

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
MINUTES OF THE
NOVEMBER 20, 2025, BOARD MEETING**

BOARD MEMBERS PRESENT: Dr. Rob Lech, President
Alexis Rasset, Vice President
Thomas Beadle, State Treasurer
Mike Burton, Trustee
Scott Evanoff, Trustee
Cody Mickelson, Trustee

BOARD MEMBERS ABSENT: Kirsten Baesler, State Supt. DPI

STAFF PRESENT: Deneen Gathman, Retirement Accountant
Missy Kopp, Exec. Assistant
Denise Leingang-Sargeant, Retirement Spec.
Sarah Mudder, Outreach & Comm. Director
Sara Seiler, Internal Audit Supvr.
Jodi Smith, Interim Exec. Director
Rachelle Smith, Retirement Admin. Assistant
Tami Volkert, Compliance Spec.
Denise Weeks, Retirement Program Mngr.

OTHERS PRESENT: Amanda Apple, GRS
Jamie Mertz, DPI
Kirsten Tuntland, Attorney General's Office
Dana Woolfrey, GRS
Members of the Public

CALL TO ORDER:

Dr. Lech, President of the Teachers' Fund for Retirement (TFFR) Board of Trustees, called the meeting to order at 1:00 p.m. on Thursday, November 20, 2025. The meeting was held in the WSI Board Room, 1600 E Century Avenue, Bismarck.

**THE FOLLOWING MEMBERS WERE PRESENT REPRESENTING A QUORUM:
TREASURER BEADLE, MR. BURTON, MR. EVANOFF, DR. LECH, MR. MICKELSON, AND
MS. RASSET.**

ACCEPTANCE OF AGENDA:

The Board considered the agenda for the November 20, 2025, meeting.

**IT WAS MOVED BY MR. MICKELSON AND SECONDED BY TREASURER BEADLE AND
CARRIED BY A VOICE VOTE TO APPROVE THE NOVEMBER 20, 2025, AGENDA AS
DISTRIBUTED.**

**AYES: TREASURER BEADLE, MR. BURTON, MR. MICKELSON, MS. RASSET, MR.
EVANOFF, AND PRES. LECH**

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

ACCEPTANCE OF MINUTES:

The Board considered the minutes for the September 25, 2025, TFFR Board meeting.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. EVANOFF AND CARRIED BY A VOICE VOTE TO ACCEPT THE SEPTEMBER 25, 2025, MINUTES AS DISTRIBUTED.

AYES: MR. MICKELSON, MR. EVANOFF, TREASURER BEADLE, MR. BURTON, MS. RASSET, AND PRES. LECH

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

GOVERNANCE:

2025 Actuarial Valuation Report:

Ms. Woolfrey and Ms. Apple, GRS, presented results of the 2025 actuarial valuation, noting that overall results were better than expected. The presentation reviewed current results and expectations going forward. Reference was made to the experience study discussed earlier in the year, including assumption changes previously adopted for use in the current valuation.

The actuary explained that updates to actuarial equivalence assumptions had been deferred pending completion of the asset allocation study to avoid multiple revisions. Based on review of the draft asset allocation study, no material changes were identified that would affect confidence in the 7.15% assumed rate of return, which the actuary recommended retaining.

The actuary recommended updating actuarial equivalence assumptions to align with the funding valuation assumptions, including interest rate and mortality assumptions. Additional assumptions required for actuarial equivalence were reviewed, including unisex mortality blending (25% male / 75% female for actives and the inverse for beneficiaries) and a mortality projection year of 2030 to allow for static factor implementation.

The actuary requested board action to adopt the recommended actuarial equivalence assumptions and proposed an effective date of May 1 of the following year to allow sufficient time for calculation, system programming, and implementation ahead of peak retirement periods. Board discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. BURTON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE ASSUMPTIONS WITH THE EFFECTIVE DATE OF MAY 1, 2026.

AYES: TREASURER BEADLE, MS. RASSET, MR. EVANOFF, MR. BURTON, MR. MICKELSON, AND PRES. LECH

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

Governance & Policy Review (GPR) Committee Update:

Mr. Mickelson provided an update from the November 6, 2025, GPR Committee meeting. In the past fiscal year (FY) many governance manual updates were minor and administrative. The committee discussed aligning its work with the broader governance review currently underway for the State Investment Board, including potential changes to committee representation and future committee structures.

Staff outlined opportunities to streamline and modernize the governance manual by reducing duplication, referencing statutes rather than restating them, and reorganizing content for clarity. The goal is to significantly shorten the manual and improve consistency across governance and policy documents. Updates under consideration are informed by preliminary insights from the governance consultant's review and emphasize clearer articulation of delegated authority.

The committee will pause substantive revisions until best practices emerging from the consultant's work are finalized. Feedback from the GPR Committee is anticipated in early 2026, with a target effective date of July 1 for any adopted governance changes.

Audit Committee Update:

Treasurer Beadle provided an update from the November 18, 2025, Audit Committee meeting. UHY presented the results of the financial statement audit for FY25. The audit identified no material weaknesses or significant deficiencies. The committee also reviewed the completed external investment oversight audit, which found controls generally effective, with two moderate improvement areas related to governance document review cycles and documentation of external manager selection processes. Management agreed and is implementing corrective actions targeted for completion by early 2026.

Additional updates included ongoing fiscal advisory support from Weaver, results of the TFFR file maintenance audit identifying minor historical documentation issues that will not recur under the new system. The Committee reviewed and approved the FY26 Internal Audit Work Plan.

Quarterly Outreach Update:

Ms. Mudder provided an update on communications and outreach for the quarter ended September 30, 2025. Integration between GovDelivery and the MyTFFR system was completed. This integration allows communications metrics to reflect only verified active members, retirees, and business partners within the system, resulting in more accurate engagement data.

Business partner engagement remains strong, and active member engagement continues at approximately 56%, consistent with prior quarters. Retiree engagement remains low, reflecting limited outreach to that group, though targeted communications are planned later in the year related to benefit statements and tax forms.

RIO recently received approval of an AI-based video production tool to support board and member education and noted selection of a vendor to develop enhanced member education materials. Initial efforts will focus on educating newer members about plan participation and benefits, with development beginning in early 2026.

Regional Education Association (REA) Access to TFFR Program System & Data:

Ms. Jodi Smith reviewed the issue of REA access to the MyTFFR system and member data. Earlier in 2025 an REA employee was assisting a school district and requested waiver of penalties and interest, which highlighted the need for clearer policy guidance. Staff recommended developing a formal board policy to authorize REA access to TFFR systems and data for both member and non-member districts, clarify confidentiality requirements, and ensure consistent operational practices.

The proposed approach includes drafting a board policy for review by the Governance Policy Review Committee, updating the governance manual following adoption, and revising the employer and employee guides to address authorized access and system users. Staff emphasized the importance of balancing statutory confidentiality requirements with maintaining effective working relationships with school districts and REAs. Board discussion followed.

Delinquent Accounts Update:

Ms. Smith provided an update on efforts to address delinquent employer accounts, following board direction. Outreach efforts included emails, phone calls, and formal demand letters issued by the Attorney General's Office, notifying noncompliant school districts that foundation aid payments could be withheld if compliance was not achieved by the specified deadline. As a result, the three districts previously identified are now in compliance.

Eleven employers remain out of compliance and staff are actively working to resolve outstanding issues. Penalties and interest continue to accrue where applicable. Staff emphasized that communication has improved with these districts and that progress is being made.

Staff are developing a proposed administrative rule to establish a consistent escalation process for addressing noncompliance, including timelines for outreach and formal enforcement actions. The rule is expected to be presented to the board in January if noncompliance persists. Additional administrative rule updates related to implementation of the new pension system are also being prepared, with the intent of consolidating rulemaking efforts into a single public process.

Board members expressed appreciation for staff's focus on timely contribution compliance, noting the importance of minimizing opportunity loss for members while recognizing challenges associated with system transitions.

Chief Retirement Officer (CRO) Recruitment Update:

Ms. Smith provided an update on the recruitment of a new CRO. Applications have been reviewed, and first round of interviews were completed. Three finalists have been invited for a second interview with the goal of a start date at the beginning of January.

REPORTS:

Quarterly Internal Audit Report:

Ms. Seiler presented the first-quarter internal audit activities update. Key items included completion of the external investment oversight audit, co-sourced with Weaver, which was

reviewed and approved by the Audit Committee. Internal audit also assisted the external auditor, UHY, with the financial statement audit and GASB 68 census data, resulting in an unmodified (clean) opinion with no findings. Staff noted the significant effort required due to system transitions and staffing changes and reported the GASB 68 audit is ahead of schedule.

Internal audit provided advisory support for the Bold and Balance Project, assisting with business process mapping and development of an RFP for a new general ledger. Additional advisory work included fiscal operations support through the Weaver co-sourcing arrangement, governance assessment support, and participation in executive review and compensation process discussions.

Other activities included follow-up work on the file maintenance audit, post-implementation support for the Pioneer system, and ongoing administrative activities and professional development.

Quarterly TFFR Ends Report:

Ms. Smith reviewed the TFFR Ends Report with information for the quarter ended June 30, 2025, and FY25. With the new system, staff are able to develop meaningful key performance indicators. Since system launch in February, more than 3,300 new individuals have enrolled, indicating the system is functioning as intended. Staff plan to work with IT to extract additional reporting on enrollments, call volumes, and service requests, with more detailed metrics to be shared in January.

Staff noted expected spikes in activity related to system implementation and onboarding cycles and will continue monitoring trends to determine whether volumes normalize over time. Questions remain regarding the cost, timing, and implementation of additional system capabilities, and staff plans to gather insights from peer systems at an upcoming vendor conference.

In response to board direction from the July retreat, staff-initiated procurement for a communications and marketing firm to develop targeted education materials, with an initial focus on new members. The intent is to improve early understanding of plan participation and benefits and carry that knowledge throughout members' careers. A vendor has been selected through the state's preferred vendor pool, with work expected to begin in January and initial materials targeted for spring. Board discussion followed.

IT WAS MOVED BY MR. BURTON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO ACCEPT THE QUARTERLY INTERNAL AUDIT AND TFFR ENDS REPORTS.

AYES: MS. RASSET, MR. BURTON, MR. MICKELSON, MR. EVANOFF, TREASURER BEADLE, AND PRES. LECH

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

CONSENT AGENDA:

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MS. RASSET AND CARRIED BY A ROLL CALL VOTE TO APPROVE DISABILITY APPLICATIONS 2025-5D AND 2025-6D.

AYES: MR. EVANOFF, MR. MICKELSON, MS. RASSET, TREASURER BEADLE, MR. BURTON, AND DR. LECH

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

ADJOURNMENT:

With no further business to come before the Board, Dr. Lech adjourned the meeting at 2:19 p.m.

Prepared by,

Missy Kopp, Assistant to the Board