

HB1022  
3-14-25  
25.0166.02003  
Title.

Prepared by the Legislative Council  
staff for Senator Cleary  
March 11, 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 amend and reenact section 54-52.5-04 of the North Dakota Century  
3 Code, relating to an incentive compensation plan for the state retirement and investment office.

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

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

Adjustments or			
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
11 Salaries and wages	\$8,552,467	\$3,539,528	\$12,091,995
12 New and vacant FTE pool	0	470,466	470,466
13 Operating expenses	2,731,037	1,029,096	3,760,133
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 Full-time equivalent positions	34.00	1.00	35.00

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

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

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

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

**SECTION 4. AMENDMENT.** Section 54-52.5-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.5-04. Incentive compensation program - Report to legislative management.**

1. The state retirement and investment office may develop an incentive compensation program for full-time equivalent investment ~~and fiscal operations~~ positions necessary for the management of the investment of funds under the control of the state investment board. The program must promote profitability, productivity, and responsible fund management.

2. The provisions of the program must be approved annually by the state investment board. The provisions must ensure that the payouts do not ~~occur~~.

a. Occur unless the risk-based performance of the investments that are internally managed exceed the risk-based performance of policy benchmarks.

b. Exceed seventy-five percent of the base annual pay for each eligible full-time equivalent position.

3. Any amounts paid under this program must be considered compensation and not personal profit on behalf of the employee.

4. Each interim, the state retirement and investment office shall provide at least one report to the legislative management regarding the status of the program, including the provisions of the program; the total amount of incentives paid out to employees each

1           year; and the minimum, maximum, and average payout per eligible full-time equivalent  
2           position.

3           5. During each regular legislative session, the state retirement and investment office  
4           shall provide a report to the appropriations committees regarding the status of the  
5           program, including the provisions of the program; the total amount of incentives paid  
6           out to employees each year; and the minimum, maximum, and average payout per  
7           eligible full-time equivalent position.