

March 27, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

**ENGROSSED HOUSE BILL NO. 1022**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the retirement and  
2 investment office; to amend and reenact subdivision a of subsection 3 of section 21-10-11 of the  
3 North Dakota Century Code, relating to infrastructure loan investments under the legacy fund;  
4 and to provide for a report.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
7 as may be necessary, are appropriated from special funds, to the retirement and investment  
8 office for the purpose of defraying the expenses of the retirement and investment office, for the  
9 biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
12 Salaries and wages	\$8,552,467	\$3,539,528	\$12,091,995
13 New and vacant FTE pool	0	470,466	470,466
14 <del>Operating expenses</del>	<del>2,731,037</del>	<del>1,029,096</del>	<del>3,760,133</del>
15 <u>Operating expenses</u>	<u>2,731,037</u>	<u>1,054,096</u>	<u>3,785,133</u>
16 Contingencies	<u>200,000</u>	<u>0</u>	<u>200,000</u>
17 <del>Total special funds</del>	<del>\$11,483,504</del>	<del>\$5,039,090</del>	<del>\$16,522,594</del>
18 <u>Total special funds</u>	<u>\$11,483,504</u>	<u>\$5,064,090</u>	<u>\$16,547,594</u>
19 Full-time equivalent positions	34.00	1.00	35.00

1       **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

2       **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
3 items included in the appropriation in section 1 of this Act which are not included in the entity's  
4 base budget for the 2027-29 biennium and which the entity shall report to the appropriations  
5 committees of the seventieth legislative assembly regarding the use of this funding:

6 <u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
7    Information technology consulting	\$0	\$250,000	\$250,000
8    Total	\$0	\$250,000	\$250,000

9       **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The  
10 retirement and investment office may not spend funds appropriated in the new and vacant FTE  
11 pool line item in section 1 of this Act, but may request the office of management and budget to  
12 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in  
13 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as  
14 approved by the sixty-ninth legislative assembly.

15       **SECTION 4. AMENDMENT.** Subdivision a of subsection 3 of section 21-10-11 of the North  
16 Dakota Century Code is amended and reenacted as follows:

- 17       a. A target allocation of ~~seven hundred million~~ **seven hundred fifty million** dollars to  
18 fixed income investments within the state, including:
  - 19       (1) Up to ~~one hundred fifty million~~ **two hundred million** dollars for infrastructure  
20 loans to political subdivisions under section 6-09-49.1. The net return to the  
21 legacy fund under this paragraph must be fixed at a target rate of one and  
22 one-half percent;
  - 23       (2) A minimum of four hundred million dollars for the Bank of North Dakota's  
24 certificate of deposit match program with an interest rate fixed at the  
25 equivalent yield of United States treasury bonds having the same term, up  
26 to a maximum term of twenty years; and
  - 27       (3) Other qualified fixed income investments within the state based on  
28 guidelines developed by the legacy and budget stabilization fund advisory  
29 board.

30       **SECTION 5. INTERNAL INVESTMENT MANAGEMENT PLAN - REPORT.** The retirement  
31 and investment office shall report to the appropriations committees of the seventieth legislative

- 1 assembly regarding the agency's plan to internally manage fifty percent of the investments
- 2 under the control of the state investment board. The report must include information on:
- 3     1. The impact to the agency's budget to implement the plan, including the number of
- 4         full-time equivalent positions and funding for salaries and wages, operating expenses,
- 5         and one-time items;
- 6     2. The estimated cost-savings from the decrease in investment expenses associated
- 7         with external investment manager fees; and
- 8     3. The timeline to implement the plan.