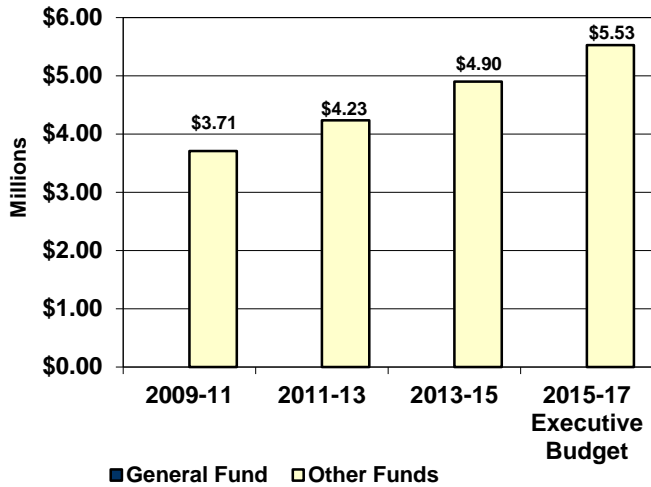


**Department 190 - Retirement and Investment Office  
 Senate Bill No. 2022**

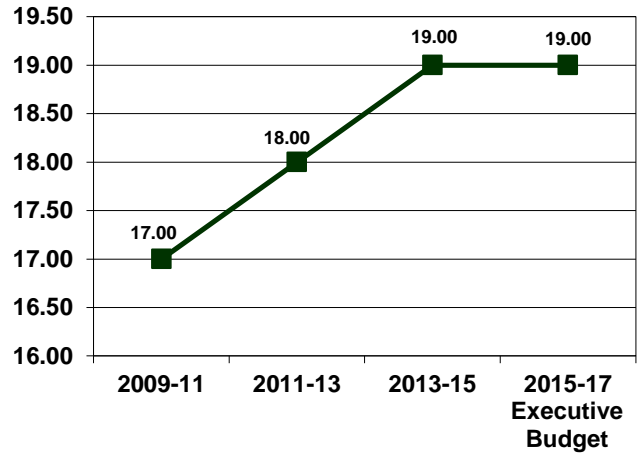
**Executive Budget Comparison to Prior Biennium Appropriations**

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	19.00	\$0	\$5,525,000	\$5,525,000
2013-15 Legislative Appropriations	19.00	0	4,899,369	4,899,369
Increase (Decrease)	0.00	\$0	\$625,631	\$625,631

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$0	\$5,525,000	\$5,525,000
2015-17 Base Level	0	4,899,369	4,899,369
Increase (Decrease)	\$0	\$625,631	\$625,631

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

**Executive Budget Highlights**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$198,535 relates to performance increases, \$24,769 is for market equity adjustments, \$82,038 is for health insurance increases, and \$22,401 is for retirement contribution increases	\$0	\$327,743	\$327,743
2. Adds funding for additional salary adjustments to increase the agency's compensation ratio from 94.6 to 97 percent of the market policy points for employees	\$0	\$50,000	\$50,000
3. Adds funding for increases in operating expenses	\$0	\$17,550	\$17,550

**Other Sections in Bill**

**Section 2** - Provides upon approval of the respective boards, the Retirement and Investment Office and the Public Employee's Retirement System may transfer from their respective contingencies line items in subdivision 1 and 2 of section 1 of the bill to all other line items.

**Continuing Appropriations**

**Investment expenses** - North Dakota Century Code Section 21-10-06.2 - Investment management, custody, consulting, income offset, and due diligence/education costs.

**Benefits and refunds** - Section 15-39.1-05.2 - Benefits and refunds from the Teachers' Fund for Retirement.

**Administrative charges** - Section 15-39.1-05.2 - Income offset and Teachers' Fund for Retirement consulting costs.

### **Significant Audit Findings**

The operational audit for the Retirement and Investment Office conducted by CliftonLarsonAllen LLP, during the 2013-14 interim identified the following significant audit findings:

- For the audit report ending June 30, 2012 - One significant audit adjustment finding for a past audit adjustment.
- For the audit report ending June 30, 2013 - No findings or recommendations.

### **Major Related Legislation**

**Senate Bill No. 2039 - Public Employee Retirement Stabilization Fund** - Creates a public employee retirement stabilization fund which will be supervised by the state investment board.

**House Bill No. 1053** - Requires all state agencies to obtain centralized desktop support services from the Information Technology Department, except the legislative and judicial branches and other large state agencies, based on the results of a hardware relocation and consolidation study.

**House Bill No. 1063** - Modifies investment policies for and funds under management of the State Investment Board.

**Retirement and Investment Office - Budget No. 190**  
**Senate Bill No. 2022**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			<b>Total</b>
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	
<b>2015-17 Biennium Base Level</b>	19.00	\$0	\$4,899,369	\$4,899,369
<b>2015-17 Ongoing Funding Changes</b>				
Base payroll changes			\$230,338	\$230,338
Salary increase - Performance			198,535	198,535
Salary increase - Market equity			24,769	24,769
Retirement contribution increase			22,401	22,401
Health insurance increase			82,038	82,038
Employee base level salary adjustment			50,000	50,000
Increased operating expenses			17,550	17,550
<b>Total ongoing funding changes</b>	<b>0.00</b>	<b>\$0</b>	<b>\$625,631</b>	<b>\$625,631</b>
<b>One-time funding items</b>				
Total one-time funding changes	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	<b>0.00</b>	<b>\$0</b>	<b>\$625,631</b>	<b>\$625,631</b>
<b>2015-17 Total Funding</b>	<b>19.00</b>	<b>\$0</b>	<b>\$5,525,000</b>	<b>\$5,525,000</b>

**Other Sections in Senate Bill No. 2022**

Contingencies line item transfers

**Executive Budget Recommendation**  
 Section 2 provides upon approval of the respective boards, the Retirement and Investment Office and the Public Employees Retirement System may transfer from their respective contingencies line items in subdivision 1 and 2 of Section 1 of the bill to all other line items.