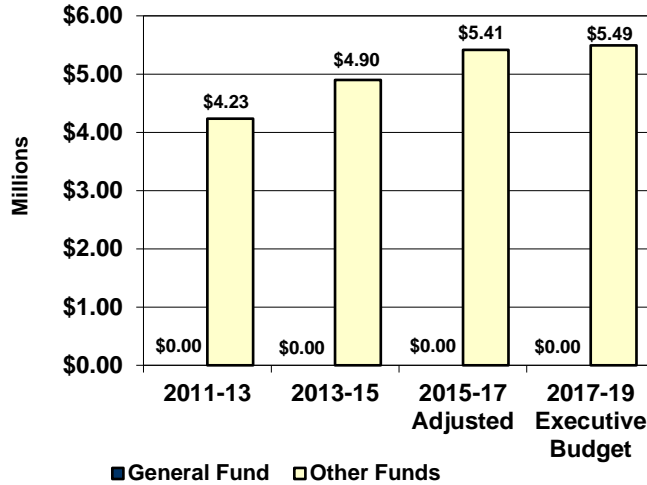


**Department 190 - Retirement and Investment Office
House Bill Nos. 1022 and 1082**

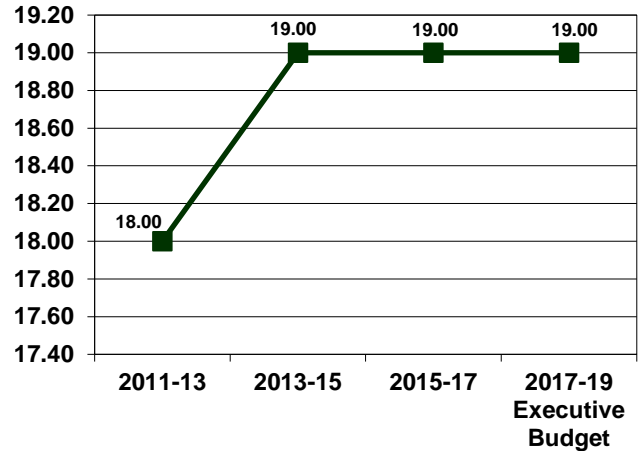
Executive Budget Comparison to Prior Biennium Appropriations

| | FTE Positions | General Fund | Other Funds | Total |
|---|---------------|--------------|-------------|-------------|
| 2017-19 Executive Budget | 19.00 | \$0 | \$5,494,506 | \$5,494,506 |
| 2015-17 Adjusted Legislative Appropriations | 19.00 | 0 | 5,413,425 | 5,413,425 |
| Increase (Decrease) | 0.00 | \$0 | \$81,081 | \$81,081 |

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

| | General Fund | Other Funds | Total |
|--------------------------|--------------|-------------|-------------|
| 2017-19 Executive Budget | \$0 | \$5,494,506 | \$5,494,506 |
| 2017-19 Base Level | 0 | 5,413,425 | 5,413,425 |
| Increase (Decrease) | \$0 | \$81,081 | \$81,081 |

Executive Budget Highlights

| | General Fund | Other Funds | Total |
|---|--------------|-------------|------------|
| 1. Provides funding for state employee salary and benefit increases, of which \$19,091 is for salary increases and \$54,376 is for health insurance increases | \$0 | \$73,467 | \$73,467 |
| 2. Reduces funding for various operating expenses | | (\$90,795) | (\$90,795) |
| 3. Adds funding for a copier replacement | | \$9,000 | \$9,000 |

**Other Bill Sections Recommended to be Added in the Executive Budget
(As Detailed in House Bill No. 1082)**

Contingencies line item - Section 2 provides, upon approval of the board, the Retirement and Investment Office may transfer from the contingencies line item in 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 audit for the Retirement and Investment Office conducted by CliftonLarsonAllen LLP, for the period ending June 30, 2015, identified one significant accounting policy change related to GASB Statement Nos. 68 and 71.

The schedule of employer allocations and pension amounts by employer prepared for the Retirement and Investment Office and audited by CliftonLarsonAllen LLP for the period ending June 30, 2015, did not identify any significant audit findings.

Major Related Legislation

At this time, no major related legislation has been introduced affecting this agency.

Retirement and Investment Office - Budget No. 190
House Bill Nos. 1022 and 1082
Base Level Funding Changes

| | Executive Budget Recommendation | | | |
|--|--|-------------------------|------------------------|--------------------|
| | FTE Position | General Fund | Other Funds | Total |
| 2017-19 Biennium Base Level | 19.00 | \$0 | \$5,413,425 | \$5,413,425 |
| 2017-19 Ongoing Funding Changes | | | | |
| Base payroll changes | | | \$91,409 | \$91,409 |
| Salary increase - Performance | | | 19,091 | 19,091 |
| Health insurance increase | | | 54,376 | 54,376 |
| Adjusts funding for operating expenses | | | (90,795) | (90,795) |
| Adds funding for capital assets - Copier replacement | | | 9,000 | 9,000 |
| Reduce contingency funding | | | (2,000) | (2,000) |
| Total ongoing funding changes | 0.00 | \$0 | \$81,081 | \$81,081 |
| One-time funding items | | | | |
| No one-time funding items | | | | \$0 |
| Total one-time funding changes | 0.00 | \$0 | \$0 | \$0 |
| Total Changes to Base Level Funding | 0.00 | \$0 | \$81,081 | \$81,081 |
| 2017-19 Total Funding | 19.00 | \$0 | \$5,494,506 | \$5,494,506 |

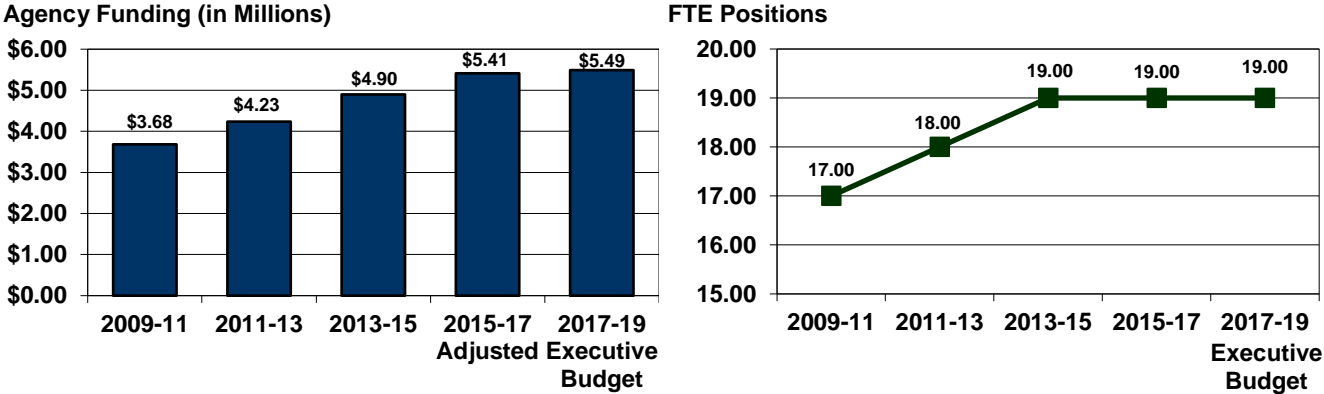
Other Sections in Retirement and Investment Office - Budget No. 190

| | Executive Budget Recommendation |
|-----------------------------------|---|
| Contingencies line item transfers | Section 2 provides, upon approval of the State Investment Board, the Retirement and Investment Office may transfer from the contingencies line item in section 1 of the bill to all other line items. |

Department 190 - Retirement and Investment Office

Historical Appropriations Information

Ongoing Other Funds Appropriations Since 2009-11



| Ongoing Other Funds Appropriations | | | | | |
|---|-------------|-------------|-------------|------------------|--------------------------|
| | 2009-11 | 2011-13 | 2013-15 | 2015-17 Adjusted | 2017-19 Executive Budget |
| Total fund appropriations | \$3,680,650 | \$4,232,954 | \$4,899,369 | \$5,413,425 | \$5,494,506 |
| Increase (decrease) from previous biennium | N/A | \$552,304 | \$666,415 | \$514,056 | \$81,081 |
| Percentage increase (decrease) from previous biennium | N/A | 15.0% | 15.7% | 10.5% | 1.5% |
| Cumulative percentage increase (decrease) from 2009-11 biennium | N/A | 15.0% | 33.1% | 47.1% | 49.3% |

Major Increases (Decreases) in Total Fund Appropriations

| | | |
|---|--|------------|
| 2011-13 Biennium | | |
| 1. Added 1 deputy chief investment officer FTE position | | \$316,824 |
| 2013-15 Biennium | | |
| 1. Added funding for 1 investment analyst FTE position, and related operating costs | | \$283,553 |
| 2015-17 Biennium | | |
| 1. No major changes | | |
| 2017-19 Biennium (Executive Budget Recommendation) | | |
| 1. Reduce funding for various operating expenses | | (\$90,795) |
| 2. Adds funding for a copier replacement | | \$9,000 |