

**Retirement and Investment Office  
Budget No. 190  
House Bill No. 1022**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriation	35.00	\$0	\$16,547,594 <sup>1</sup>	\$16,547,594
2023-25 legislative appropriation	34.00	0	12,108,404 <sup>2</sup>	12,108,404
2025-27 appropriation increase (decrease) to 2023-25 appropriation	1.00	\$0	\$4,439,190	\$4,439,190

<sup>1</sup>This amount includes \$250,000 of one-time funding and \$16,297,594 of ongoing funding.

<sup>2</sup>This amount includes \$624,900 of one-time funding and \$11,483,504 of ongoing funding.

**Item Description**

**Full-time equivalent changes** - The Legislative Assembly approved 35 FTE positions for the Retirement and Investment Office (RIO) for the 2025-27 biennium, an increase of 1 FTE position from the 2023-25 biennium authorized level of 34 FTE positions. The Legislative Assembly added 1 FTE internal auditor position.

**New and vacant FTE pool** - The Legislative Assembly transferred \$470,466 for the new and vacant FTE pool line item, of which \$209,905 is for new FTE positions and \$260,561 is for estimated savings from vacant positions.

**One-time funding** - The Legislative Assembly provided \$250,000 of one-time funding from the State Retirement and Investment Fund for information technology consulting to plan for future information technology software needs.

**Incentive Compensation Program** - North Dakota Century Code Section 54-52.5-04, enacted in 2023, authorizes RIO to create an Incentive Compensation Program for investment and fiscal operations positions and requires a report to the Legislative Management each interim regarding the status of the program.

As approved by the State Investment Board, the plan provides incentive compensation as a percentage of regular compensation with 80 percent of the incentive compensation based on the financial performance of the investments and 20 percent based on individual goals. The maximum incentives as a percentage of regular compensation range from 25 percent for investment accountants to 100 percent for the chief investment officer and executive director.

**Status/Result**

The 1 FTE internal auditor position was filled in March 2026.

Through January 2026, the agency had not transferred any funding for the 1 FTE internal audit position and had estimated vacant FTE position savings of \$548,504. The agency used \$63,153 of the savings for accrued leave payouts, extra salary increases, and bonuses. The number of vacancies ranged from 4 to 8 with an average monthly vacancy rate of 5.29 FTE positions from July 2025 through January 2026.

Through March 2026, the agency spent \$199,376 and anticipates the remaining funding will be spent by the end of the biennium.

In March 2026, RIO reported to the Budget Section regarding the status of the program. The incentive compensation for fiscal year 2025 paid to eligible employees totaled \$1,258,488. The office reported estimated fee savings of \$8,900,000 for fiscal year 2025 due to the Internal Investment Management Program.

**Legacy Fund disclosure website** - House Bill No. 1319 (2025) created Section 21-10-06.3 requiring RIO to maintain a website with information regarding Legacy Fund investments.

**Status of the Teachers' Fund for Retirement** - The Teachers' Fund for Retirement is the retirement plan for North Dakota educators.

The Retirement and Investment Office is in the process of completing a request for proposal. The website is anticipated to be completed by December 2026 with an estimated cost of \$600,000.

A status summary of the Teachers' Fund for Retirement is shown below. Actuarial-funded levels have increased from 66 percent in June 2019 to 73 percent in June 2025 related to an increase in the market value of the fund's investments.

<b>Actuarial Value of Investments</b>		
	<b>Fund Balance (Billions)</b>	<b>Actuarial Percentage Funded</b>
June 30, 2019	\$2.64	66%
June 30, 2020	\$2.75	66%
June 30, 2021	\$2.97	69%
June 30, 2022	\$3.13	70%
June 30, 2023	\$3.26	71%
June 30, 2024	\$3.41	72%
June 30, 2025	\$3.62	73%

<b>Market Value of Investments</b>		
	<b>Fund Balance (Billions)</b>	<b>Annual Percentage Change in Market Value</b>
June 30, 2019	\$2.62	5.39%
June 30, 2020	\$2.65	3.33%
June 30, 2021	\$3.28	26.07%
June 30, 2022	\$3.02	(6.31%)
June 30, 2023	\$3.17	7.48%
June 30, 2024	\$3.35	8.12%
June 30, 2025	\$3.65	11.42%