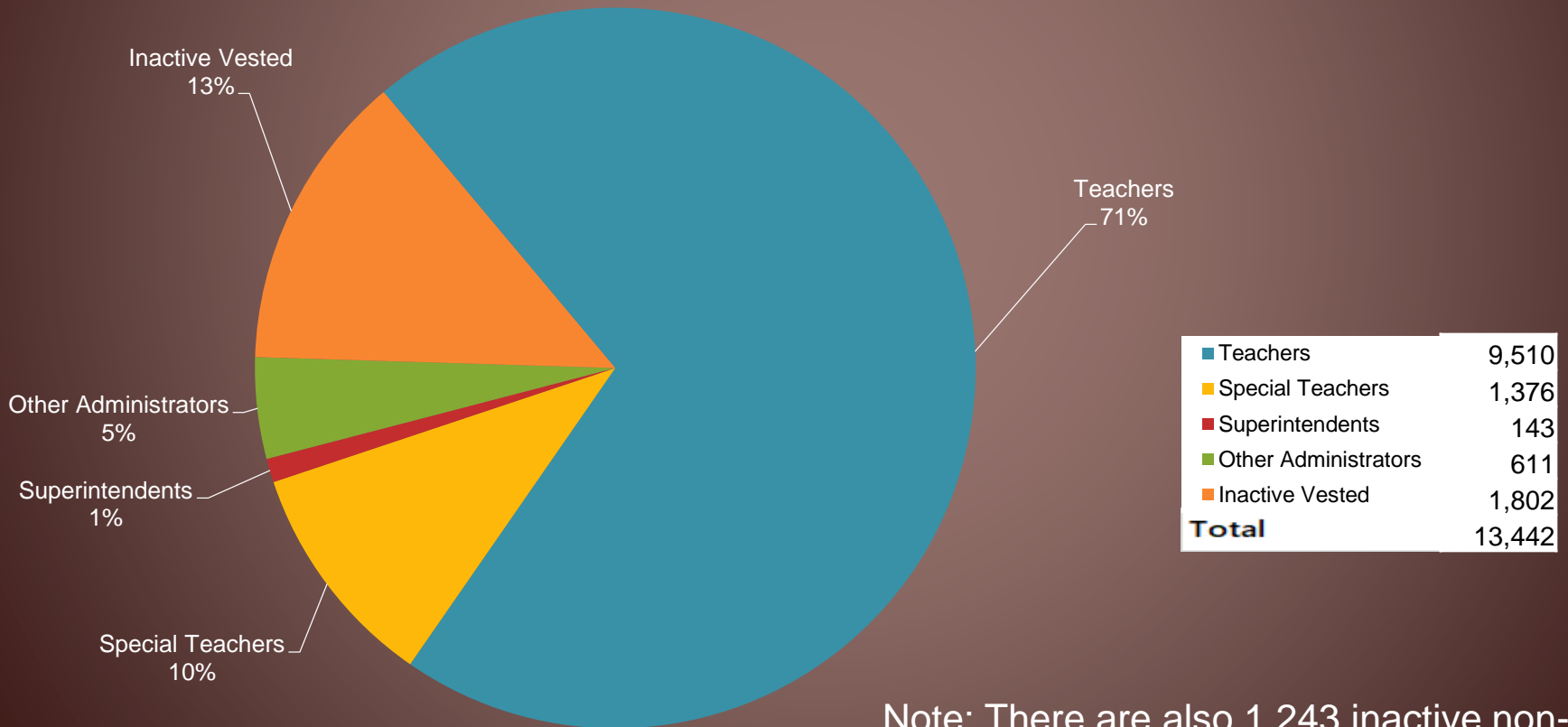
## ➤ Other Administrators

- Assistant Superintendent
- Director
- Assistant Director
- Principal
- Assistant Principal
- County Superintendent
- Other administrative positions

# Today

## Current TFFR Membership

There are 13,442 active and inactive vested TFFR members in January 2021.



Note: There are also 1,243 inactive non-vested TFFR members and 9,068 retired members and beneficiaries.

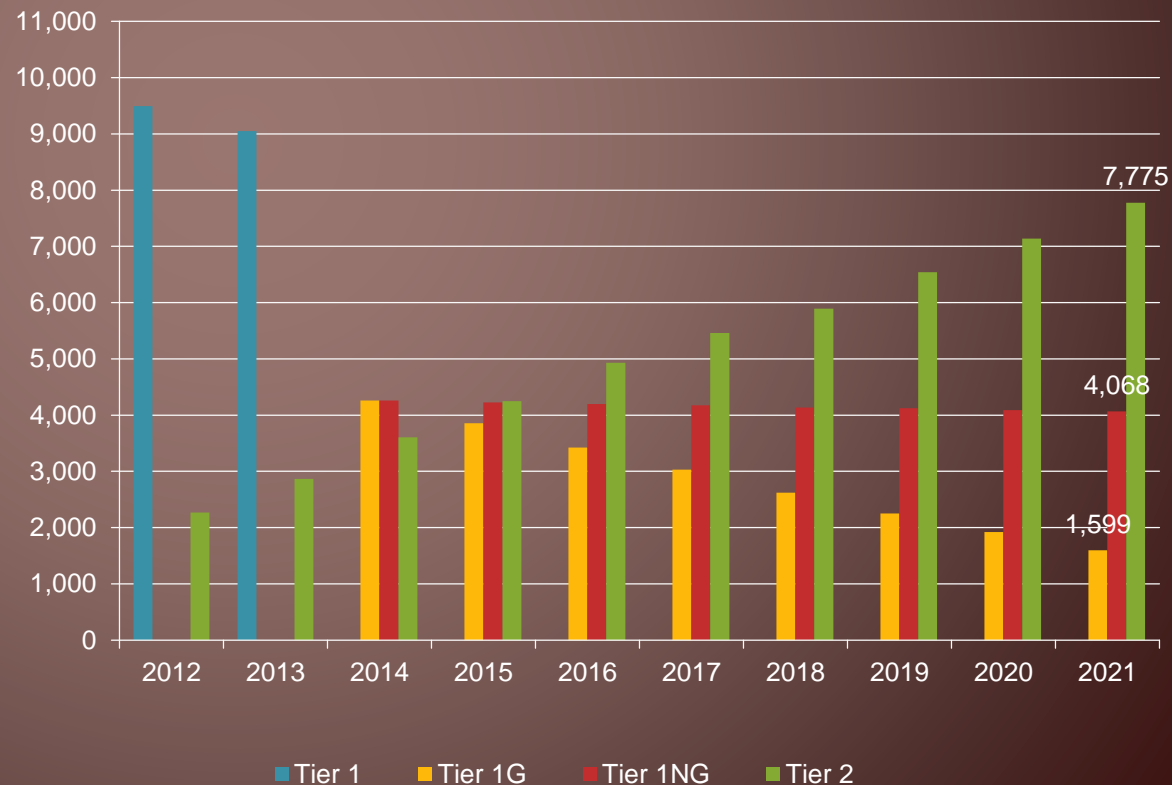
# Today

## TFFR Tier Membership

Active and inactive vested Tier membership in January 2021

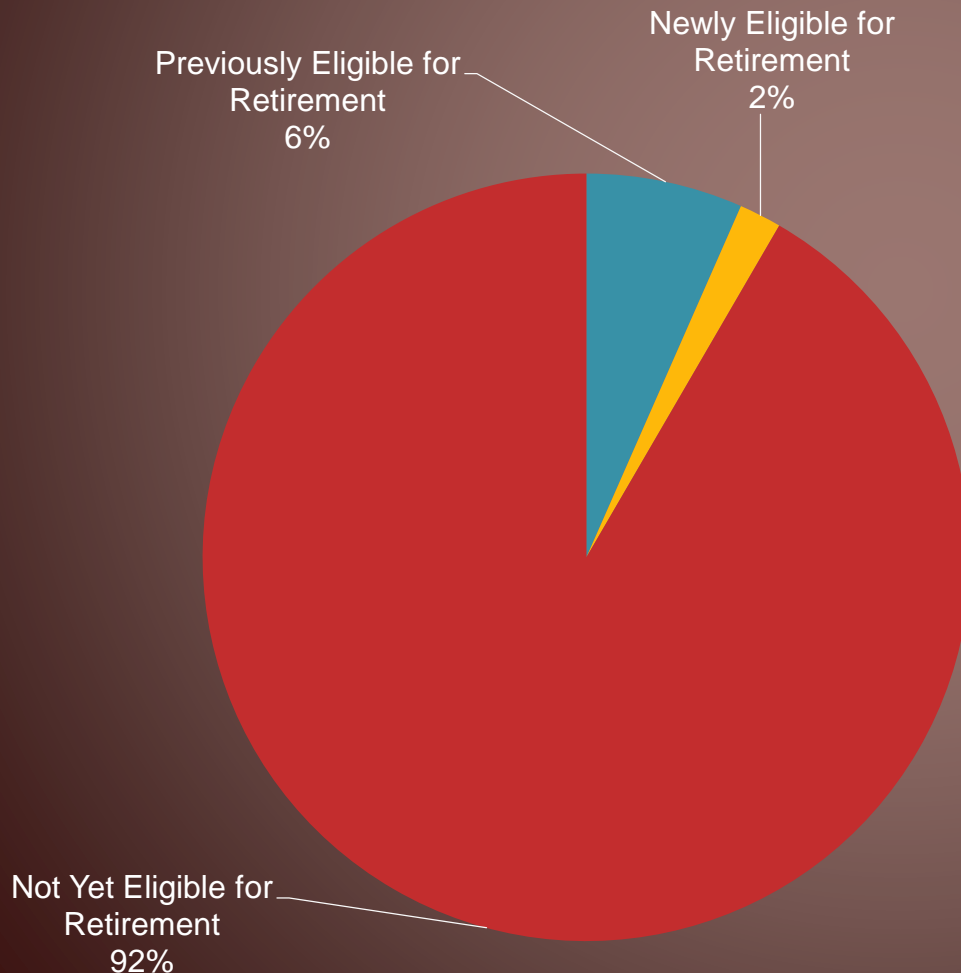
TFFR Members	Tier 1G	Tier 1NG	Tier 2	Total
Teachers	1,018	2,360	6,132	9,510
Special Teachers	160	367	849	1,376
Superintendents	36	53	54	143
Other Administrators	91	275	245	611
Inactive Vested	294	1,013	495	1,802
<b>Total</b>	<b>1,599</b>	<b>4,068</b>	<b>7,775</b>	<b>13,442</b>

### TFFR Tier Membership History



# Today

## Current Active TFFR Membership Eligible for Retirement



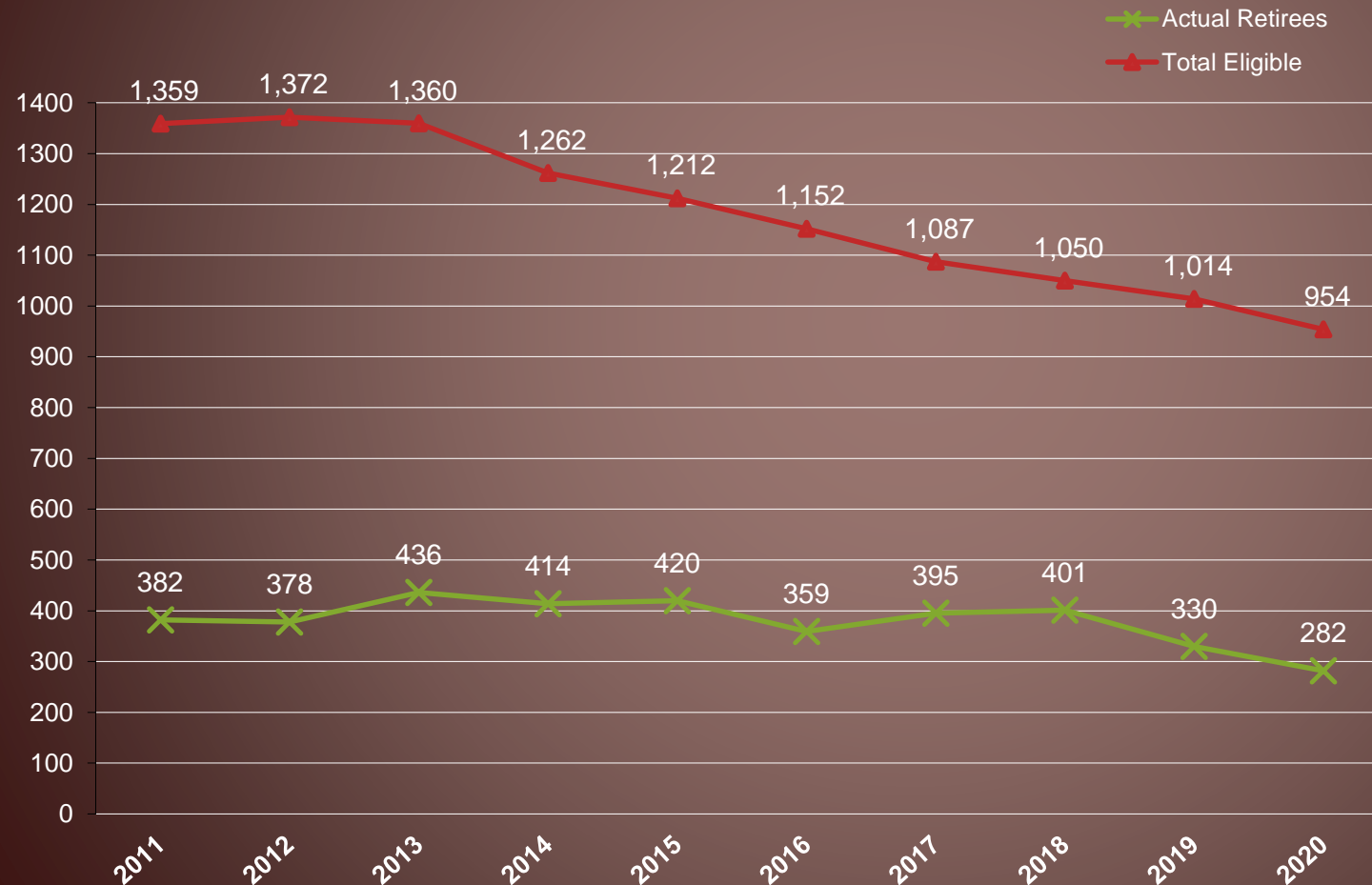
Of the 11,640 active TFFR members, 917 members are currently eligible to retire (8%) either under the Rule of 85, Rule of 90/Min age 60, or age 65.

Of the 917 active TFFR members eligible to retire, 77% are previously eligible and 23% are newly eligible in 2020-21.

■ Previously Eligible for Retirement	710
■ Newly Eligible for Retirement	207
■ Not Yet Eligible for Retirement	10,723
<b>Total</b>	<b>11,640</b>

# Yesterday

## Actual Retirees & Total Eligible

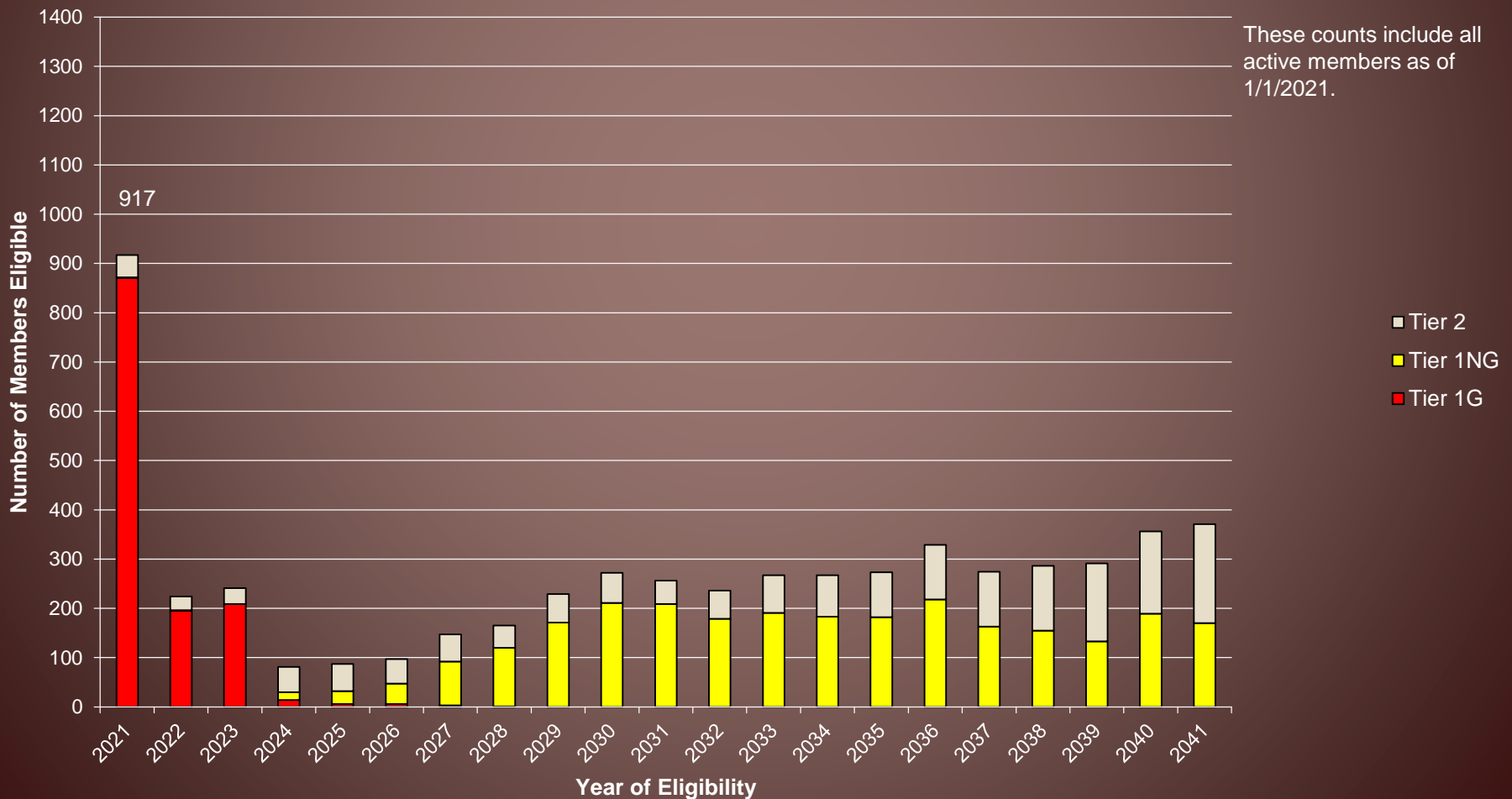


### 10 Year History 2011-2020

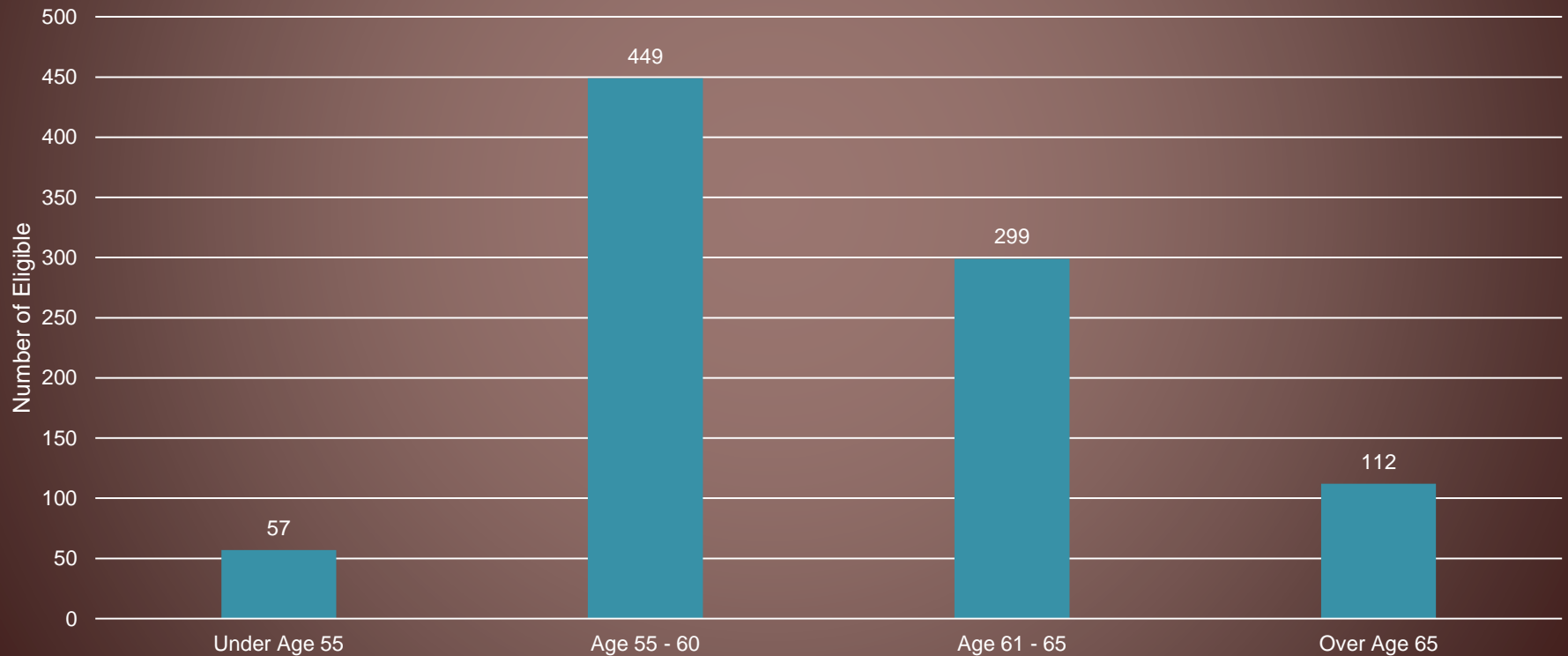
- ◆ On average, 1,182 teachers have been eligible to retire each year over the last 10 years.
- ◆ On average, 380 teachers actually retired each year, or total of almost 3,800 for 10 year period.
- ◆ Approximately 31% of eligible members actually retired over the past 10 years.



# TFFR Active Membership Retirement Eligibility Profile - 20 Year Projection



# Current Eligible in 2021 by Age



Note: Of the 917 total eligible, the youngest is age 52 and the oldest is age 81

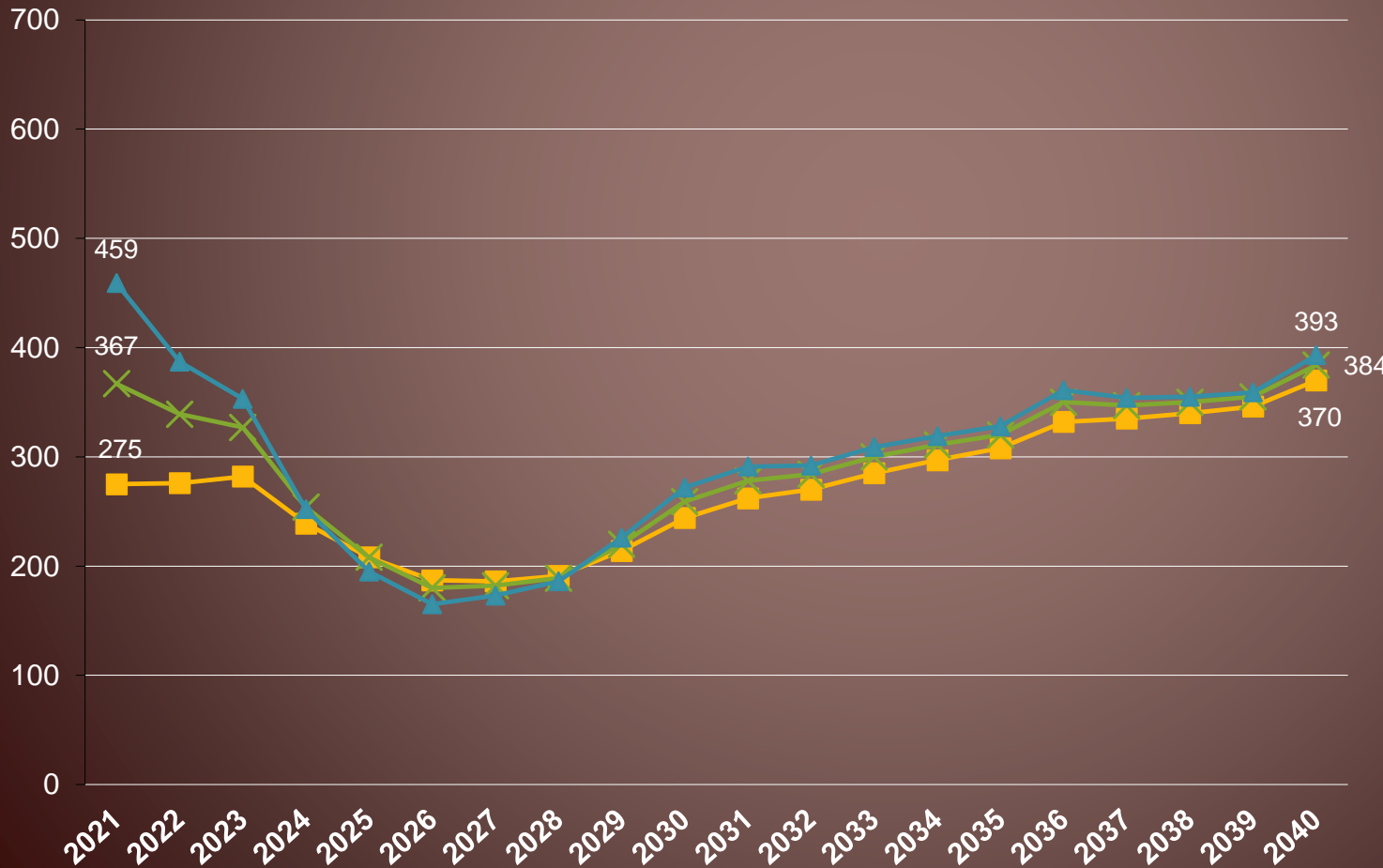
# Tomorrow

## Projected Retirees All Active

Ratio of Retired to Eligible

- Future Retirees @ 30%
- Future Retirees @ 40%
- Future Retirees @ 50%

Based on ratios of 30%, 40%, and 50% of actual retirements to eligible retirements, the number of active members projected to retire in the next 20 years.



# Summary

Based on ratios of 30% and 40% of actual retirements to eligible retirements, approximately 2,400 to 2,600 active members are projected to retire in the next 10 years which averages about 241 per year.

		# Retire		Avg/Yr	
	Members	30%	40%	30%	40%
Total Active Members	11,640	2,302	2,525	230	253

**Note:** All retirement projections are estimates only.

**TFFR Ends  
Annual Review  
Year Ended June 30, 2020**

The information provided below indicates that the TFFR ends policies formally adopted by the TFFR Board and accepted by the SIB are being implemented.

**Ends Policy:           Membership Data and Contributions**

**Ends:**           Ensure the security and accuracy of the members' permanent records and the collection of member and employer contributions from every governmental body employing a TFFR member.

▪ **Member and Employer Information**

The CPAS pension administration software and FileNet document management software has been used for 15 years. The CPAS pension administration software version we are using is client server based and is reaching the end of its life cycle. We received legislative approval in 2019 to replace or upgrade the TFFR pension software with a secure web based application to improve efficiencies and functionality. We have completed Phase 1 out of 3 and are currently on phase 2. TFFR Member and Employer Online Services are secure applications allowing TFFR members to view their personal pension account information and provide employers the ability to electronically report monthly payroll to TFFR. Security of TFFR data is a high priority and staff annually completes cyber security training. In FY20, we further expanded our FileNet workflow system used to manage Retirement Services paperless account processing functions.

▪ **Collections and Payments**

Collected member and employer contributions totaling \$178.8 million from 213 employers and \$2.2 million from members for the purchase of service credit.

Paid out \$224.4 million in pension benefits and \$6.5 million in refunds and rollovers totaling \$230.9 million for the year.

About 85% of employers electronically report contributions to TFFR. This comprises over 98% of the active membership.

As of June 30, 2020, 180 employers are reporting using TFFR Employer Online Services.

Assessed 5 reporting penalties and did not withhold foundation payments from any school districts. TFFR waived 0 of the 5 penalties. Employer reporting penalties include late reporting of contributions and failure to provide documentation in a timely manner (e.g. new member forms, return to teach forms, employer compliance audit documentation.) Due to the COVID-19 pandemic, TFFR waived the late reporting penalties from late March 2020 through June 2020.

13 employers modified employer payment plan model election.

▪ **Employer Summary Report and Member Statements**

Mailed 8,932 annual statements to retired members in December 2019

Mailed FY2020 Employer Summary Report to each employer in August 2020

Prepared 14,083 Annual Statements for non-retiree's online accounts in September 2020

Mailed 14,216 Annual Statement Notices (trifold) to non-retirees in September 2020

- **Employer Outreach Programs & Communications**

Met with school board members, business managers, and software vendors at the 2019 School Board and School Business Manager Association Annual Conference.

Completed one new business manager workshop attended by Westhope, Oakes, and Dickinson in October 2019. The Spring Business Manager Workshops were cancelled due to the COVID-19 pandemic.

GASB 68 2019 data updated and added to website.

Briefly employer newsletter (4 publications sent electronically)

**Ends Policy:            Member Services**

**Ends:**            Provide direct services and public information to members of TFFR.

- **Outreach Program Statistics**

651 attended outreach programs (plus convention participants)  
Retirement Services staff traveled 3,298 miles

- **Retirement Education Workshops**

104 attended  
2 locations – Bismarck and Grand Forks

Retirement Education Workshops are generally held at two sites each year in July and rotate between Bismarck, Minot, Fargo, and Grand Forks. Additional workshops will be added if requested by an employer and minimum attendance can be met.

- **Retirement 101 Workshops**

33 attended  
1 location - Washburn

Additional workshops will be added if requested by an employer and minimum attendance can be met.

- **Group Counseling Sessions**

186 attended  
6 locations – Minot, Grand Forks, Devils Lake, Fargo, Dickinson, and Williston

- **Local Office Counseling – 204 members**

- **Group Presentations**

125 attended  
NDRTA Convention  
NDSBA  
ND United Staff Education

- **Conferences and Conventions**

- ND Career and Technical Education Convention – Bismarck
  - ND Retired Teachers Convention – Jamestown
  - DPI Educators Conference - Bismarck
  - ND School Board Convention – Bismarck
  - NDCEL Annual Conference – Bismarck
  - CREA Winter Conference - Minot
  - Mandan In-Service

- **Member Communications**

- Report Card non-retired newsletter (2 publications)
  - Retirement Today retiree newsletter (2 publications)
  - Updated retirement forms
  - Updated TFFR Fast Facts handout
  - Marketed Member Online with email blasts
  - Created COVID-19 FAQ document for the website

- **NDRIO Website**

- NDRIO web site was visited by 24,889 users a total of 50,228 times. The average length of each visit was just over 3 minutes. The webcasts in the training library were viewed 109 times in FY20. A few outdated webcasts were removed from the website in December 2019.

- NDRIO went live with the new website in August 2020!!

- **TFFR Member Online**

- As of June 30, 2020, 5,082 members have signed up for TFFR Member Online Services.

**Ends Policy:           Account Claims**

**Ends:**           Ensure the payment of benefit claims to members of TFFR.

- **Annuity Payments**

- Distributed \$224.4 million in pension benefits to 8,863 retired members and beneficiaries. Of the total, only 2 payments are still mailed by check and the remainder deposited via electronic funds transfer.

- **Monthly Payroll Deductions** (July 1, 2020 payroll – total 8,986)

Federal tax withholding	6,823	76%
ND state tax withholding	5,608	62%
PERS health insurance	605	7%
PERS dental insurance	385	4%
PERS vision insurance	201	2%
PERS life insurance	21	<1%

- **Refunds, Rollovers & Transfers**

Distributed refund and rollover payments of \$6.5 million to 278 participants during the fiscal year. Approximately 42% of the refunding members rolled over their refund payment to an IRA or another eligible plan.

- **Processed Claims for Benefits**

Refunds	160
Rollovers	118
Retirements	282
Disabilities	3
Survivor annuitants	6
Continuing annuitants	64

- **Member Account Activity**

New members	817
Deaths	247
Pop ups	67
Purchase requests	175
Retiree Payroll Notices	8,282

**Ends Policy:** Trust Fund Evaluation/Monitoring

**Ends:** Ensure actuarial consulting and accounting services are provided to the retirement program. The TFFR Board of Trustees will select the independent actuary for consulting and actuarial purposes and direct a contract to be executed by the Deputy Directory/Chief Retirement Officer.

- **Actuarial Services**

The annual actuarial valuation for July 1, 2020, was presented to the TFFR Board by Segal on November 19, 2020.

- **External Audit**

An unqualified opinion was issued by independent auditors, Clifton Larson Allen, LLP, regarding RIO's financial statements for the year ending June 30, 2020. Clifton Larson Allen, LLP presented the report to the SIB Audit Committee on November 18, 2020.

- **Internal Audit**

The annual audit activities report was presented to the TFFR Board on September 24 2020. The report included information about TFFR benefit payments of death claims, long-outstanding checks, and long-term annuitants.

- **Other**

Received Certificate of Achievement in Financial Reporting from GFOA for June 30, 2019, Annual Financial Report.

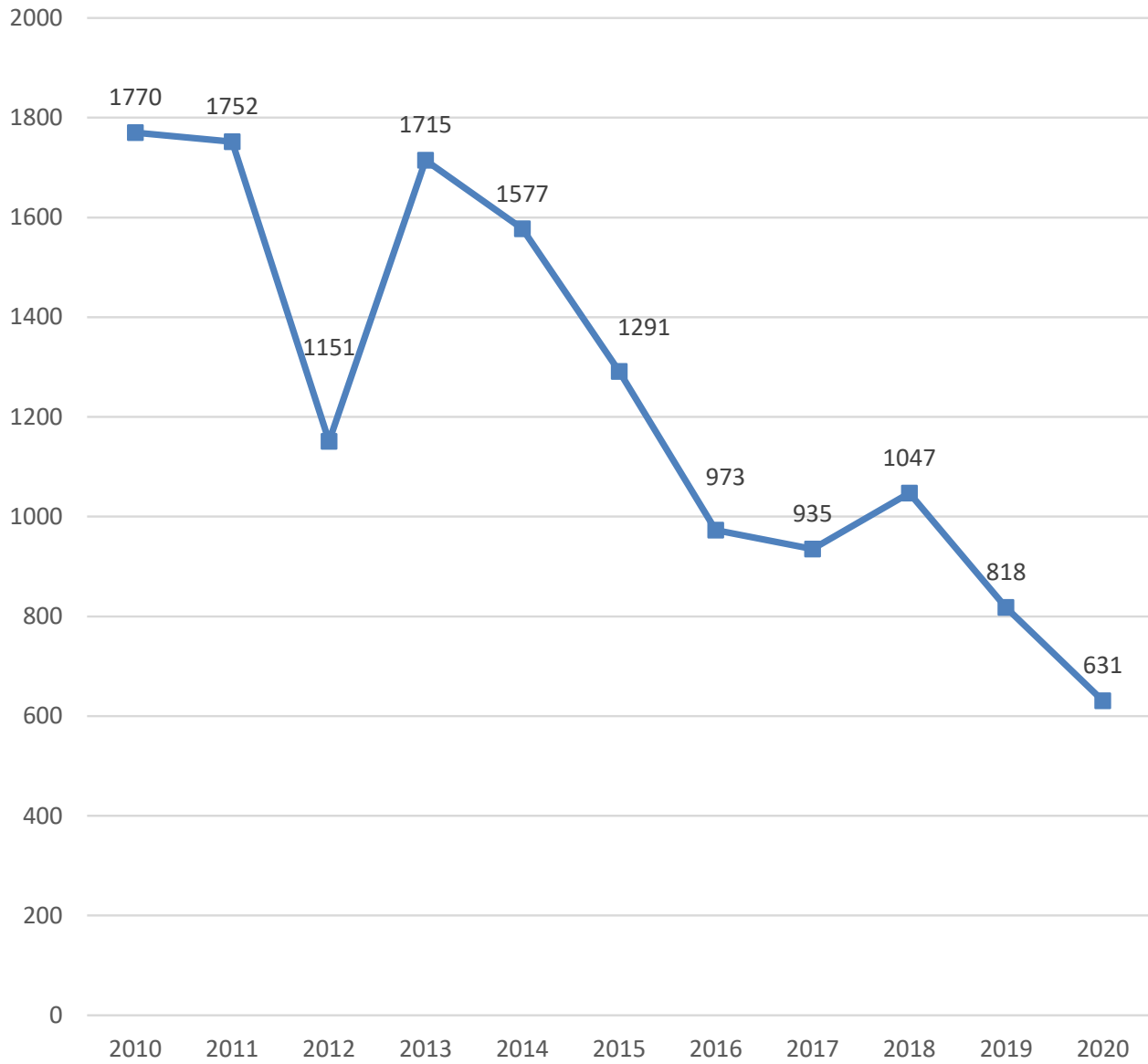
Received 2020 recognition award for pension plan administration from the Public Pension Coordinating Council.



## **TFFR Retirement Statistics**

- >Participation in Outreach Programs
- >Service Purchase Statistics
- >Active Membership Tier Statistics
- >Service Retiree History & Option Usage
- >Retiree Statistics
- >Disability Retirements
- >Employer History & Current Employer Payment Model Statistics

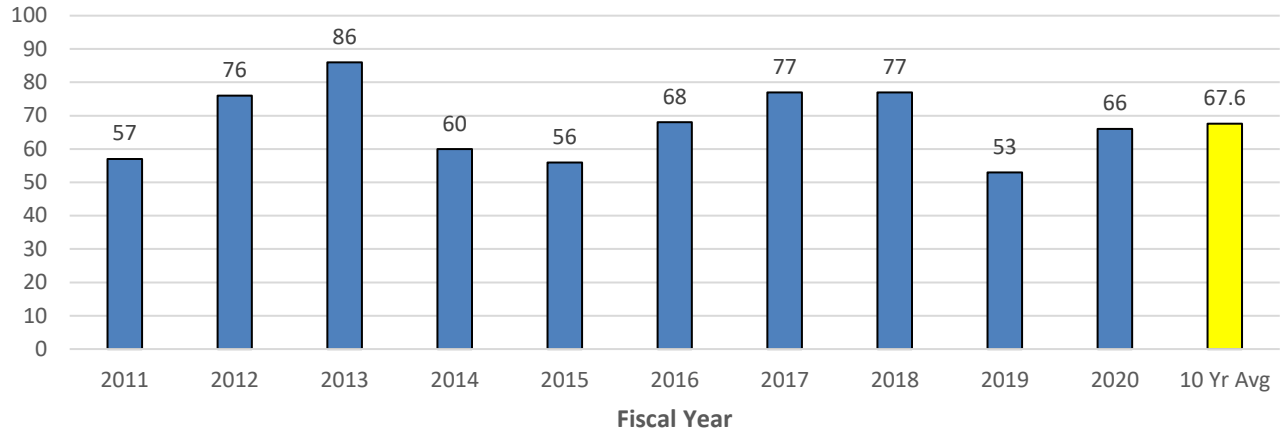
## Participation in Outreach Programs



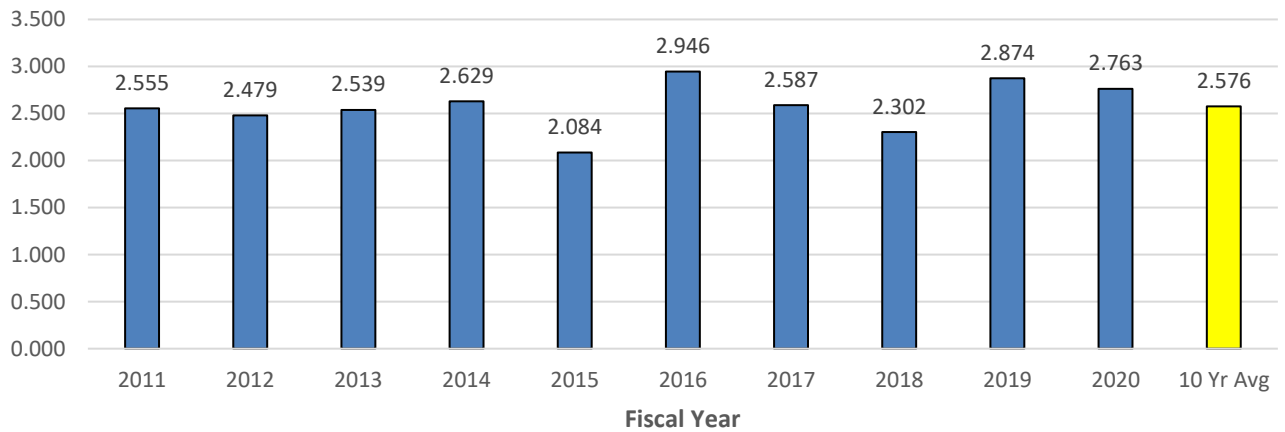
Fiscal Year Ending June 30

# Service Purchase Statistics 2020

## Number of Members Who Purchased Service



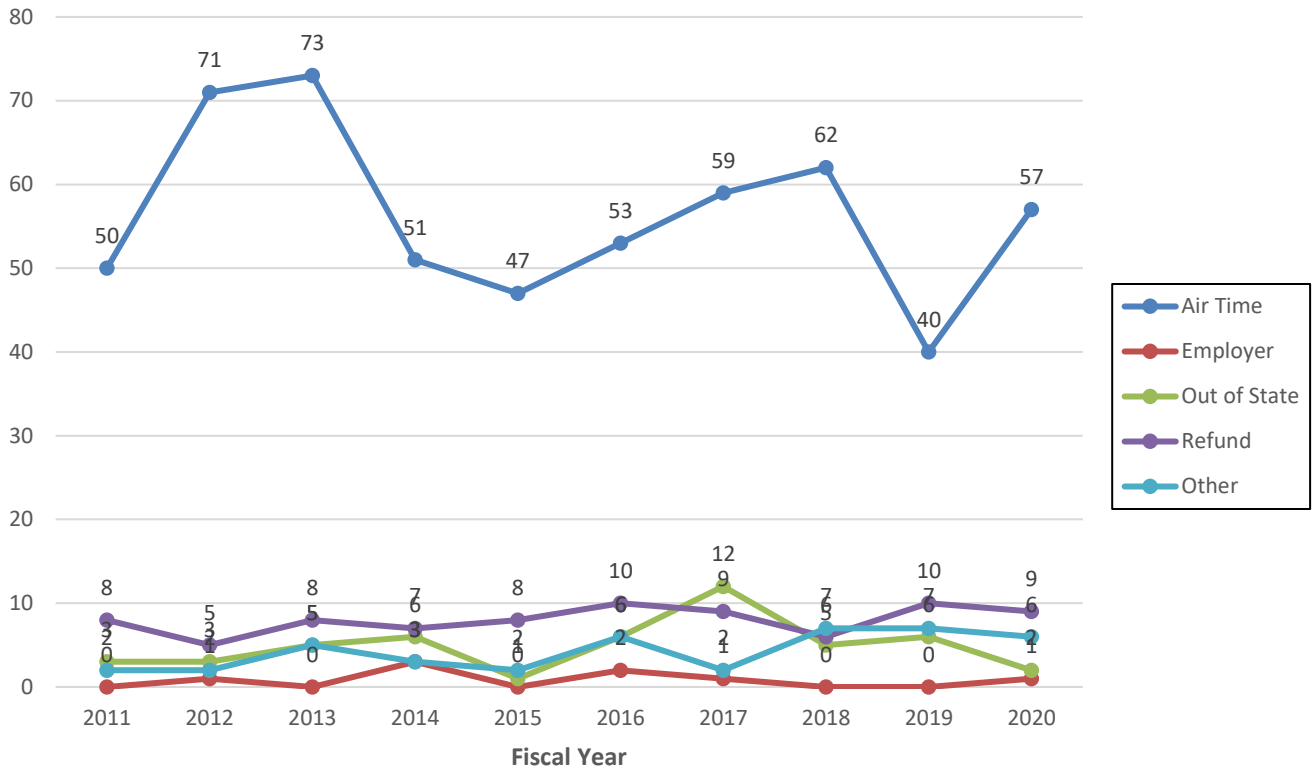
## Average Years Purchased



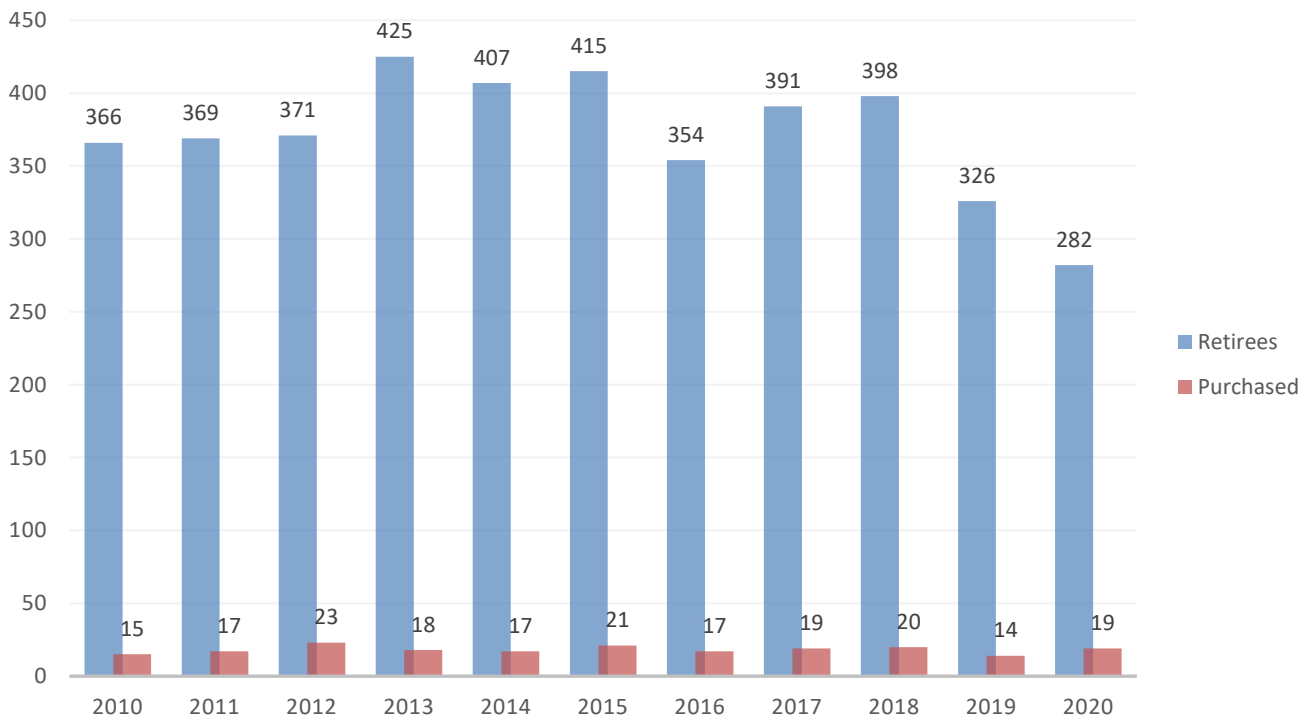
## Cost of Years Purchased



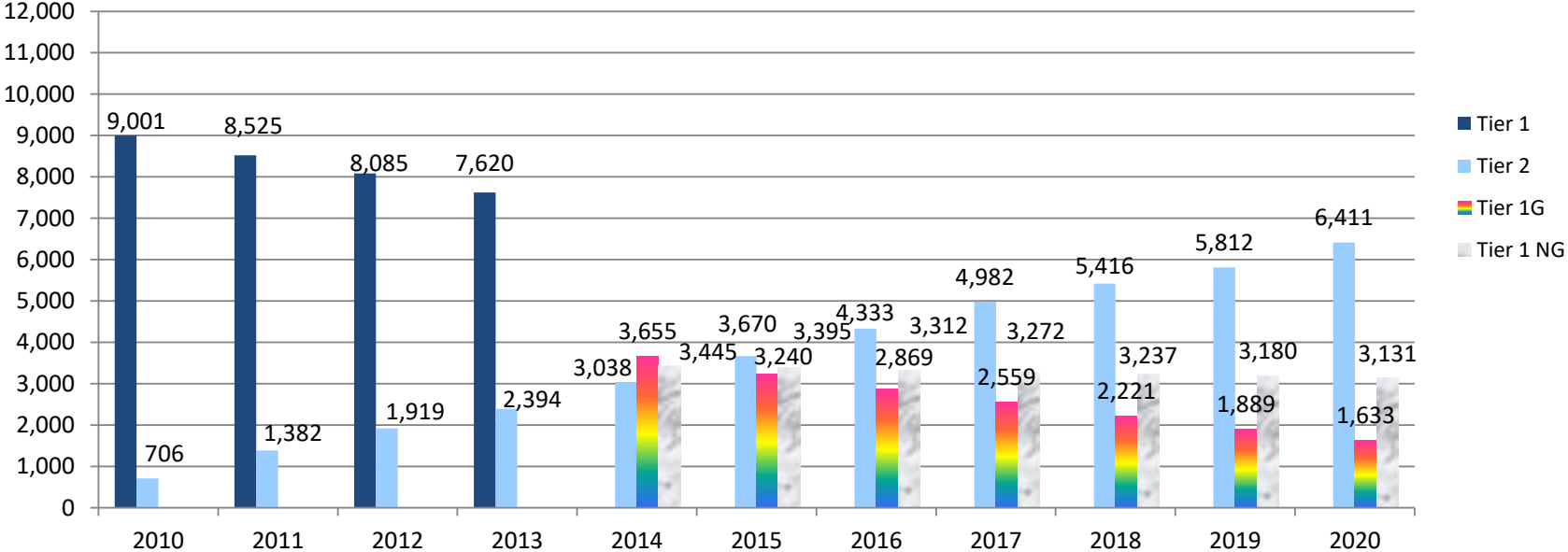
### Purchase by Type



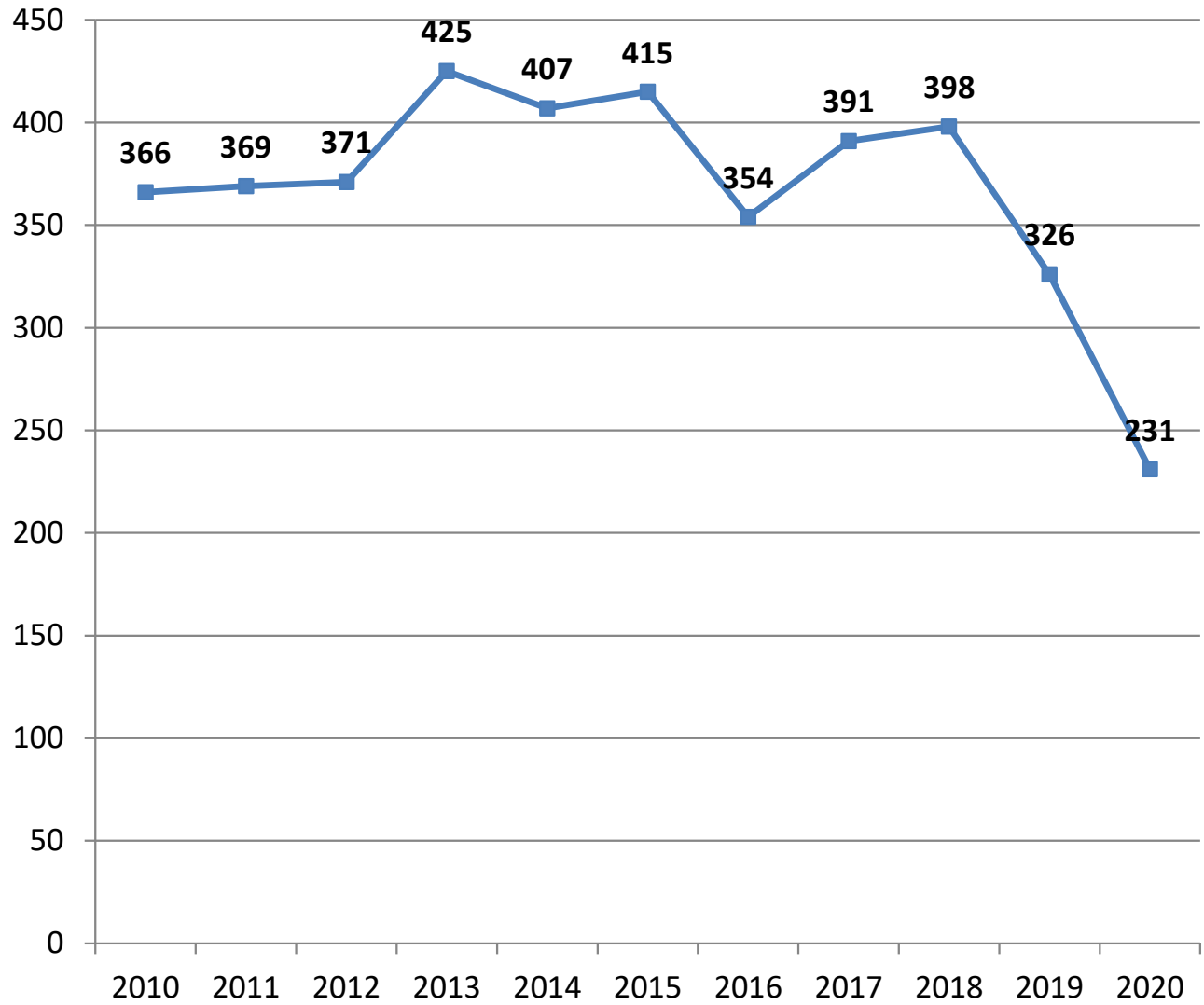
### Retired/Purchased Same Fiscal Year



# ACTIVE MEMBERSHIP TIER STATISTICS



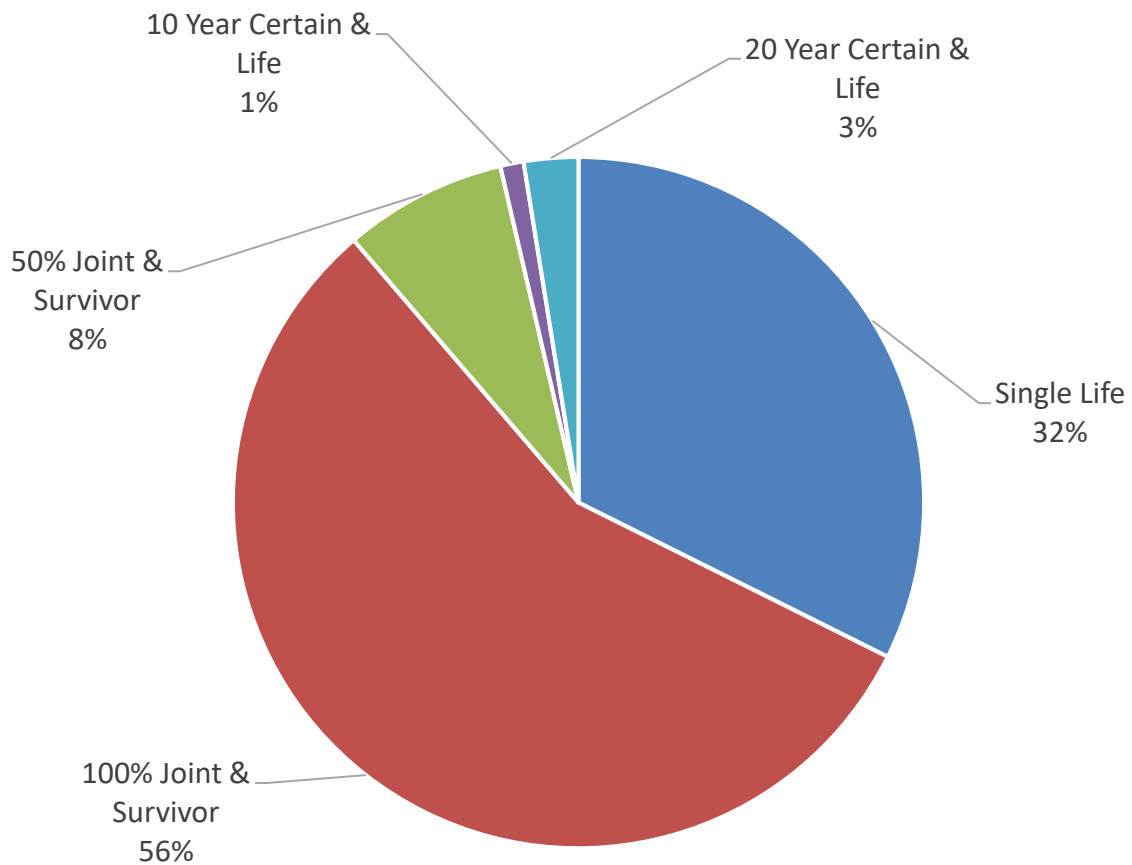
## Service Retirees by Fiscal Year



# Service Retirement Options

2019-20

Retirement Option	Number
Single Life	92
100% Joint & Survivor	159
50% Joint & Survivor	21
10 Year Certain & Life	3
20 Year Certain & Life	7
<b>Total</b>	<b>282</b>



Note: Of total, 3 members (1%) selected level income option.

Of total, 9 members (3%) selected partial lump sum option.

# TFFR Retiree Statistics

## Data Selection

- 9,036 retired members and beneficiaries as of July 2020 on data from the valuation file
- Selected various categories of retiree data and grouped data 3 ways



**TFFR Retiree  
Statistics by Fiscal Year**

<u>Fiscal Year of Retirement Ending June 30</u>	<u>Avg Monthly Pension</u>	<u>Avg Annual Salary</u>	<u>Avg Service Credit</u>	<u>Avg Retirement Age of Member</u>	<u>Avg Current Age of Recipient</u>	<u>Number of Retirees</u>
pre-1979	\$ 494	\$ 7,743	25.7	59.4	87.3	53
1980	\$ 610	\$ 13,539	28.9	60.0	92.9	9
1981	\$ 477	\$ 12,247	22.6	57.4	95.8	9
1982	\$ 709	\$ 20,970	27.3	61.7	92.4	12
1983	\$ 423	\$ 10,666	22.0	58.0	90.3	6
1984	\$ 778	\$ 20,008	28.9	61.7	94.5	30
1985	\$ 879	\$ 23,820	30.6	59.9	89.7	14
1986	\$ 931	\$ 23,771	30.9	60.9	93.4	44
1987	\$ 915	\$ 24,595	28.0	59.6	90.4	11
1988	\$ 992	\$ 25,744	28.4	60.1	90.4	67
1989	\$ 975	\$ 28,188	27.8	59.2	89.3	20
1990	\$ 1,096	\$ 27,312	30.0	58.9	87.9	151
1991	\$ 1,012	\$ 28,400	26.2	59.5	87.4	70
1992	\$ 1,198	\$ 31,157	30.1	58.7	85.6	134
1993	\$ 1,122	\$ 33,789	26.2	57.7	83.0	55
1994	\$ 1,286	\$ 32,299	28.4	59.2	85.4	209
1995	\$ 1,248	\$ 32,753	27.8	58.6	82.6	162
1996	\$ 1,285	\$ 33,449	27.9	58.4	82.1	141
1997	\$ 833	\$ 27,436	20.1	57.9	81.1	70
1998	\$ 1,503	\$ 34,537	29.0	58.9	81.0	304
1999	\$ 1,116	\$ 33,476	21.3	58.5	79.4	87
2000	\$ 1,700	\$ 38,037	29.3	58.6	78.9	374
2001	\$ 1,408	\$ 38,399	23.4	57.2	76.3	78
2002	\$ 1,755	\$ 39,428	28.5	58.2	76.5	467
2003	\$ 1,732	\$ 40,552	27.2	58.1	75.2	270
2004	\$ 1,779	\$ 41,621	27.3	58.2	74.0	339
2005	\$ 1,921	\$ 43,245	27.7	58.4	73.6	340
2006	\$ 1,933	\$ 44,682	27.4	58.9	72.5	357
2007	\$ 2,106	\$ 48,083	27.9	58.6	71.8	337
2008	\$ 1,991	\$ 46,218	26.4	59.3	71.5	354
2009	\$ 2,130	\$ 49,436	27.1	59.2	70.3	334
2010	\$ 2,147	\$ 50,026	26.2	60.5	70.7	329
2011	\$ 2,176	\$ 50,998	25.9	60.4	69.2	394
2012	\$ 2,327	\$ 53,817	26.6	60.7	68.8	363
2013	\$ 2,628	\$ 58,218	27.8	60.5	67.8	452
2014	\$ 2,635	\$ 59,083	27.7	61.2	67.5	415
2015	\$ 2,569	\$ 58,153	26.9	61.0	66.3	388
2016	\$ 2,837	\$ 63,955	26.7	61.5	65.4	405
2017	\$ 2,867	\$ 64,142	26.8	61.9	64.8	376
2018	\$ 2,936	\$ 66,519	26.1	61.6	63.6	397
2019	\$ 3,117	\$ 73,032	25.6	61.6	62.6	353
2020	\$ 3,328	\$ 72,551	28.0	61.0	61.2	237
2021	\$ 5,236	\$ 111,862	30.4	59.6	59.6	19
<b>All FY</b>	<b>\$ 2,115</b>	<b>\$ 48,809</b>	<b>27.2</b>	<b>59.8</b>	<b>72.5</b>	<b>9,036</b>

**TFFR Retiree  
Statistics by Formula**

<u>Fiscal Year of Retirement Ending June 30</u>	<u>Fiscal Year of Retirement Ending June 30</u>	<u>Avg Monthly Pension</u>	<u>Avg Annual Salary</u>	<u>Avg Service Credit</u>	<u>Avg Retirement Age of Member</u>	<u>Avg Current Age of Recipient</u>	<u>Number of Retirees</u>
pre-1979	Old formulas	\$ 494	\$ 7,743	25.7	59.4	87.3	53
1.00%	1979-1983 or 1.00%	\$ 578	\$ 15,214	25.6	59.6	93.0	36
1.05%	1983-1985 or 1.05%	\$ 810	\$ 21,221	29.5	61.1	93.0	44
1.15%	1985-1987 or 1.15%	\$ 928	\$ 23,936	30.3	60.6	92.8	55
1.22%	1987-1989 or 1.22%	\$ 988	\$ 26,306	28.2	59.9	90.2	87
1.275%	1989-1991 or 1.275%	\$ 1,070	\$ 27,657	28.8	59.1	87.7	221
1.39%	1991-1993 or 1.39%	\$ 1,176	\$ 31,923	29.0	58.5	84.8	189
1.55%	1993-1997 or 1.55%	\$ 1,221	\$ 32,119	27.1	58.7	83.3	582
1.75%	1997-1999 or 1.75%	\$ 1,417	\$ 34,301	27.3	58.8	80.7	391
1.88%	1999-2001 or 1.88%	\$ 1,650	\$ 38,099	28.2	58.4	78.5	452
2.00%	2001-present or 2.00%	\$ 2,371	\$ 54,014	27.1	60.1	69.1	6,926
<b>All Formulas</b>	<b>All Formulas</b>	<b>\$ 2,115</b>	<b>\$ 48,809</b>	<b>27.2</b>	<b>59.8</b>	<b>72.5</b>	<b>9,036</b>

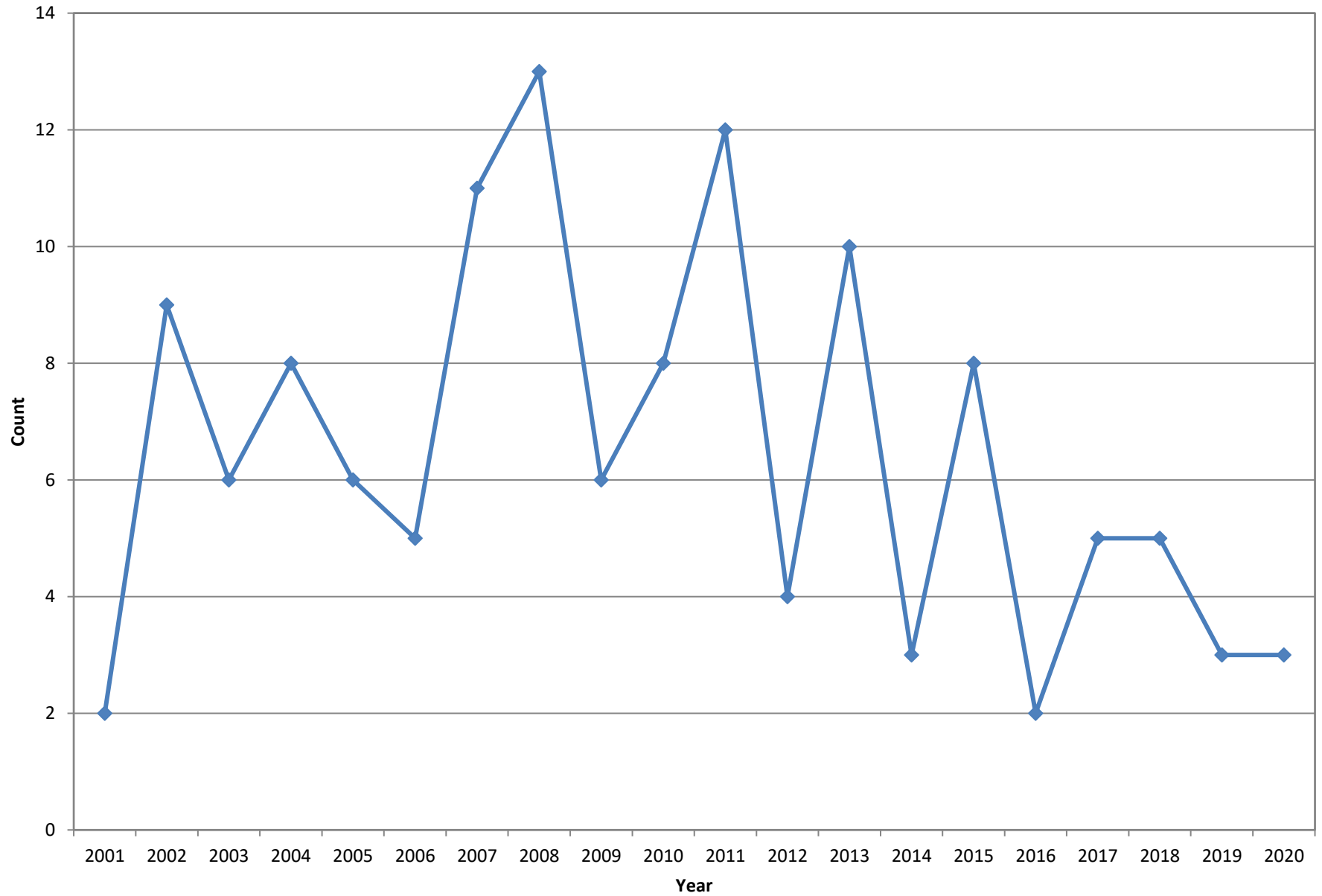
## TFFR Retiree Statistics By Retirement Type

<u>Type</u>	<u>Avg Monthly Pension</u>	<u>Avg Annual Salary</u>	<u>Avg Service Credit</u>	<u>Avg Retirement Age of Member</u>	<u>Avg Current Age of Recipient</u>	<u>Number of Retirees</u>
Death	\$ 1,328	\$ 38,766	27.0	58.7	75.0	787
Disability	\$ 1,267	\$ 40,254	15.3	50.4	64.9	127
Early	\$ 738	\$ 36,582	14.6	60.4	73.9	985
Normal	\$ 2,414	\$ 51,771	29.3	60.0	72.1	7,107
QDRO	\$ 680	\$ 48,823	10.1	58.4	68.7	30
<b>All Types</b>	<b>\$ 2,115</b>	<b>\$ 48,809</b>	<b>27.2</b>	<b>59.8</b>	<b>72.5</b>	<b>9,036</b>

## Disability Summary -- 2001 - 2020

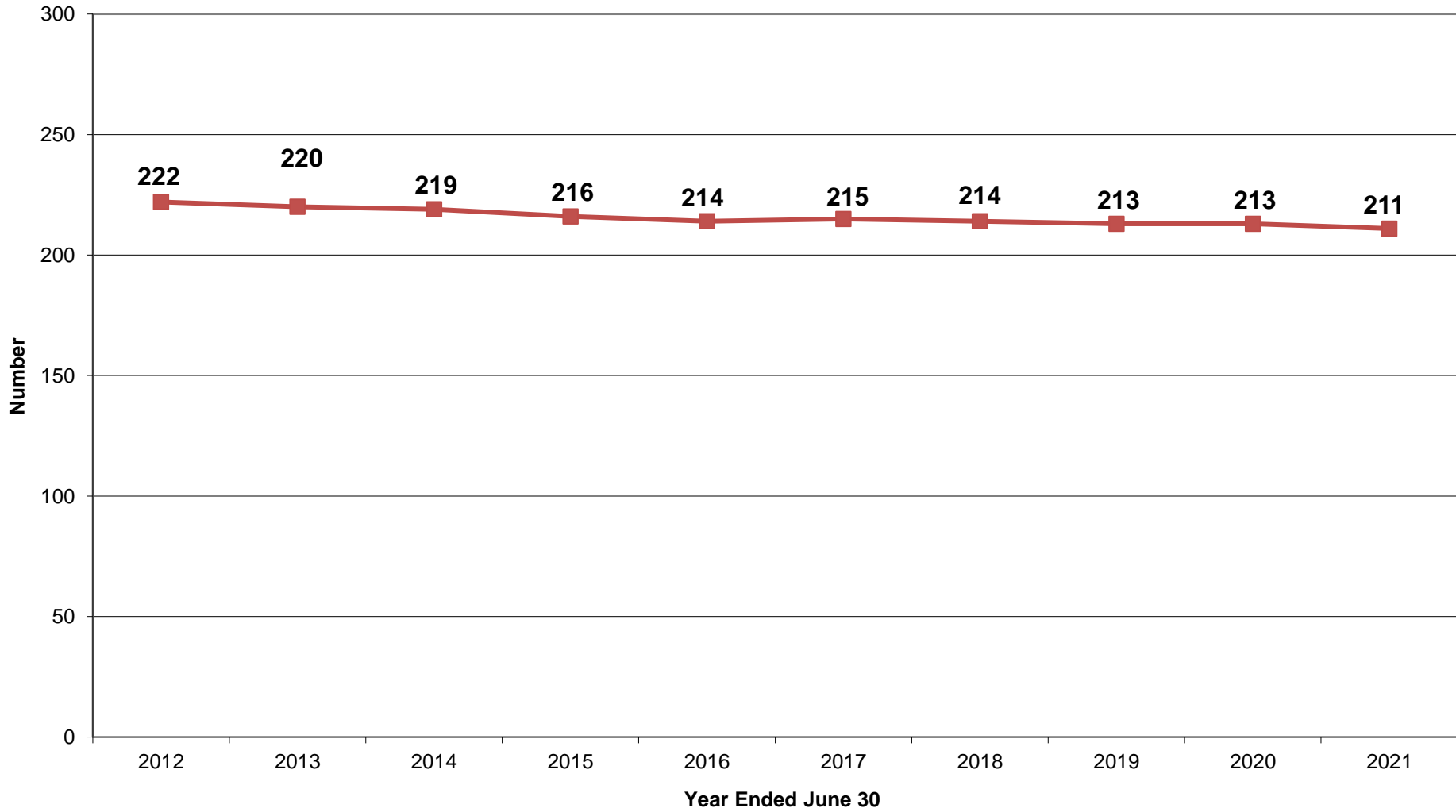
• Total disabilities approved since 2001 - 2020	128
Of 128, number of physical disabilities:	111
Of 128, number of emotional disabilities:	17
• Average number of disabilities approved per year:	6
• Of 128, number that are living and drawing benefits:	90
Of 128, number that are living and returned to work:	3
Of 128, number that are deceased:	35
• Of 128, option selected was:	
Count of Single Life:	81
Count of 100% Joint & Survivor:	33
Count of 50% Joint & Survivor:	10
Count of 5 Year Certain & Life:	0
Count of 10 Year Certain & Life:	1
Count of 20 Year Certain & Life:	3
• Of 90 living and drawing benefits:	
Average service credit in years:	15.3
Average age in years:	63
Average monthly benefit:	\$1,440
Average years benefit was received:	10.7
Number of physical disabilities:	75
Number of emotional disabilities:	15
• Of 3 living and returned to work:	
Average service credit in years:	4.9
Average age in years:	61
Average monthly benefit:	\$888
Average years benefit was received:	5.4
Number of physical disabilities:	2
Number of emotional disabilities:	1

## Disabilities By Year



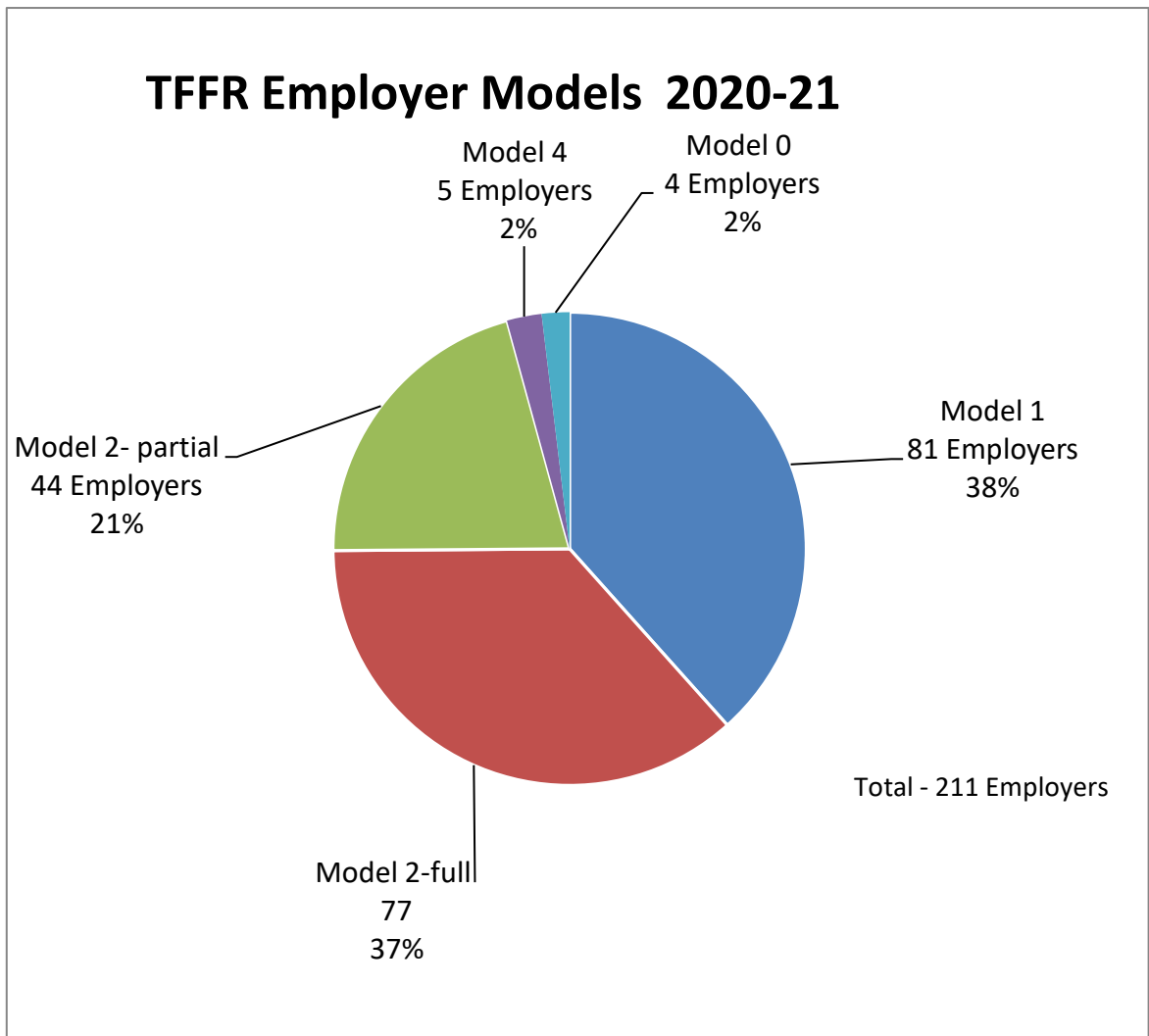
# TFFR Participating Employers

2012 - Present



## Model Usage 2020-21

	Employers	
Model 1	81	38%
Model 2-full	77	37%
Model 2-partial	44	21%
Model 4	5	2%
Model 0	4	2%
Total	211	100%



**RETIREMENT AND INVESTMENT OFFICE**  
**Internal Audit**  
**2020-2021 2<sup>nd</sup> Quarter Audit Activities Report**  
**October 1, 2020 – December 31, 2020**

The audit objective of Internal Audit is twofold: first, to provide comprehensive, practical audit coverage of the Retirement and Investment Office (RIO) programs; second, to assist RIO management and the State Investment Board (SIB) by conducting special reviews or audits.

Audit coverage is based on the July 1, 2020 through June 30, 2021 work plan approved by the SIB Audit Committee. The audit activities undertaken are consistent with the Internal Audit charter and goals, and the goals of RIO. To the extent possible, our audits are being carried out in accordance with the International Standards for the Professional Practice of Internal Auditing. Audit effort is being directed to the needs of RIO and the concerns of management and the SIB Audit Committee.

**Investment and Agency Audit Activities**

- **Executive Limitation Audit**

On an annual basis, Internal Audit reviews the Executive Director/CIO's level of compliance with SIB Governance Manual Executive Limitation Policies A- 1 through A-11. The Executive Limitations Audit was started in December 2020.

The audit has been completed and the report is issued in February 2021 which has been included with the February Audit Committee materials.

- **External Audit Support**

Internal Audit provided support to our external audit partners, CliftonLarsonAllen (CLA), during the GASB 68 Census Data Audits. CLA GASB 68 Census Data Audit work concluded in October. Internal Audit worked with the external audit partners on reconciling GASB 68 census testing data. Internal audit also spent time reviewing the financial statement audit and CAFR that was issued.

The fiscal year 2020 RIO/TFFR Financial Statements Audit was issued and presented by CLA at the November, 2020 Audit Committee meeting. The report for the GASB 68 Schedules of Employer Allocations and Pension Amounts by Employer was issued by CLA in December of 2020 which has been included in the February Audit Committee material.

- **Administrative Policy Review**

The Deputy Executive Director/Chief Retirement Officer, Supervisor of Administrative Services /Office Manager, and Supervisor of Internal Auditor are meeting regularly to revise the administrative policy manual for RIO staff. The policies are then forwarded to the Executive Director/Chief Investment Officer for final review, then reviewed by managers before presented to staff. Policies completed in the second quarter are Teleworking, Overtime & Compensatory Time, and Flexible Time Policy.

As part of an ongoing effort to improve certain HR functions for state agencies, a universal set of employment policies is being developed. The intent is to improve understanding of workplace expectations and requirements by these simplified, standardized policies. RIO has also adopted the majority of these universal policies.



- **Cash Management and Rebalancing Audit**

A review of procedures for cash management and rebalancing of investment allocations was initiated. A sample of rebalancing of asset allocations, wire transactions, and bank fees will be selected and confirmed. Also, a sample of client requests will also be reviewed for timeliness and accuracy. Lastly, a review of staff access and authorization will be reviewed and confirmed.

This audit was started in March 2020; however, do to COVID-19 it was temporarily put on hold. Since then the SIB has hired Parametric to help with rebalancing the portfolio. Due to the changes, internal audit staff is working with fiscal management staff to understand the changes and re-scope the audit.

This audit is currently in progress.

- **Internal Control Assessment**

Internal audit is working on an internal control guideline assessment put forth by North Dakota Office of Management and Budget. This is an overall assessment on processes for state agencies.

This assessment is currently in progress.

### **Retirement Program Audit Activities**

- **TFFR Employer Salary Reviews**

Internal Audit examines employer reporting to the Teachers' Fund for Retirement (TFFR) to determine whether retirement salaries and contributions reported for members of TFFR for accuracy with the definition of salary as it appears in the TFFR Employer Guide. Other reporting procedures reviewed during the audit process are calculation of service hours and eligibility for TFFR membership. A written report is issued after each review is completed to Retirement Services.

Status of TFFR Employer Audits as of December 31, 2020:

- The Minot Employer audit was completed and the report issued Nov 2020.
- There are no other audits in progress.

- **Salary Verification Audit**

On an annual basis Internal Audit verifies retirement salaries and contributions reported to TFFR for the prior fiscal year for 65 randomly selected member accounts from 60 different employers. The sample has been selected, notifications for information have been requested and information has been returned by the employers. The reconciliation of salaries is scheduled to start during the third quarter.

This audit is currently in progress. An update on the progress of the Audit is included in the February Audit materials.

- **Pension Administration System Upgrade**

The Supervisor of Internal Audit was asked to join the PAS Committee. The RFP for hiring a consultant went out in June. The first two weeks of July, the Supervisor of Internal Audit helped evaluate the proposals that were received. A consultant was selected and a contract was negotiated in October 2020. RIO moved to Stage I for the PAS project.

Multiple committees were formed by the Deputy Executive Director/Retirement Officer in order to prepare for Stage I of PAS. The Supervisor of Internal Audit attended several meetings with TFFR staff on the pros and cons on existing TFFR procedures and wishes, wants, and efficiencies for the future operations. The Internal Auditor attended several meetings with the Retirement Program Manager, the Supervisor of Administrative Services and the Deputy Executive Director/Retirement Officer to discuss

pros, cons, and risks associated with existing procedures and wants, wishes, and efficiencies for the future.

The kickoff with the consultant, Segal, started October 26, 2020. IA attended many meetings on TFFR processes with the consultants and RIO staff the last week of October and month of November. The month of December software demonstrations were presented virtually by ten companies. After reviewing the demonstrations, staff members provided lists with their wants and wishes for the new system for member/employer processing. A consolidated list was developed and given to Segal for use in the development of the RFP.

### **Administrative Activities**

The Supervisor of Internal Audit attended the monthly RIO staff meetings, monthly RIO manager's meetings, divisional meetings, two SIB meetings, and two TFFR meeting. The Internal Audit staff member attended the monthly RIO staff meetings, divisional meetings, and two TFFR meetings.

### **Professional Development/CE/General Education**

The Supervisor of Internal Audit participated in training with the rest of the management team of RIO on strength training and how to work together. Both IA staff attended staff training on Fiduciary responsibility and open records.

Internal Audit attended the virtual Public Pension Financial Forum Annual Conference (P2F2) for education and training starting Oct. 16<sup>th</sup> and ending Oct. 30<sup>th</sup>. Sessions were held daily with up to 35 CPES to earn. P2F2 included members from the Association of Public Pension Fund Auditors.

Sessions were classified as Pension 101, Personal Development, General Accounting, Investment Accounting, and Employer Reporting. General session classes included the following topics: fraud, the effects of COVID on pension systems, Accounting Best Practices, Nonverbal Communication, Actuarial Funding, Business Continuity with the Pandemic, updates with GASB, and Stress and Time Management Skills.  
annual conference.

## MEMORANDUM

Item V.A.

---

**TO: TFFR Board**  
**FROM: Jan Murtha, Deputy Executive Director – Chief Retirement Officer**  
**DATE: March 17, 2021**  
**RE: PAS Project Update**

The following summarizes the efforts of RIO agency staff to complete Phase 1 of the PAS project from January 2021 through the current date:

- Staff and Segal finished business interviews related to the Communication, Cyber Risk and Current Business Process Assessments.
- Staff and Segal completed workshops to discuss and agree upon a Future Business Process model on which to base RFP development.
- NDIT, RIO staff, and Segal meet weekly to discuss project status.
- The Communications Assessment was presented to the TFFR Board at its January 2021 meeting. The assessment provided a strong business case for the addition of a Public Information Officer (PIO) position for the agency. This position would be used to support strategic communication efforts for both the TFFR and SIB programs. The consultant issued a weighted average score of 39%, measuring our communication against the criteria proven to result in effective benefit communication. RIO requested a PIO position as a budget amendment; and this request was approved by the House Appropriations Government Operations subcommittee. Unfortunately, by a loss of one vote, the PIO position was removed from RIO's budget by the full House Appropriations Committee.
- The Cyber-Security and Business Model Assessments will be presented to the TFFR Board at the March Board meeting.
- Staff has reviewed all interim recommendations resulting from these assessments and is identifying a schedule and steps needed to take action on these items.
- RIO expects to sign off on all Phase 1 deliverables and begin Phase 2 of the PAS project (vendor RFP development) in March, 2021.
- Stage 2 has been initiated and multiple meetings between staff, Segal, IT, and procurement have and will continue to occur through issuance of the vendor RFP.
- The project management team set a tentative goal of June 2021 to issue the vendor RFP.

**BOARD INFORMATION ONLY. No board action requested.**

# MEMORANDUM

**TO:** TFFR Board  
**FROM:** Denise Weeks  
**DATE:** March 18, 2021  
**SUBJECT:** Outreach Programs Update

## Events completed

- Individual Benefit Counseling Sessions - Virtual
  - 5 different dates in December, January, and February
  - 79 members
- Group Benefit Counseling Sessions – Virtual
  - 2 Statewide in February
  - 61 members
- New Business Manager TFFR Workshop - Virtual
  - Multiple Employers in January
  - 11 attendees
- Model Analysis/Education – Virtual
  - 1 School
  - 55 attendees

## Upcoming events

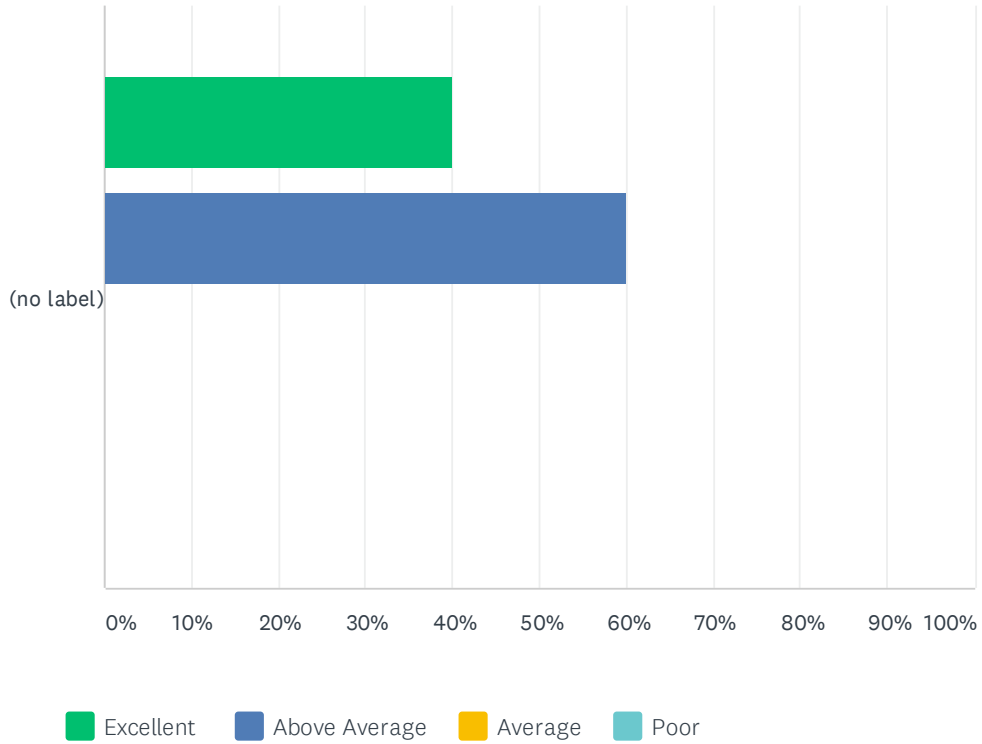
- Spring Business Manager Workshop – Virtual
  - May 4, 2021 – TFFR to present
  - Hosted by the ND Association of School Business Managers
- TFFR Retirement Education Workshops
  - July 14, 2021 - Minot
  - July 24, 2021 - Fargo
- TFFR Individual Counseling Sessions
  - Dates TBD in Fall 2021

## Evaluation Surveys – attached

- New Business Manager Workshop evaluation survey
- Group Benefit Counseling evaluation survey

# Q1 Was the material relevant to your needs and/or interests?

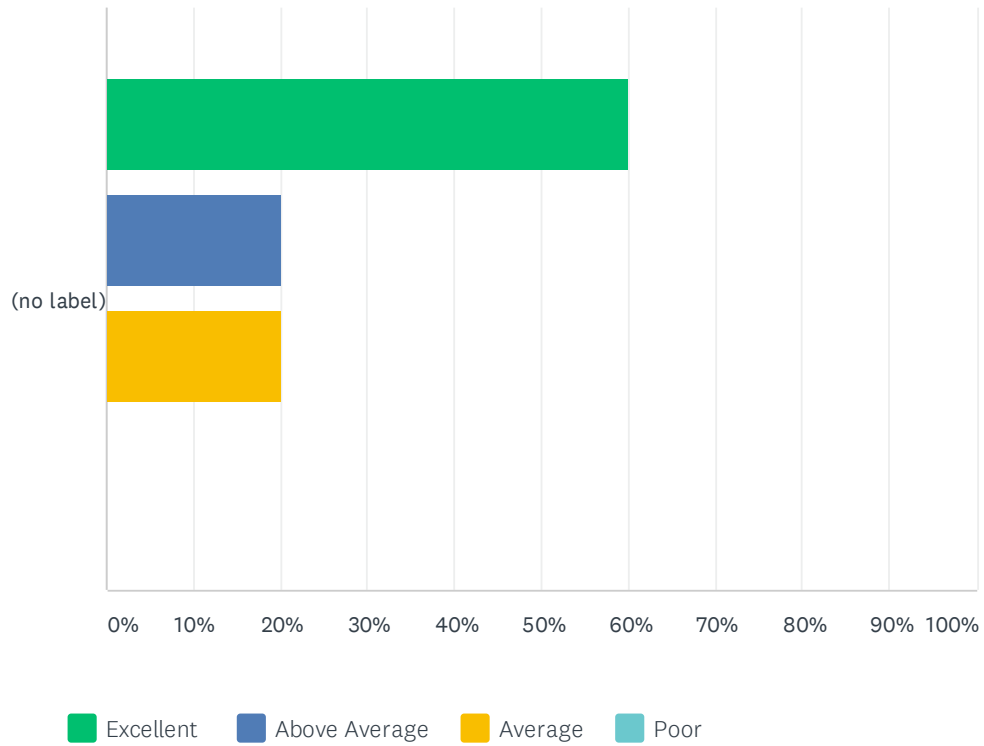
Answered: 5 Skipped: 0



	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	40.00%	60.00%	0.00%	0.00%	5	3.40
	2	3	0	0		

## Q2 How knowledgeable, organized, and effective were the speakers?

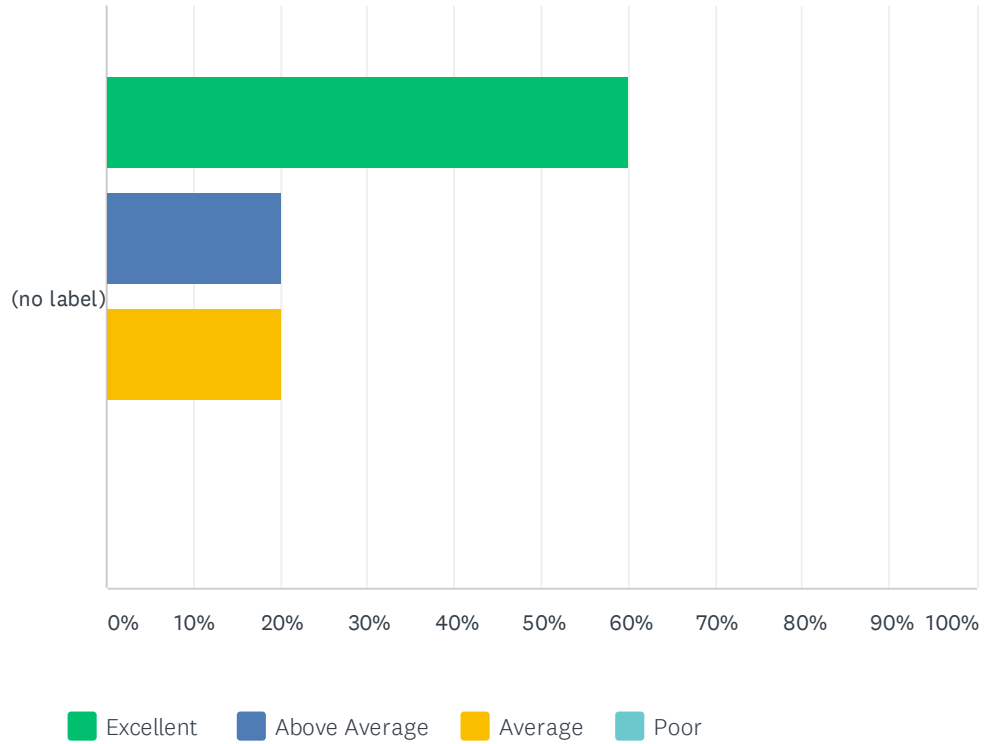
Answered: 5 Skipped: 0



	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	60.00% 3	20.00% 1	20.00% 1	0.00% 0	5	3.40

### Q3 How would you rate the overall workshop?

Answered: 5 Skipped: 0



	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	60.00% 3	20.00% 1	20.00% 1	0.00% 0	5	3.40

**Q4 This New Business Manager Workshop was our first Online Webinar. Please share your comments about how the format worked for you and any suggestions for future webinars.**

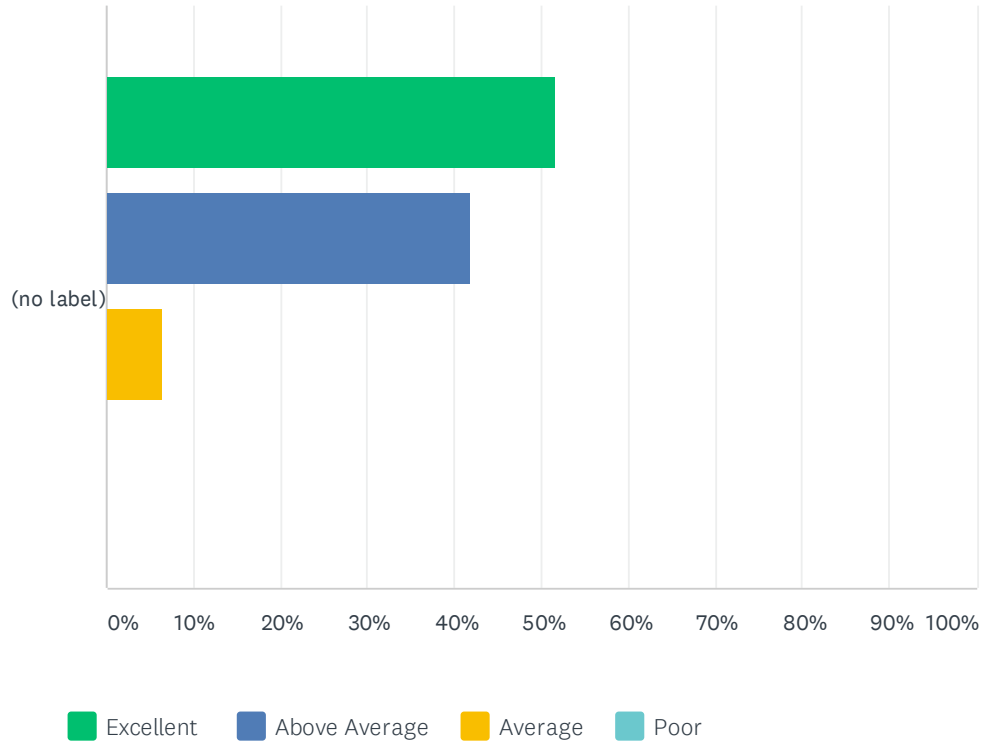
Answered: 4 Skipped: 1

#	RESPONSES	DATE
1	I thought it went well. So much info to know and remember. Maybe refresher webinars every so often might be helpful. Just a thought..... thank you for doing this for us!	2/3/2021 4:31 PM
2	The format was great. I would love to see more trainings like this.	2/3/2021 7:48 AM
3	In depth explanations. Appreciated it very much. The only thing that would have been more helpful would have been to go over how to fill your paperwork for new retirees and new hires.	2/3/2021 7:47 AM
4	It was great. Very helpful information!	2/3/2021 7:35 AM



## Q1 Please rate the overall program

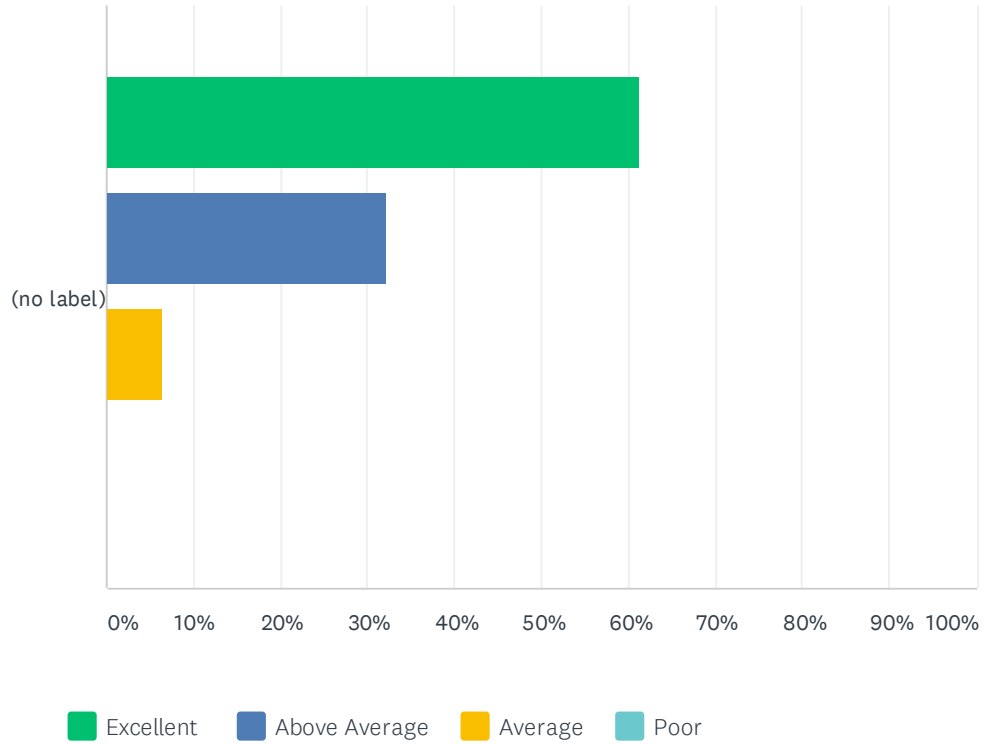
Answered: 31 Skipped: 0



	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	51.61% 16	41.94% 13	6.45% 2	0.00% 0	31	3.45

## Q2 Was the material relevant to your needs?

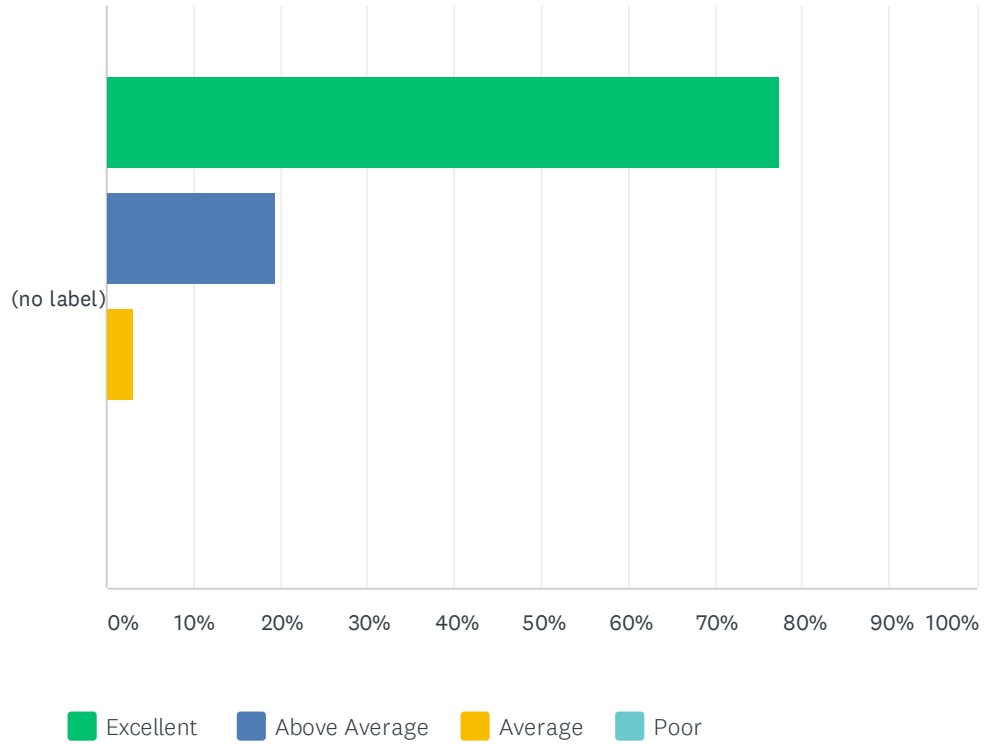
Answered: 31 Skipped: 0



	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	61.29% 19	32.26% 10	6.45% 2	0.00% 0	31	3.55

### Q3 How knowledgeable, organized, and effective were the speakers?

Answered: 31 Skipped: 0



	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	77.42% 24	19.35% 6	3.23% 1	0.00% 0	31	3.74

## Q4 How did the online format work for you? Do you have any suggestions for future webinars?

Answered: 29 Skipped: 2

#	RESPONSES	DATE
1	It was good. I needed to have my papers with me to follow along better.	3/7/2021 6:53 PM
2	I like in person better, but it was ok for what I needed right now. Thank you!	3/4/2021 11:24 AM
3	I much prefer in-person workshops, so looking forward to the day when you can hold summer events. There is much more discussion and information picked up from others' situations/questions.	3/4/2021 8:23 AM
4	All presenters did excellent. Is there any additional advice on health insurance for a family if you are able to retire by the rule of 85, but still have children and a spouse at home? Thanks for your excellent presentation.	3/3/2021 9:01 PM
5	Great	3/3/2021 8:47 PM
6	I enjoyed the zoom version more than the face to face meeting. I printed and completed the documents prior and gathered other necessary documents before the Zoom meeting. For me it was easier to concentrate and I could spread my documents out and look at each piece and make notations as needed. Very helpful!!! Thanks so much for your expertise!	3/3/2021 8:00 PM
7	No problems	3/3/2021 3:25 PM
8	Worked well, and specific names and questions were noted so that someone from TFFR could get back to them. I have also participated in the in-person sessions in earlier years, and know that when possible, I prefer the person-to-person interaction because you get more immediate feedback for your specific questions.	3/3/2021 2:52 PM
9	I liked it. Face for face for personal questions will be important for me.	3/3/2021 2:41 PM
10	it was great	3/3/2021 2:38 PM
11	It worked great! Thank you so much for the great learning experience.	3/3/2021 2:11 PM
12	no	3/3/2021 1:46 PM
13	Worked fine. The info was presented well and everyone could still ask questions.	3/3/2021 1:30 PM
14	It went very well. I'm thankful for the online option!	3/3/2021 1:19 PM
15	It did, but I'm the type of person who just learns better face to face. I realize that is not possible at this time, so the format was fine.	3/3/2021 1:00 PM
16	worked very well	3/3/2021 12:47 PM
17	It was fine online. Actually very nice not to have to drive 3.25 hours to go to Bismarck.	3/3/2021 12:05 PM
18	Great, questions that I had I could immediately put them in the chat and receive immediately feedback. Easy to hear and minimal distractions.	3/3/2021 12:04 PM
19	Good, glad I didn't have to spend a couple hours on the road for this.	3/3/2021 11:48 AM
20	Loved the virtual learning. I am glad I did this a year before I retire	3/3/2021 11:47 AM
21	Went well, a bit harder to ask specific questions	3/3/2021 11:46 AM
22	I would be interested in a comparison of different years of retirement. We were given two years, but I would prefer 60, 61, 62, 63, 64, 65... If that is too cumbersome, I understand.	3/3/2021 11:43 AM
23	Yes, thank-you!	3/3/2021 11:41 AM
24	Very Good Presentation!	3/3/2021 11:41 AM

## Group Benefits Counseling Evaluation

25	The online format worked very well. I wondered if the information that was shown could be viewed in an archive or something. There were a few things I would like to have looked at again. Thank you!	3/3/2021 11:36 AM
26	The format worked well!	3/3/2021 11:36 AM
27	This worked well for what I need to know.	3/3/2021 11:35 AM
28	It was nice to not have to travel to get the information	3/3/2021 11:30 AM
29	Loved it.	3/3/2021 11:21 AM

Confidential items will be sent to Board members through a secure link.



## **ND TFFR Board Education Materials March 2021**

---

The theme of this month's Board education material is Change Management. The selections lend perspective on the discussion relating to agenda items III.A through III.D. The links to three videos from Prosci are listed which provide insight surrounding use of Change Management. Prosci is a consultant hired by the State of North Dakota to provide trainings on Change Management to all state agencies during 2020. Many managers and staff members within the RIO agency participated in these trainings in preparation for the PAS project.

1. Why We Need Change Management.  
[Why we need change management - YouTube](#)
2. The ADKAR Model  
[https://www.youtube.com/watch?v=L\\_7I03LOyyk](https://www.youtube.com/watch?v=L_7I03LOyyk)
3. AWARENESS: The Prosci ADKAR Model  
<https://youtu.be/Qp7yncMc10I>