# House Bill 1184
# North Dakota Retirement and Investment Office (RIO)
# Testimony before House Industry, Business and Labor
# Representative Jonathan Warrey, Chair

**Jodi Smith – Interim Executive Director**
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## I. RIO Statutory Authority and Responsibilities

The Retirement and Investment Office (hereinafter "RIO") was created by the 1989 Legislative Assembly to capture administrative and investment cost savings in the management of the investment program of the State Investment Board (SIB) and the retirement program of the Teachers' Fund for Retirement (TFFR). Statutory authority for the agency is found in North Dakota Century Code chapter 54-52.5 and the programs are governed by chapters 21-10 (SIB) and 15-39.1 (TFFR).

The State Investment Board has the statutory responsibility to administer the investment program for 31 funds including the Legacy Fund, TFFR, PERS, and WSI. It also maintains contractual relationships for the investment management of multiple political subdivisions and governmental funds. Currently SIB is responsible for the investment of the Legacy Fund, seven pension funds and 23 other non-pension funds for a total of 31 separate client funds with an overall fund value of roughly $23 billion as of October 31, 2024.

## II. Neutral Testimony relating to H.B. 1184

House Bill 1184 is well-intentioned in its goal of making North Dakota a leader in technology and innovation investments as well as broadening the asset allocation scope to produce diversification benefits for state investments. However, the Board already has authority to invest in digital assets and precious metals.

The client funds of RIO each have a governing board that make asset allocation and investment policy decisions. The asset allocation determines the amount invested in various asset classes that best meets the return, risk and liquidity needs of the client portfolio mandates. The range of asset classes is not limited but includes those that enable the client fund to meet the client needs. The asset allocation which is approved by the board is codified in an investment policy used to guide RIO's investment team to implement the mandate.

We recommend two changes: (1) place under Chapter 21-10 State Investment Board and (2) remove reference to "up to ten percent", leaving capital allocation to the respective governing boards.