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## BUDGET SECTION - LEADERSHIP DIVISION

Wednesday, September 24, 2025  
Harvest Room, State Capitol  
Bismarck, North Dakota

Representative Mike Lefor, Chairman, called the meeting to order at 1:35 p.m.

**Members present:** Representatives Mike Lefor, Glenn Bosch, Gretchen Dobervich, Zachary Ista, Don Vigesaa; Senators Brad Bekkedahl, Josh Boschee, Kathy Hogan, David Hogue, Jerry Klein

**Member absent:** Representative Robin Weisz

**Others present:** See [Appendix A](#)

**It was moved by Representative Bosch, seconded by Senator Boschee, and carried on a voice vote that the minutes of the June 25, 2025, meeting be approved as distributed.**

### GENERAL FUND INVESTMENTS

Mr. Joe Morrissette, Director, Office of Management and Budget, presented information ([Appendix B](#)) regarding general fund interest income. He noted during the 2023-25 biennium General Fund interest earnings totaled \$171,410,135 and the 2025-27 biennium General Fund revenue forecast includes \$62 million of interest. He also noted interest income of \$90,351,477 accrued on the Budget Stabilization Fund was deposited in the general fund during the 2023-25 biennium.

Mr. Thomas Beadle, State Treasurer, presented information ([Appendix C](#)) regarding General Fund investments. He noted almost all funds managed by the State Treasurer are invested through the Bank of North Dakota. He also noted investment returns ranged from 0.1148 percent in fiscal year 2022 to 2.3320 percent in fiscal year 2025.

### SPECIAL FUND INVESTMENTS

Mr. Scott Anderson, Chief Investment Officer, Retirement and Investment Office, presented information ([Appendix D](#)) regarding investment returns for various special funds, including the Insurance Regulatory Trust Fund, State Bonding Fund, Fire and Tornado Fund, Risk Management Fund, Petroleum Tank Release Compensation Fund, and Opioid Settlement Fund. He noted the asset allocation varies by fund but generally consists of global equity, fixed income, and cash equivalent investments. He noted investment returns of these funds ranged from 3.9 to 10.3 percent in fiscal year 2025.

Mr. Anderson presented information ([Appendix E](#)) regarding the Legacy Fund and Budget Stabilization Fund asset allocations and returns. He noted:

- The Legacy Fund is invested in global public equity, private equity, global fixed income, real assets, in-state, and cash investments. The 3-year investment return on the fund was 10.6 percent.
- The percent of market value distribution from the Legacy Fund was \$686,881,085 for the 2023-25 biennium compared to actual realized earnings of \$1,075,203,949.
- The Budget Stabilization Fund is invested in short-term and cash investments. The 3-year return on the fund was 5.6 percent.

**BANK OF NORTH DAKOTA**

Mr. Don Morgan, President, Bank of North Dakota, presented information ([Appendix F](#)) regarding state investments at the Bank. He noted:

- The Bank pays interest on state funds held at the Bank to the State Treasurer for distribution to agencies and funds.
- The interest rates are calculated based on the average interest rates paid by community banks in the state.
- The Bank is actively participating in the Cash Management Board to increase the overall investment returns to the state.

**FEDERAL FUNDING UPDATE**

Mr. Morrissette presented information ([Appendix G](#)) regarding potential changes in federal funding estimated to be received by the state. He noted:

- The Office of Management and Budget conducted a survey of state agencies regarding recent reductions in federal funds.
- The Department of Health and Human Services is estimating a reduction of \$15.7 million in federal funds for the Supplemental Nutrition Assistance Program.
- Job Service North Dakota is estimating a \$10.8 million reduction relating to a federal Information Technology Modernization Grant.

**OTHER BUSINESS**

Chairman Lefor announced the Budget Section - Leadership Division is tentatively scheduled to meet on Wednesday, December 10, 2025.

No further business appearing, Chairman Lefor adjourned the meeting at 2:30 p.m.

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Brady A. Larson  
Assistant Legislative Budget Analyst and Auditor

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Allen H. Knudson  
Legislative Budget Analyst and Auditor

ATTACH:7