



October 1, 2024

To: Joint Legislative Commission on Governmental Operations  
Joint Legislative Oversight Committee on General Government

From: Dale R. Folwell, CPA  
State Treasurer of North Carolina

Subject: Reports under N.C. Gen. Stat. §§ 147-69.3(i1) and 147-69.3(i2) – Incentive  
Bonus for Chief Investment Officer and Salaries and Bonuses Paid under  
§ 147-69.3(i2)

N.C. Gen. Stat. § 147-69.3 provides the State Treasurer the authority to award the Chief Investment Officer and “employees possessing specialized skills or knowledge necessary for the proper administration of investment programs” performance-based incentive bonuses based upon compensation studies conducted by a nationally recognized firm specializing in public fund investment compensation. N.C. Gen. Stat. § 147-69.3(i2).

Within the past year, reflecting the conclusions from the most recent study conducted by Mercer for the North Carolina Department of State Treasurer (“NCDST”) that multiple employees in the Investment Management Division of NCDST have salaries that are well below the median, NCDST provided modest salary increases to ensure the retention of such key public employees.

In accordance with the requirement of N.C. Gen. Stat. § 147-69.3(i1), this letter serves to inform you that there were no incentive bonuses paid to the Chief Investment Officer(s) for the fiscal year ending June 30, 2024. In general, the compensation plan that has been adopted under N.C. Gen. Stat. § 147-69.3(i2) provides for compensation in the form of salary, not bonuses.

With that said, in accordance with the reporting requirement of § 147-69.3(i2), the table enclosed with this letter provides the salaries and the applicable retention-related increases paid under that provision. Legislative increases provided after June 30, 2023, are also included in the total salary figures.

Any legislative increases or other salary adjustments provided after June 30, 2024, will be reported in the next annual report submitted pursuant to § 147-69.3(i2).

As a final note, subsection (i2) requires reporting “annually” but does not specify a date. We provided the first report under subsection (i2) on February 27, 2015, pursuant to the separate deadline in § 33.2(d) of the Appropriations Act of 2014, and we provided supplemental information to the Fiscal Research Division of the North Carolina General Assembly in December 2015. Going forward, we will continue to submit the § 147-69.3(i2) report on or around the same October 1 date as the § 147-69.3(i1) report until the recipients communicate a preference for another date.

Enclosure: Table with Position Number, Position Title in BEACON System, Salary Adjustment, and Salary for Affected Employees as of June 30, 2024.

| Position - Key | Job                                   | Market Adjustment on 09/01/2023 | Salaried Amount as of 6/30/2024 |
|----------------|---------------------------------------|---------------------------------|---------------------------------|
| 60009065       | Investment Director                   | 4000                            | 269,828.00                      |
| 65022134       | Investment Analyst                    |                                 | 100,000.00                      |
| 65022142       | Portfolio Manager                     | 4000                            | 200,000.00                      |
| 60009054       | Assistant Investment Director         | 4000                            | 257,219.00                      |
| 60009056       | Portfolio Manager                     | 4000                            | 201,600.00                      |
| 60009062       | Portfolio Manager                     | 4000                            | 218,013.00                      |
| 60009066       | Investment Director/Co-CIO            | 4000                            | 350,186.00                      |
| 60009070       | Senior Portfolio Manager              | 4000                            | 230,015.00                      |
| 65022136       | Investment Analyst                    | 4000                            | 112,974.00                      |
| 60009068       | Investment Director                   | 4000                            | 291,363.00                      |
| 60009071       | Senior Portfolio Manager              | 4000                            | 202,556.00                      |
| 60090005       | Investment Analyst                    | 4000                            | 97,600.00                       |
| 65006300       | DST Investment Attorney               |                                 | 98,000.00                       |
| 65012555       | Assistant Investment Director         | 4000                            | 234,778.00                      |
| 60009067       | Investment Director                   | 4000                            | 256,406.00                      |
| 65006074       | Investment Analyst                    |                                 | 87,500.00                       |
| 65006636       | Portfolio Manager                     | 4000                            | 179,068.00                      |
| 65012554       | Investment Director/Co-CIO            | 4000                            | 308,133.00                      |
| 65022138       | Operations/Compliance Analyst         | 4000                            | 101,760.00                      |
| 65012552       | Investment Director                   | 4000                            | 273,736.00                      |
| 65022140       | Portfolio Manager                     | 4000                            | 179,000.00                      |
| 60090004       | Operations/Compliance Analyst         | 4000                            | 96,560.00                       |
| 65006073       | Operations/Compliance Analyst         | 4000                            | 89,587.00                       |
| 65022137       | IMD Operations Manager                | 4000                            | 165,771.00                      |
| 65023571       | Portfolio Manager                     | 4000                            | 139,920.00                      |
| 65023571       | Portfolio Manager                     |                                 | 19,080.00                       |
| 60009021       | DST Investment General Counsel        |                                 | 167,682.00                      |
| 60009059       | DST Investment Deputy General Counsel |                                 | 155,000.00                      |
| 60009285       | DST Investment Accountant             |                                 | 74,880.00                       |
| 60009294       | DST Accounting Supervisor             |                                 | 100,021.00                      |
| 60009300       | DST Investment Accountant             |                                 | 84,240.00                       |
| 60009308       | DST Investment Accountant             |                                 | 78,000.00                       |
| 60088630       | DST Investment Accounting Manager     |                                 | 117,000.00                      |
|                |                                       | 88,000                          | <b>5,537,476.00</b>             |