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## November 15, 2022, Budget and Finance Committee Meeting Minutes

The State Board of Higher Education Budget and Finance Committee met November 15<sup>th</sup>, via Teams/conf.

Chair Mihalick called the meeting to order at 2:30 p.m. CT.

SBHE Budget and Finance Committee members participating:

- Mr. Tim Mihalick, Chair
- Mr. Nick Hacker
- Mr. Jeffry Volk
- Ms. Danita Bye
- Mr. Kevin Black
- Mr. Michael Linnell, non-voting advisor

Other participants:

- Chancellor Hagerott
- Mr. David Krebsbach, NDUS
- Ms. Rebecca Collins, BSC
- Mr. Jerry Rostad, NDUS
- Mr. Steve Benson, MaSU
- Ms. Jane Grinde, NDUS
- Mr. Brent Winiger, MiSU
- Mr. Bruce Bollinger, NDSU
- President Shirley, MiSU
- Ms. Brenda Zastoupil, NDUS

- President Armacost, UND
- Dr. John Miller, DSU
- Ms. Jamie Wilke, NDUS
- President Darling, LRSC
- Ms. Gina Haugen, NDSU
- Dean Carmen Simone, DCB
- Ms. Erica Buchholz, VCSU
- Mr. Mike Pieper, UND
- Ms. Ericka Buchholz, VCSU

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### 3. NDUS Retirement Plan

#### a. Solicitation letter for [Retirement Plan Investment Consultant Services](#)

Attorney John Godsoe reviewed the attached draft documentation that was requested by the committee at their meeting. He explained that it authorizes the firm to send the request for qualification (RFQ) and informal solicitation process to seek investment consultant services for the NDUS retirement plans.

The committee had a thorough discussion regarding the language and the scope of services they are requesting at this time. There were concerns expressed that the language is too broad; and could imply the search includes the record keeper. The committee also discussed the role of the NDUS retirement plan record keeper is a separate component from the NDUS retirement advisor/consultant. The RFP is seeking an advisor/consultant that will conduct the services listed in the attached documentation. Mr. Godsoe explained which NDUS plans are currently serviced by Teachers Insurance and Annuities Association of America ("TIAA") as recordkeeper. The Chancellor of the NDUS serves as Plan Administrator of the plans being reviewed, which are separate from the North Dakota PERS defined benefit plan. The North Dakota PERS defined benefit plan is not included in this request for proposal ("RFP").

- Different roles of a 321 and 338 plan advisor, the proposed RFP seeks advisor who consults but would not have the authority on specific investments within the pools.
- Conflict of interests lists all Board members, including non-voting members, clarified the designations (fiduciary responsibilities).
- Include Human Resource staff for input and support; a recent survey indicates NDUS employees are very satisfied with TIAA services; the committee agrees to proceed with caution on behalf of faculty and staff.
- Search for a record keeper would be a separate RFP/RFP and could occur after the advisor reviews the plans, at the discretion of the SBHE.
- RFP issue to 10-15 service providers.

Black moved, Volk seconded, to recommend approval for Bond, Schoeneck & King to move forward with the RFQ to acquire investment consultant services for NDUS retirement plans and to provide the SBHE Budget and Finance Committee responses for evaluation.

Hacker, Black, Volk, and Mihalick voted yes. Bye voted no.

Motion passed.

Mr. Godsoe stated the timeline would be approximately 30-days to receive responses, and allow time for the review process at the beginning of 2023.

#### b. Informational - [Revenue Credit Balances by plan](#)

Mr. David Krebsbach explained that the committee requested the revenue credit balance and that not all plans have a revenue credit, and some have more than the others. The committee discussed percentages, dollar amounts, and whether each plan would pay for the advisor review independently. Mr. Godsoe stated that in most cases the plan itself is responsible for the charges. Mr. Krebsbach will research how they have been distributed historically and bring it back to the committee to continue discussions. The TIAA representatives agreed that NDUS and the committee will have the time to discuss further. No action required at this time, informational/discussion only.

4. **UND Resolution Auth to Modify University Facilities Bond**

Bye moved, Hacker seconded, to recommend approval for [UND resolutions authorizing modification of the University Facilities Bond](#), Series 2021 tax-

Member Volk inquired on the status of the NDUS budget request that was discussed in June of 2022. Chancellor Hagerott explained the budget cycle process and that the system office and institutions are continuously working through their requests. There are currently several working groups and meetings occurring