

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE CONCURRENT RESOLUTION NO. 3002

Introduced by

Legislative Council

(Budget Committee on Government Finance)

1 A concurrent resolution directing the Legislative Council to study the state's investment process
2 as it relates to the state bonding fund and the fire and tornado fund and monitor the
3 performance of all investments of the State Investment Board and the Board of University and
4 School Lands.

5 **WHEREAS**, it is beneficial for the state to realize maximum investment returns while
6 minimizing investment risks; and

7 **WHEREAS**, the State Investment Board oversees the investment of the fire and tornado
8 fund, which totaled \$16.1 million as of June 30, 1996, and the state bonding fund, which totaled
9 \$3.7 million as of June 30, 1996, along with many other statutory and contracted funds totaling
10 over \$2 billion; and

11 **WHEREAS**, the fire and tornado fund and the state bonding fund earned one-year
12 annualized returns as of the June 30, 1996, of 6.45 percent and 6.98 percent, respectively,
13 while other funds administered by the State Investment Board earned one-year annualized
14 returns as of June 30, 1996, ranging from 5.63 percent to 24.7 percent; and

15 **WHEREAS**, the mission of the State Investment Board is to prudently invest assets
16 entrusted to it in the best financial interests of each fund's beneficiaries; and

17 **WHEREAS**, the objectives of the Retirement and Investment Office include providing
18 the greatest possible long-term benefits by maximizing the total rate of return on investments or
19 maintaining the desired minimum balance in a fund, within prudent risk parameters and
20 appropriate liquidity restraints; and

21 **WHEREAS**, the adequacy of the funds is dependent on the investment performance of
22 the funds;

23 **NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES**
24 **OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:**

1 That the Legislative Council study the state's investment process as it relates to the
2 state bonding fund and the fire and tornado fund and to monitor the performance of all
3 investments of the State Investment Board and the Board of University and School Lands; and
4 **BE IT FURTHER RESOLVED**, that the Legislative Council report its findings and
5 recommendations, together with any legislation required to implement the recommendations, to
6 the Fifty-sixth Legislative Assembly.