

**Retirement and Investment Office
Budget No. 190
Senate Bill No. 2022**

	FTE Positions	General Fund	Other Funds	Total
2011-13 executive budget (bills as introduced)	18.00	\$0	\$4,232,954	\$4,232,954
2011-13 legislative appropriations	18.00	0	4,232,954	4,232,954
Legislative increase (decrease) to executive budget	0.00	\$0	\$0	\$0
Legislative increase (decrease) to 2009-11 appropriations	1.00	\$0	\$527,304	\$527,304

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Retirement and Investment Office is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

	Major Items			Total
	FTE Positions	General Fund	Other Funds	
The legislative action: The Legislative Assembly did not change the executive budget recommendation for the Retirement and Investment Office.				
Total	<u>0.00</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FTE Changes

The 2011-13 biennium appropriation includes funding for 18 FTE positions, an increase of 1 FTE position from the 2009-11 biennium authorized level of 17 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE deputy chief investment officer position.

Other Sections in Bill

Appropriation line item transfers - Section 3 provides that the Retirement and Investment Office may transfer funds from the contingencies line items in subdivision 1 of Section 1 of the bill to all other line items and provides that the agency notify the Office of Management and Budget (OMB) of each transfer made.

Board member compensation rate increases - Section 4 amends North Dakota Century Code Section 15-39.1-08 relating to the per day compensation rate of the Teachers' Fund for Retirement (TFFR) Board of Trustees to increase the rate from \$62.50 per day to \$148 per day. Section 5 amends Section 21-10-01 relating to the per day compensation rate of State Investment Board members to increase the rate from \$62.50 per day to \$148 per day.

Related Legislation

House Bill No. 1133 includes technical and administrative changes relating to definitions of beneficiary and salary, incorporation of federal law changes, and modification of death and beneficiary provisions under TFFR.

House Bill No. 1134 increases employee and employer contribution requirements by 4 percent phased in over two bienniums. Employee contribution rates change from 7.75 percent to 9.75 percent in July 2012 and to 11.75 percent in July 2014. Employer contribution rates change from 8.75 percent to 10.75 percent in July 2012 and to 12.75 percent in July 2014. Future liabilities are also reduced by changing eligibility for normal unreduced retirement benefits, eligibility for early reduced retirement benefits, eligibility for disability benefits, and retiree reemployment under TFFR.

Senate Bill No. 2302 provides for the creation of a Legacy and Budget Stabilization Fund Advisory Board to develop recommendations for the investment of funds in the legacy fund and the budget stabilization fund to present to the State Investment Board. The Legacy and Budget Stabilization Fund Advisory Board consists of four legislative members, the director of OMB, the president of the Bank of North Dakota, and the Tax Commissioner. The Legislative Council is to provide staff services to the advisory board, and the staff and consultants of the Retirement and Investment Office are to advise the board in developing asset allocation and investment policies.