



LEGACY AND BUDGET STABILIZATION FUND ADVISORY BOARD

Friday, April 8, 2022
Harvest Room, State Capitol
Bismarck, North Dakota

Senator Jerry Klein, Chairman, called the meeting to order at 7:30 a.m.

Members present: Senators Jerry Klein, Kathy Hogan; Representatives Glenn Bosch, Keith Kempenich, Gary Kreidt*; Citizen Members Thomas Beadle, John Arnold (Insurance Commissioner's designee), Brian Kroshus, Todd Steinwand

Members absent: Senator Scott Meyer

Others present: Representative Chet Pollert, Carrington, and Senator Rich Wardner, Dickinson, members of the Legislative Management

See [Appendix A](#) for additional persons present.

**Attended remotely*

It was moved by Senator Hogan, seconded by Representative Bosch, and carried on a voice vote that the minutes of the February 15, 2022, meeting be approved as distributed.

LEGACY FUND ASSET ALLOCATION STUDY

Mr. Jim Voytko, President, Director of Research, and Senior Consultant, and Ms. Oksana Rencher, Associate Consultant, RVK, Inc., presented information ([Appendix B](#)) regarding plans for an asset allocation study of the legacy fund and the development of policies and guidelines for an in-state equity investment program under the legacy fund.

Ms. Rencher indicated both the asset allocation study and the guidelines for an in-state equity investment program will begin with an information gathering phase. She noted the asset allocation study will require investment modeling to simulate various scenarios, which will be the basis for a recommendation. She noted the development of policies and guidelines for an in-state equity investment will include an assessment of the program objectives, which will guide the recommendations for the final report.

Mr. Voytko reviewed the current policies for legacy fund investments. He noted various discussion points for the advisory board to consider as a part of the study, including the interaction between existing economic development programs and a new in-state equity investment program, the fiscal impact of in-state investments on the legacy fund returns and the state's economy, and the types of allowable equity investments for an in-state investment program.

Representative Kempenich indicated House Bill No. 1380 (2021) establishes a spending policy for legacy fund earnings based on a percent of market value calculation.

Representative Bosch noted 50 South Capital may have additional information regarding in-state equity investment opportunities in North Dakota based on its experience as a manager of private equity investments under the legacy fund.

Chairman Klein noted the results of the asset allocation study and recommendations for policies and guidelines for an in-state equity investment program may include proposals to change the statutory criteria for legacy fund investments.

In response to an advisory board member question, Mr. Scott Anderson, Chief Investment Officer, Retirement and Investment Office, noted North Dakota has 78 companies with more than 100 employees based on preliminary research.

In response to an advisory board member question, Ms. Janilyn Murtha, Executive Director, Retirement and Investment Office, noted staff from the Retirement and Investment Office are coordinating with the staff from RVK, Inc. to develop a project management plan for the study.

Mr. Adam Mathiak, Senior Fiscal Analyst, Legislative Council, distributed a memorandum entitled [Legacy Fund Investments and Earnings Flowchart](#) regarding information on the legacy fund investment process and the allocation of legacy fund earnings.

No further business appearing, Chairman Klein adjourned the meeting at 9:25 a.m.

Adam Mathiak
Senior Fiscal Analyst

ATTACH:2