

# MEETING MINUTES

## ATTENDEES

<u>Committee</u>		<u>Non-Voting/Advisory</u>
<b>SBHE Board Members</b> Kevin Black Jeffry Volk	Rebecca Collins  <b>HR Representative</b> Mark Genkinger  <b>System Office Representatives</b> Mark Hagerott David Krebsbach Jane Grinde	<b>Legal Representative</b> Meredith Larson John Godsoe  <b>NDUS</b> Kristie Hetzler Bethany Kadrmas  <b>HUB Advisors / TIAA</b> Angie Mirrione, HUB Kirk Welch, HUB Robyn Johnson, HUB Brandi Wentz, HUB Melissa Thorpe, TIAA

ACTION ITEMS	ASSIGNED TO	DEADLINE
Request for Information (RFI)	HUB	
Schedule Next Meeting After RFI Results	HUB, NDUS	
Continue to work through updating Plan Documents	Jon Godsoe	

The Retirement Plan Oversight Committee members were introduced, and their roles were clarified:

- Member Black – Board Member
- Jane Grinde – HR
- Member Furuseth – State College Educator
- Member Tyre – Associate Professor
- Mr. Wakeford – Admissions

# North Dakota State Board of Higher Education Retirement Plan Oversight Committee

March 20, 2024, 11:00 am CT



- Ms. Douthit – Benefits Coordinator
- Mr. Camisa – Continuing Education
- Mr. Godsoe – Employee Benefits Attorney
- Ms. Meredith – System Office Attorney
- Mr. Genkinger – Director of HR
- Mr. Krebsbach – System Office Finance and Budget
- Member Volk – Board Member

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- 99.8% of plan assets are invested in proprietary TIAA investment offerings. This creates additional enterprise revenue to TIAA of just over \$7.35 million (.38%-.084% revenue sharing = .296% (99.8%) x \$2.483 billion).
- The proprietary target date offering through TIAA underperformed their peer group during the fourth quarter of the 2023 fiscal plan year. 3-, 5- and 10-year returns are mostly above peer group averages.
- Roughly 3.8% of plan assets are invested in passively managed indexes.
- 24.5% of the plan assets are invested in TIAA Traditional contracts.
- Current investment offering provides different levels of revenue sharing, making the fees employees pay toward record keeping expenses variable and unfair.
- Managed Account option available to participants that want to utilize it at 0.30% (30 basis points).

## The Committee reviewed HUB's Assessment:

- Outside investment management should be incorporated more into the investment offering.
- An independent review/benchmark of the target date offering is needed.
- An investment policy statement (IPS) is needed to provide a documented framework for making ongoing decisions.
- To as much a degree as possible, levelize and/or eliminate fund level revenue sharing.
- To as much a degree as possible, refund back to individual employees the revenue sharing generated from the investments and assess a fair and equitable record keeping cost to each account.
- The weighted average of 38 basis points is in line with industry averages. This is largely a participant-by-participant decision. Our goal is to provide a well-balanced line-up of both passive and active investment management to allow for maximum risk management and diversification opportunities.

The Committee discussed the possibility of initiating an RFP sooner rather than later and what that process would entail. If the Committee is inclined to take the Plans to Market, this would be the first step before the next meeting. It would also give TIAA the opportunity to present their per-head costs. Kirk Welch described the potential administrative disruption of changing record keeping providers.

## Discussion: 2024 Meeting Schedule

The Committee discussed allocating an hour and a half for the next meeting. Jane Grinde could conduct a survey among Committee members to determine the frequency of the 2024 meeting schedule. It was noted that it may be necessary to meet more often than quarterly until decisions have been made and recommendations formulated for the Budget and Finance Committee (BFC).

Recommendation for either a Request for Proposal (RFP) or Request for Information (RFI) was discussed. However, Member Black, as a member of the BFC, believes that it would be inappropriate to bring the recommendation for an RFP due to more pressing matters at hand currently for that Committee. There was emphasis that just because there is consideration going to market, it doesn't necessarily mean the intention is to make a change. It is part of the Committee's due diligence to ensure that plan costs are appropriate for plan participants on a regular basis.

HUB is prepared to do the work and present it to the Committee at the next meeting. Member Black suggests following HUB's laid-out plan, starting with the RFI. Once HUB obtains the necessary information, they will then contact Ms. Grinde to schedule the next Committee meeting. There were no objections on these next steps from any members.

## Adjourn

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No other questions were asked, and the meeting was adjourned at 11:15 am.