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Title.
Fiscal No. 2

Prepared by the Legislative Council
staff for Senate Appropriations - Human
Resources Division Committee
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; and to provide for a report.

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

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

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

18 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
19 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
20 items included in the appropriation in section 1 of this Act which are not included in the entity's

1 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
2 committees of the seventieth legislative assembly regarding the use of this funding:

3 <u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
4 Information technology consulting	\$0	\$250,000	\$250,000
5 Total	\$0	\$250,000	\$250,000

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

12 **SECTION 4. INTERNAL INVESTMENT MANAGEMENT PLAN - REPORT.** The retirement
13 and investment office shall report to the appropriations committees of the seventieth legislative
14 assembly regarding the agency's plan to internally manage fifty percent of the investments
15 under the control of the state investment board. The report must include information on:

- 16 1. The impact to the agency's budget to implement the plan, including the number of full-
17 time equivalent positions and funding for salaries and wages, operating expenses, and
18 one-time items.
- 19 2. The estimated cost-savings from the decrease in investment expenses associated
20 with external investment manager fees.
- 21 3. The timeline to implement the plan.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1022 - Retirement and Investment Office - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$8,552,467	\$12,091,995		\$12,091,995
New and vacant FTE pool		470,466		470,466
Operating expenses	2,731,037	3,760,133	\$25,000	3,785,133
Contingencies	200,000	200,000		200,000
Total all funds	\$11,483,504	\$16,522,594	\$25,000	\$16,547,594
Less estimated income	11,483,504	16,522,594	25,000	16,547,594
General fund	\$0	\$0	\$0	\$0
FTE	34.00	35.00	0.00	35.00

Department 190 - Retirement and Investment Office - Detail of Senate Changes

	Adds Funding for Retirement Education¹	Total Senate Changes
Salaries and wages		
New and vacant FTE pool		
Operating expenses	\$25,000	\$25,000
Contingencies		
Total all funds	\$25,000	\$25,000
Less estimated income	25,000	25,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding for operating expenses is increased by \$25,000 for a retirement education initiative. The House did not include this funding.

The Senate added a section to provide for a report to the Appropriations Committees during the 2027 regular legislative session regarding the agency's internal investment management plan.

