

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

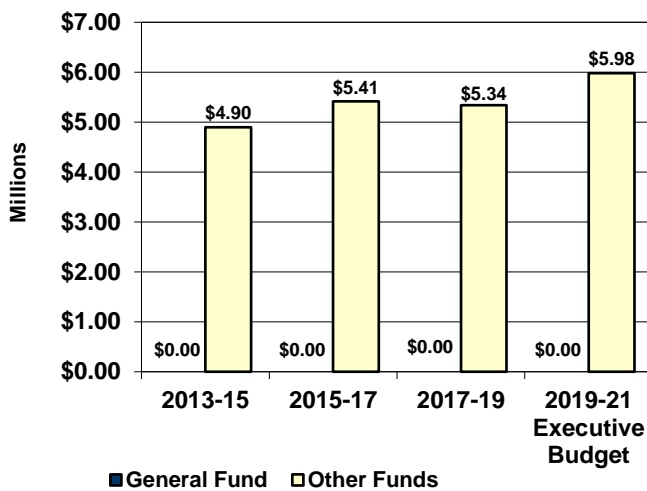
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	20.00	\$0	\$5,981,230	\$5,981,230
2017-19 Legislative Appropriations	19.00	0	5,340,054	5,340,054
Increase (Decrease)	1.00	\$0	\$641,176	\$641,176

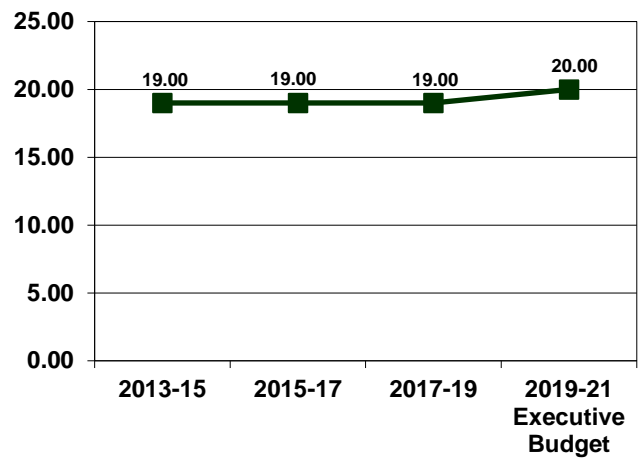
Ongoing and One-Time Other Funds Appropriations

	Ongoing Other Funds Appropriation	One-Time Other Funds Appropriation	Total Other Funds Appropriation
2019-21 Executive Budget	\$5,981,230	\$0	\$5,981,230
2017-19 Legislative Appropriations	5,340,054	0	5,340,054
Increase (Decrease)	\$641,176	\$0	\$641,176

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$0	\$5,981,230	\$5,981,230
2019-21 Base Level	0	5,340,054	5,340,054
Increase (Decrease)	\$0	\$641,176	\$641,176

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 \$202,668 is for salary increases, \$75,579 is for health insurance increases, and \$26,734 is for retirement increases	\$0	\$304,981	\$304,981
2. Adds 1 FTE investment analyst position (\$294,996) and related operating expenses of \$14,450		\$309,446	\$309,446
3. Adds funding for Microsoft Office 365 license expenses		\$12,000	\$12,000
4. Adds funding for contingencies to provide a total of \$82,000		\$30,000	\$30,000

**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)**

Contingencies line item - Section 2 would provide, 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.

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, 2018, did not identify any significant audit findings.

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, 2017, 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
Senate Bill No. 2022
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	19.00	\$0	\$5,340,054	\$5,340,054
2019-21 Ongoing Funding Changes				
Base payroll changes			(\$15,251)	(\$15,251)
Salary increase			202,668	202,668
Health insurance increase			75,579	75,579
Retirement contribution increase			26,734	26,734
Adds 1 FTE investment analyst position	1.00		309,446	309,446
Adds funding for Microsoft Office 365 license expenses			12,000	12,000
Adds funding for contingencies			30,000	30,000
Total ongoing funding changes	1.00	\$0	\$641,176	\$641,176
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	1.00	\$0	\$641,176	\$641,176
2019-21 Total Funding	20.00	\$0	\$5,981,230	\$5,981,230

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

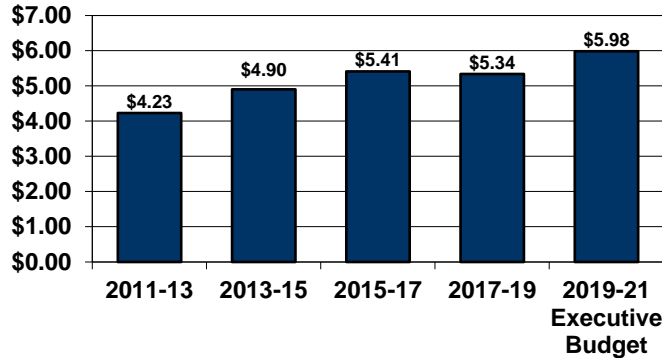
	Executive Budget Recommendation
Contingencies line item transfers	Section 2 would provide, upon approval of the State Investment Board, the Retirement and Investment Office may transfer from the contingencies line item in Section 1 of the bill to all other line items.

Department 190 - Retirement and Investment Office

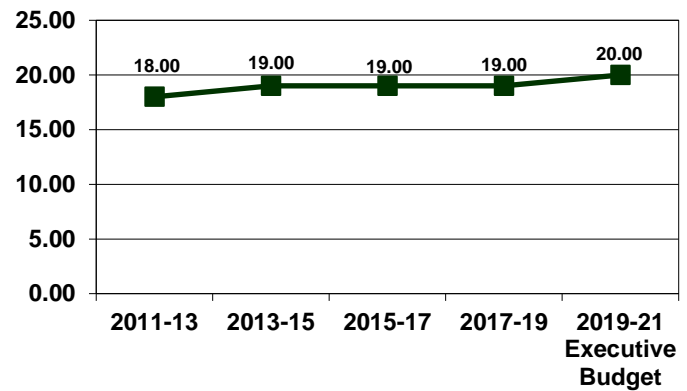
Historical Appropriations Information

Ongoing Total Fund Appropriations Since 2011-13

Agency Funding (in Millions)



FTE Positions



Ongoing Total Funds Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing total fund appropriations	\$4,232,954	\$4,899,369	\$5,413,425	\$5,340,054	\$5,981,230
Increase (decrease) from previous biennium	N/A	\$666,415	\$514,056	(\$73,371)	\$641,176
Percentage increase (decrease) from previous biennium	N/A	15.7%	10.5%	(1.4%)	12.0%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	15.7%	27.9%	26.2%	41.3%

Major Increases (Decreases) in Ongoing Total Fund Appropriations

2013-15 Biennium

- 1. Added funding for 1 FTE investment analyst position, and related operating costs \$283,553

2015-17 Biennium

- 1. No major changes

2017-19 Biennium

- 1. Adjusted funding for operating expenses (\$128,390)
- 2. Reduced contingency funding to \$52,000 (\$30,000)

2019-21 Biennium (Executive Budget Recommendation)

- 1. Adds 1 FTE investment analyst position (\$294,996) and related operating expenses of \$14,450 \$309,446
- 2. Adds funding for Microsoft Office 365 license expenses \$12,000
- 3. Adds funding for contingencies to provide a total of \$82,000 \$30,000

**GOVERNOR'S RECOMMENDATION FOR THE
RETIREMENT AND INVESTMENT OFFICE AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys from special funds derived from income for the purpose of defraying their expenses, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	4,425,570	584,726	5,010,296
Operating Expenses	862,484	26,450	888,934
Contingencies	<u>52,000</u>	<u>30,000</u>	<u>82,000</u>
Total all funds	5,340,054	641,176	5,981,230
Less estimated income	<u>5,340,054</u>	<u>641,176</u>	<u>5,981,230</u>
Total general fund	-	-	-
Full-time equivalent positions	19.00	1.00	20.00

SECTION 2. APPROPRIATION LINE ITEM TRANSFERS. Upon approval of the state investment board, the retirement and investment office may transfer from their contingency line item in section 1 of this Act to all other line items. The agency shall notify the office of management and budget of each transfer made pursuant to this section.