Legislative Council
600 East Boulevard Avenue, Bismarck, ND 58505

LEGACY AND BUDGET STABILIZATION FUND ADVISORY BOARD

Wednesday, August 12, 2026
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Jonathan Warrey, Chairman, called the meeting to order at 1:00 p.m.

Members present: Representatives Jonathan Warrey, Glenn Bosch, Keith Kempenich; Senators Kathy Hogan, Jerry Klein, Scott Meyer*; Citizen Members Thomas Beadle, Brian Kroshus, Don Morgan, Joe Morrissette

Others present: Senator Brad Bekkedahl, member of the Legislative Management
Scott Anderson, Adam Otteson, and Jodi A. Smith, Retirement and Investment Office; Kelvin Hullet, Bank of North Dakota
**Attended remotely*

It was moved by Representative Bosch, seconded by Senator Klein, and carried on a voice vote that the minutes of the March 31, 2026, meeting be approved as distributed.

STATUS OF FUNDS AND PROGRAMS

Investment Performance

Mr. Scott Anderson, Chief Investment Officer, Retirement and Investment Office, presented information (Appendix A) regarding the performance of investment markets, the status of the Legacy Fund, and the implementation of the Internal Investment Management Program. He noted:

- The bond and equity markets had positive returns for the calendar year to date through August 3, 2026.
- As of May 31, 2026, the Legacy Fund had a balance of $15.05 billion and returned 17.4 percent for the fiscal year to date compared to a benchmark of 16.5 percent.
- The Internal Direct Investment Program resulted in actual net cost-savings of $17.7 million for fiscal year 2026 across all funds managed directly by Retirement and Investment Office (RIO) staff.

In response to a question from an advisory board member, Ms. Jodi A. Smith, Executive Director, Retirement and Investment Office, noted RIO's budget request may include an increase of 12 full-time equivalent (FTE) positions, including 6 FTE investment positions and 6 FTE fiscal and operations positions.

Preliminary Estimate of Legacy Fund Distribution

Mr. Adam Otteson, Chief Financial and Operating Officer, Retirement and Investment Office, presented information (Appendix B) regarding a preliminary estimate of the distribution from the Legacy Fund for the 2027-29 biennium based on the percent of market value calculation under North Dakota Century Code Section 54-27-32. He noted the 2027-29 biennium distribution from the Legacy Fund may total $895 million, an increase of $208 million compared to the 2025-27 biennium distribution of $687 million.

Legacy Fund Disclosure Website

Ms. Smith presented information (Appendix C) regarding the status of a Legacy Fund disclosure website under Section 21-10-06.3. She noted the website is anticipated to go live in October 2026 to provide information regarding Legacy Fund investment holdings, performance, and management costs.

Legacy Earnings Fund Investment Concept

Ms. Smith presented information (Appendix D) regarding a concept to invest the money in the Legacy Earnings Fund. She noted:

- RIO is in the process of evaluating statutory changes to allow the State Investment Board to invest the Legacy Earnings Fund rather than deposit the money in the Bank of North Dakota with the potential to increase investment returns.
- The change may affect the Bank of North Dakota's deposits and lending opportunities and requires a review of accounting and investment policies before implementation.

Bank of North Dakota CD Match Program

Mr. Kelvin Hullet, Chief Public Affairs Officer, Bank of North Dakota, presented information (Appendix E) regarding the status of the Bank of North Dakota's CD Match Program, including current investments, investment returns, and possible future investments under the program. He noted:

- The program allows investment-rated companies to access loans with a below-market interest rate while providing an investment return to the Legacy Fund.
- The CD Match Program had a balance of $271.9 million as of July 31, 2026, with an annual return of 3.77 percent to the Legacy Fund.

SELECTION OF A CHAIRMAN

It was moved by Senator Hogan, seconded by Representative Bosch, and carried on a roll call vote that Senator Klein serve as Chairman and Representative Warrey serve as Vice Chairman of the Legacy and Budget Stabilization Fund Advisory Board pursuant to North Dakota Century Code Section 21-10-11(4). Representatives Warrey, Bosch, and Kempenich; Senators Hogan and Klein; and Citizen Members Beadle, Kroshus, Morgan, and Morrissette voted "aye." No negative votes were cast.

No further business appearing, Vice Chairman Warrey adjourned the meeting at 2:50 p.m.

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Adam Mathiak
Senior Fiscal Analyst

ATTACH:5