

Minutes of the Board of Trustees

April 10, 2025

The Board of Trustees of the Teacher Retirement System of Texas met on Thursday, April 10, 2025, in the boardroom located on the Fifth Floor in the East Building of TRS' offices located at 1000 Red River Street, Austin, Texas, 78701.

The following Board members were present:

Robert H. Walls, Jr., Chair
Michael Ball
Brittney Allred
David Corpus
John Elliott
Laronda Graf
James D. Nance
John R. Rutherford
Elvis Williams

Others present:

Brian Guthrie, TRS	Nanette Sissney, Former TRS Vice-Chair
Caasi Lamb, TRS	Melinda Nink, TRS Retiree
Heather Traeger, TRS	Jim Callahan, Callan
Jase Auby, TRS	Alex Ford, Callan
Don Green, TRS	Collin Bebee, Meketa
Barbie Pearson, TRS	Mika Malone, Meketa
Katrina Daniel, TRS	Victoria RedPern, Express Scripts
Amanda Jenami, TRS	Peter Jansen, CBRE
Shunne Powell, TRS	Maggie Norman, CBRE
Michelle Gray, TRS	Damian Esquibel, UHC
LaTresa Stroud, TRS	Steve Alexander, BCBS TX
Steve Wilson, TRS	Karen Haywood, BCBS TX
Aundre Petty, TRS	
Katherine Farrell, TRS	
Kyle Wynne, TRS	
Suzanne Dugan, Cohen Milstein	
Dr. Keith Brown, Board Investment Advisor	
Michael Comstock, Aon	
Ashley Woeste, Aon	

Mr. Walls called the meeting to order at 8:03 a.m.

1. Call roll of Board members.

Ms. Farrell called the roll. A quorum was present.

2. Consider the following administrative matters – Robert H. Walls, Jr.:
a. Approval of the February 2025 proposed meeting minutes; and

On a motion by Mr. Nance, seconded by Mr. Corpus, the Board unanimously voted to approve the February 2025 proposed meeting minutes as presented.

- b. Consenting to the Chair’s appointment of committee members and receive the Chair’s announcement of committee chairs;**
- c. Setting and rescheduling or canceling future Board meetings, including adding a June 3, 2025 meeting.**

On a motion by Mr. Ball, seconded by Mr. Williams, the Board voted to approve the Trustee Walls absence from the December 8th meeting.

3. Resolution recognizing the service of Nanette Sissney – Robert H. Walls, Jr.

Mr. Walls read the following resolution:

Resolution

Whereas, Nanette Sissney was appointed to the TRS Board of Trustees of the Teacher Retirement System of Texas (TRS) by Gov. Greg Abbott in November 2017 as the inaugural at-large representative. With over 30 years of service in public education, she was unanimously elected as vice chair by the board in December 2019, making her the longest-serving vice chair in the 21st century. She was originally appointed by Gov. Rick Perry in 2009, serving in the active member position; and

Whereas, she provided leadership during a time when the retirement system grew from approximately 1.5 to more than 2 million members and annuitants and the net position of the fund increased from 147.4 to 210.5 billion; and

Whereas, Nanette chaired the TRS Benefits and Budget Committees while also serving on the Policy, Investment Management and Audit, Compliance and Ethics Committees. Ms. Sissney also represented TRS as chairman of the National Council on Teacher Retirement’s Resolutions Committee and served on the Legislative and Education Committees; and

Whereas, she proudly served her term when TRS went live with Phase 1 of the TEAM program in October 2017, and used her experience to put the program on a successful path to (eventual) completion; launched the new MyTRS member self-service portal and the New Email Subscription Service, Subscribe!; completed an updated Pension Benefit Design Study; received the “Triple Crown Award” for the Certificate of Achievement for

Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award from the Government Finance Officers Association for the Annual Comprehensive Financial Report; and annually hosted the Emerging Managers Conference; and

Whereas, Nanette helped guide the agency as the nation grappled with the impact of COVID-19, assuring members that TRS would continue providing pension and health care benefits and services to members; work diligently on core business activities; and ensure that the trust fund would be managed prudently; and

Whereas, Nanette supported the transition from the State Classification Plan to a new TRS-specific classification structure to provide an efficient and flexible framework to effectively recruit and retain staff; and

Whereas, she was an essential member in the due diligence performed determining that after almost 50 years at the Red River headquarters, it was time for TRS to purchase a new headquarters outside of downtown Austin. This historic action by the board of trustees in 2021 resulted in the purchase of a two-building campus in the Mueller development that will house the entire agency, and serve TRS' growing membership for generations; and

Whereas, Nanette also oversaw the agency with an eye always focused on her fiduciary responsibility as TRS developed an outreach plan to assist members and employers with effective retirement planning; she was instrumental in the success of the Customer Service Improvement Initiative raising telephone counseling center's service levels from 15% when she joined the board, to 95% at the end of her service; created an ombuds position; made comprehensive changes to employment after retirement; and opened TRS' first regional office in El Paso; and

whereas, under her leadership, the board directed staff to issue legislatively approved supplemental payments to retirees in 2019 and 2021. In 2023, she attended the signing of Senate Bill 10 on June 13, 2023 by Gov. Abbott, which authorized additional supplements and a cost-of-living adjustment to retirees; and

Whereas, Nanette devoted much time and energy to overseeing TRS' budget process; putting Whitesboro on the TRS map, making it a destination that everyone in finance, particularly the CFO became familiar with; and

Whereas, she made phone calls regularly to staff, checking in on all aspects of agency operations, family well-being, and pets, with many chiefs, the deputy and, of course, the Executive Director – to the point she knew all of his kids' names and their life journey....and they knew Nanette's number, always asking after her once he got off the phone; and

Whereas, Nanette will be fondly remembered as a friend, counselor, second grandmother or special aunt to most of the Executive Committee and their children;

Now, therefore, be it resolved, that the board of trustees and staff of the Teacher

Retirement System of Texas recognize the accomplishments and contributions of Nanette Sissney and express appreciation on behalf of TRS members both present and future, and

Be it further resolved, that a copy of this resolution be presented to Nanette Sissney and entered into the record of the board for April 10, 2025.

On a motion by Mr. Corpus, seconded by Mr. Elliott, the Board unanimously voted to approve the resolution. Ms. Sissney expressed appreciation for the staff in particular those that put the board meetings together. She noted the board had met in this room for around 35 years and that Melinda Nink was there for that first meeting and she was there today for the last meeting. She said this Board exists to serve members and during her tenure she had tried to keep the mission as the basis for every decision she made.

4. **Review and Discuss the Executive Director’s report on the following matters – Brian Guthrie:**
 - A. **Administrative operational matters, including updates on financial, audit, legal, staff services, special projects, strategic planning, legislative, personnel matters, notification of contract renewals and trustee elections.**
 - B. **Board operational matters, including a review of draft agendas for upcoming meetings.**
 - C. **Event notices or reminders; holiday and other schedules of interest; board member, employee or other individual recognitions; and expressions of thanks, congratulations, or condolences.**

Mr. Brian Guthrie reviewed upcoming and past conferences and meetings. He provided a legislative update noting the requested \$450 million in supplemental funding for TRS-ActiveCare continued to be included in the Appropriations bill. He reviewed the actuarial valuation as of February 28, 2025. He said this is the valuation that will be used for the remainder of the session despite the volatility the market experienced for the month of March. He said the funding period remained at 28 years.

Mr. Guthrie reported on the Trustee Elections with voting to conclude next month. He reviewed upcoming contract renewals. He concluded by reviewing the upcoming board meeting agendas. Ms. Shunne Powell reviewed the process and timing of the upcoming evaluation of the Board’s direct reports. Ms. Michelle Gray provided an overview of agency staffing and turnover. She also provided further information on the Fellowship program at TRS in response to trustee questions.

5. **Consider proposed amendments to the TRS Board of Trustees Bylaws – Heather Traeger and Katherine Farrell.**

Ms. Heather Traeger stated the next full review of the bylaws is to be in September of 2026 but due to the transition of the Board, as well as the concept of the efficiency initiatives staff had identified opportunities related to the bylaws. She reported staff researched how peers are operating and discussed with fiduciary counsel as well as considered corporate and non-corporate board structures. Ms. Farrell provided a high level review of the proposed amendments to the bylaws regarding the committee structure including the renaming of the Policy Committee to the Governance Committee and eliminating the Strategic Planning and Compensation Committees moving the majority of committees activities to the Governance Committee.

On a motion by Mr. Nance, seconded by Mr. Ball, the Board unanimously voted to approve the proposed amendments to the bylaws, as presented by staff.

Mr. Walls, without objection, called agenda item 2B.

2B. Consenting to the Chair’s appointment of committee members and receive the Chair’s announcement of committee chairs – Robert H. Walls, Jr.

Mr. Walls presented the following committee chairs and assignments. He noted with the reduction of committees, new trustees will likely forego chairing a committee.

Committee	Chair, Members
Audit, Compliance and Ethics Committee	Brittney Allred; Michael Ball, Laronda Graf, John R. Rutherford, Elvis Williams
Benefits Committee	Elvis Williams; Brittney Allred, Michael Ball, Dick Nance, John R. Rutherford
Budget Committee	John R. Rutherford; David Corpus, Laronda Graf, Dick Nance, Robert H. Walls, Jr.
Investment Management Committee	David Corpus; Michael Ball, John Elliott, Robert H. Walls, Jr., Elvis Williams
Governance Committee	John Elliott; Brittney Allred, Laronda Graf, Dick Nance, Robert H. Walls, Jr.

On a motion by Mr. Ball, seconded by Mr. Elliott, the Board unanimously voted to approve the new committee members and chairs.

- 6. Receive the Deputy Director’s update including consider the acceptance of the Procurement and Contracting report; and consider extending, renewing or terminating contracts for the following services including considering a finding that deliberating or conferring in open meeting would have a detrimental effect on the position of the retirement system in negotiations with a third person:**

- A. **Executive Coaching**
- B. **Executive Assessment**
- C. **Pension Fund Actuarial Consultant**
- D. **Compensation Consultant**
- E. **Healthcare Actuarial Consultants**
- F. **TEAM Independent Program Assessment Vendor.**

Ms. Caasi Lamb provided an update on the move from Red River Headquarters. She reported the move is on schedule and within budget. She next reviewed how TRS offered telework to employees prior to the pandemic, then required it during the pandemic. She said the return to work after pandemic has been decided largely by managers ensuring the highest level of service continued to be provided for members. She reported TRS continues to maintain hybrid work schedules except for leadership and certain positions that together comprise of a third of TRS workforce who have returned to five days a week. She provided a TEAM update stating all work streams are on-schedule. She reviewed the efficiency initiative and how it is being implemented including how it will relate to developing a more precise budget for the next fiscal year.

Ms. Lamb noted state leaders had requested state agencies to review their respective operations including spending on travel, subscriptions and contracts with external vendors. She provided a high overview of Board-approved contracts and requested further discussion of the six listed services in executive session. She concluded the public presentation by presenting the quarterly contract report for the Board to accept.

On a motion by Mr. Elliott, seconded by Mr. Ball, the Board voted to accept the procurement report as presented by staff.

- 7. **Receive an update and consider lease for a second regional office in the Rio Grande Valley area, including considering a finding that deliberating or conferring in open meeting would have a detrimental effect on the position of the retirement system in negotiations with a third person – Barbie Pearson and Shannon Gosewehr.**

Ms. Barbie Pearson provided a high-level overview of the process of identifying TRS' next regional office. She reported that five sites were visited in the Rio Grande Valley and that CBRE was collecting information from the landlords of the top sites.

- 8. **Consider the role, performance, engagement and selection or renewal of the Board Investment Advisors and Consultants role, including considering a finding that to deliberate or confer in open meeting would have a detrimental effect on the position of the retirement system in the negotiations with a third person – Steve Wilson, LaTresa Stroud and Aundre Petty.**

Ms. LaTresa Stroud provided an overview of the Board advisor role and the solicitation timeline and process.

Mr. Jim Callahan and Mr. Alex Ford presented for Callan Holding reviewing the background, experience and expertise of the firm.

Mr. Colin Bebee and Ms. Mika Malone presented for Meketa reviewing the background, experience and expertise of the firm.

Ms. Katherine Farrell provided a brief history and background on the investment advisor position held by Dr. Keith Brown since 2002. Additionally, she reviewed the scope of work that Dr. Brown provides the Board. She concluded by noting the contract is set to expire this August and staff is seeking a recommendation on how to proceed.

9. Consider renewal of the Fiduciary Counsel contract including considering a finding that deliberating or conferring in open meeting would have a detrimental effect on the position of the retirement system in negotiations with a third person – Heather Traeger.

Ms. Heather Traeger reported the fiduciary counsel's contract was up for renewal. She noted by law all outside counsel contracts are limited to two years. She said there was a renewal option available for the fiduciary counsel contract.

17. Review the report of the General Counsel on pending and contemplated litigation, including updates on litigation involving benefit-program contributions, retirement benefits, health-benefit programs, investment matters and open records and on legal or regulatory matters involving certain TRS vendors, investment managers, or other counterparties – Heather Traeger and J.R. Morgan.

Mr. Walls announced taking up agenda items 6, 7, 8, 9 and 17 in executive session.

On a motion by Mr. Ball, seconded by Mr. Elliott, the Board unanimously voted to find that deliberating or conferring on agenda items 6, 7, 8, and 9 would have a detrimental effect on the position of the Retirement System in negotiations with a third person.

At 12:09 p.m., Mr. Walls said the Board would go into executive session under the following agenda items and sections of the Government Code: item 6 under Sections 825.115(e) and 551.071, to consider extending, renewing or terminating the contracts specified in the agenda and to consult with legal counsel as needed; item 7 under Sections 825.115(e) and 551.071, to discuss a lease for a second regional office in the Rio Grande Valley area and to consult with legal counsel as needed; item 8 under 825.115(e) and 551.071, to discuss the role, performance, engagement, selection or renewal of the Board's investment advisors and consultants role and to consult with legal counsel

as needed; item 9 under Sections 825.115(e) and 551.071, to discuss renewal of the fiduciary counsel contract and to consult with legal counsel as needed; and item 17 under Section 551.071, to consult with legal counsel as needed.

At 3:47 p.m., Mr. Walls reconvened the meeting in public.

On a motion by Mr. Ball, seconded by Mr. Corpus, the Board unanimously voted to terminate the Board's executive coaching contract with Coleman & Associates and the TEAM independent program assessment contract with Ernst & Young.

On a motion by Mr. Ball, seconded by Mr. Elliott, the Board unanimously voted to adopt the following resolution selecting Meketa as the Board investment advisor and Callan as the alternative:

Resolution of Board of Trustees Relating to the Selection of a Board Advisor

WHEREAS, Texas Government Code §825.101 provides that the Teacher Retirement System ("TRS") Board of Trustees ("Board") is responsible for the general administration and operation of the retirement system, and §825.103(d) provides that the Board has exclusive authority over the purchase of goods and services using trust funds including, without limitation, professional services;

WHEREAS, the TRS Bylaws, subsection 1.7(n), state that the Board will select consultants and advisors to the Board, including investment consultants or advisors, to provide such expert advice and assistance to the Board as the Board deems necessary to exercise its investment and trust administration responsibilities;

WHEREAS, the TRS Bylaws, subsection 4.1.2(f), state that the Executive Director shall recommend to the Board the selection of the investment consultant or advisor to the Board;

WHEREAS, the TRS Board Procurement Policy states that the Board will consider and authorize contracts with one or more investment advisors pursuant to Section 1.3(a) of the Investment Policy Statement;

WHEREAS, On November 7, 2024, TRS issued a Request for Proposal (RFP) to solicit qualified respondents to provide investment advisory services;

WHEREAS, On April 10, 2025, the two top respondents presented to the Board; Now, therefore be it;

RESOLVED, That the Board considered the evaluation and recommendations made by TRS Staff related to the candidates for selection and finds that Meketa represents the best overall value for TRS based on qualifications, experience, proposed contract terms and conditions, proposed fees, and other relevant factors.

RESOLVED, That the Board hereby selects Meketa to serve as the Board Advisor for an initial term not to exceed five (5) years with the option for two one-year renewals; and

RESOLVED, That the Board hereby authorizes the Executive Director or his designee to negotiate, as soon as practicable, with the assistance of legal counsel, a contract with Meketa to provide investment advisory services; if negotiations are deemed in his or her discretion to be successful, then the Executive Director or his designee is hereby authorized to execute a contract on such terms and conditions as such officer may deem, in his or her discretion, to be in the best interest of TRS, and further to execute and deliver all such other documents, including the renewals set forth above and any amendments or extensions to the contract, that such officer may deem to be in the best interest of TRS and reasonably necessary or appropriate to effectuate this resolution, as conclusively evidenced by the taking of the action or the execution and delivery of the documents, and to incur, approve and pay any budgeted expenses or costs reasonably necessary or advisable with respect to such contract, renewals, extensions, or amendments.

RESOLVED, That the Board hereby authorizes the Executive Director or his designees to expend funds and to take all actions deemed by him or a designee to be necessary or advisable to implement this resolution and will report to the Board on any actions taken in furtherance of this resolution, including any renewals or amendments, at the next Board meeting. And,

RESOLVED, That nothing in this resolution may be construed as a contract, an offer to contract with a power of acceptance that would form a contract, or an acceptance of an offer to contract, and TRS is not and will not be legally bound to any agreement unless and until the Executive Director has executed and delivered definitive agreements relating to the subject matter, as applicable. in his or her discretion, to be in the best interest of TRS, and further to execute and deliver all such other documents, including the renewals set forth above and any amendments or extensions to the contract, that such officer may deem to be in the best interest of TRS and reasonably necessary or appropriate to effectuate this resolution, as conclusively evidenced by the taking of the action or the execution and delivery of the documents, and to incur, approve and pay any budgeted expenses or costs reasonably necessary or advisable with respect to such contract, renewals, extensions, or amendments.

RESOLVED, That if for any reason, the Executive Director concludes in his sole judgment that TRS is not reasonably likely to successfully negotiate a contract with Meketa, then the Board hereby selects Callan to provide investment advisory services; if negotiations are deemed in his or her discretion to be successful, then the Executive Director or his designee is hereby authorized to execute a contract on such terms and conditions as such officer may deem,

On a motion by Mr. Nance, seconded by Mr. Elliott, the Board unanimously voted to adopt the following resolution renewing the fiduciary counsel's contract:

RESOLUTION SELECTING FIDUCIARY COUNSEL

Resolved, That the Board of Trustees (board) of the Teacher Retirement System of Texas (TRS) hereby selects the law firm of Cohen, Milstein, Sellers and Toll PLLC to serve as fiduciary counsel;

Resolved, That the board authorizes the Executive Director to negotiate an outside counsel contract with fiduciary counsel for a two-year term beginning on September 1, 2025, and terminating on August 31, 2027, and to obtain approval from the Office of the Attorney General for the engagement of such outside counsel; and

Resolved, That, if negotiations are deemed by the Executive Director in his discretion to be successful, then the Executive Director is hereby authorized to execute such contract, including future amendments, with fiduciary counsel on such terms and conditions as the Executive Director may deem in his discretion to be in the best interest of TRS, and further to execute and deliver all such other documents that the Executive Director may deem necessary or appropriate to effect this resolution and to incur, approve, and pay any budgeted expenses or costs associated with such contract and deemed in the discretion of the Executive Director, or his designee, to be reasonably necessary or advisable with respect to such contract.

At 3:49 p.m., Mr. Walls announced the Board would recess to take up the scheduled committee meetings.

April 11, 2025

The Board of Trustees of the Teacher Retirement System of Texas met on April 11, 2025 in the boardroom located on the Fifth Floor in the East Building of TRS' offices located at 1000 Red River Street, Austin, Texas, 78701.

The following Board members were present:

Robert H. Walls, Jr., Chair
Brittney Allred
Michael Ball
John Elliott
Laronda Graf
James D. Nance
John R. Rutherford
Elvis Williams

Others present:

Brian Guthrie, TRS	Phyllis Ruffin, Texas AFT Retiree Plus
Caasi Lamb, TRS	Rita Runnels, Texas AFT Retiree Plus
Don Green, TRS	Silver Davis, Texas AFT Retiree Plus
Heather Traeger, TRS	
Jase Auby, TRS	
Barbie Pearson, TRS	
Katrina Daniel, TRS	
Amanda Jenami, TRS	
Katherine Farrell, TRS	
Suzanne Dugan, Cohen Milstein	
Dr. Keith Brown, Board Investment Advisor	

At 9:00 am the Chair reconvened the Board meeting, Mr. Corpus was absent.

10. Provide an opportunity for public comment – Robert H. Walls, Jr.

Ms. Phyllis Ruffin, Texas AFT Retiree Plus member, expressed concern that the State of Texas, which has the world's eighth largest economy refuses to give an automatic cost of living adjustment for retirees. She also expressed concern about the impact of proposed voucher legislation on the pension system.

At 9:08 a.m., Mr. Walls recessed the meeting to take up committee meetings.

At 11:00 a.m., Mr. Walls reconvened the Board meeting.

11. Receive the report of the Benefits Committee on its April 10, 2025 meeting and consider the following:

- A. Acceptance of the Medical Board Meeting minutes of November 2024 and January 2025 meetings;**
- B. Approval of the Benefit Payments for December 2024 – February 2025;**

Mr. Williams, Committee Chair, provided the following report of the Benefits Committee:

The Benefits Committee met on April 10, 2025. The Committee approved the proposed minutes of the Benefits Committee for the December 5, 2024 meeting.

Barbie Pearson, Chief Benefits Officer, provided an update on the Medical Board. The Committee recommends to the Board the acceptance of the Medical Board Meeting minutes for the November 2024 and January 2025. Ms. Pearson provided an update on Benefit payments for the second quarter of fiscal year 2025. The Committee recommends to the Board the approval of benefit payments for December 2024 through February of 2025. The committee received a Pension Services update from Ms. Pearson for the first two quarters of fiscal year 2025. Ms. Bridgeman, senior director of benefit processing, provided an overview of the service credit purchase team and processes, including a number of service credit cost statements calculated and actually paid for the top four service types for fiscal year 2025 and through February of fiscal year 2025.

Ms. Katrina Daniel, chief health care officer, introduced two new deputy chief roles for the Health Division: Ms. Yimei Zhao, chief of finance; Mr. Chris Herrick, the chief deputy for operations. Next, Ms. Daniel provided an update on the TRS-Care plan, dental and vision plan enrollment and TRS-ActiveCare. Finally, Ms. Melanie Ingleby, the chief actuary for the Health Division, provided an overview of the work of the health actuarial team.

Mr. Williams concluded his report with the following motions:

On a motion by Mr. Williams, the Board voted to accept the Medical Board meeting minutes for November 2024 and January 2025, as recommended by the Benefits Committee.

On a motion by Mr. Williams, the Board voted to approve the benefits payments for December 2024 through February of 2025, as recommended by the Benefits Committee.

12. Receive the report of the Investment Management Committee on its April 10, 2025 meeting – Committee Chair.

Mr. Ball, Acting-Committee Chair, provided the following report of the Investment Management Committee:

The Investment Management Committee met on April 10, 2025. The Committee approved the proposed minutes for its December 2024 meeting. Jase Auby began with the CIO update.

Next the fourth quarter 2024 performance review was presented by Mike Comstock and Ashley Woeste of Aon. James Nield and Stephen Kim followed with the semi-annual risk report. Concluding the Investment Management Committee, a review of public markets was then provided by Dale West, Lulu Llano, Kyle Wynne, and Ashley Baum.

13. **Receive the report of the Governance Committee on its April 10, 2025 meeting and consider the following – Committee Chair:**
 - A. Adopting the proposed amendments to the Resolution Authorizing the Executive Director to Designate Persons Authorized to Approve and Sign Vouchers; and**
 - B. Adopting proposed changes to the Fiscal Year 2025 – 29 Strategic Plan Goals, Objectives and Strategies.**

Mr. Elliott, Committee Chair, provided the following report of the Governance Committee:

The Governance Committee met on April 10, 2025. The committee approved the proposed minutes of the December 2024 Policy Committee, the September 2024 Strategic Planning Committee, and the September 2024 Compensation Committee meetings.

The committee recommended to the Board adoption of proposed amendments to the resolution authorizing the executive director to designate persons authorized to approve and sign vouchers. The committee recommended to the Board adoption of the proposed changes to the fiscal year 2025-2029 Strategic Plan goals, objectives and strategies.

The committee authorized for publication in the Texas Register notice of the proposed amendments to TRS Rule 25.131 in Subchapter J, Chapter 25, Title 34, Part 3 of the Texas Administrative Code, related to required service. The committee authorized for publication in the Texas Register notice of the proposed amendments to TRS Rule 41.12 in Chapter 41 of Title 34, Part 3 of the Texas Administrative Code, related to eligibility for alternative plan for Medicare eligible participants.

Mr. Elliott concluded his report with the following motion:

On a motion by Mr. Elliott, the Board voted to adopt the proposed amendments to the resolution authorizing the executive director to designate persons authorized to approve and sign vouchers, as recommended by the Governance Committee.

On a motion by Mr. Elliott, the Board voted to adopt the proposed changes to the fiscal year 2025 - 2029 strategic plan goals, objectives and strategies, as recommended by the Governance Committee.

14. Receive the report of the Budget Committee on its April 11, 2025 – Committee Chair.

Mr. Nance, Committee Acting-Chair, provided the following report of the Budget Committee:

The Budget Committee met Friday, April 11. The first item of business was approval of the minutes of the December 2024 Budget Committee meeting.

Mr. Green presented a high-level overview of the year 2025 midyear budget, as well as a FTE status report. He addressed the spending activity for the first six months of the fiscal year and the projected FTE cap variance.

Mr. Green presented a high-level overview of the 2026 administrative operating budget. He discussed the major budget impacts from legislative recommendations for 2026. Mr. Green discussed how staff will continue efforts to identify efficiencies in the budget proceeds and intends to recommend the budget within appropriated levels and FTEs limitations.

15. Receive the report of the Audit, Compliance, and Ethics Committee on its April 11, 2025 meeting and consider adopting proposed revisions to the Fiscal Year 2025 Audit Plan – Committee Chair:

Ms. Allred, Committee Chair, provided the following report of the Audit, Compliance, and Ethics Committee:

The Audit, Compliance, and Ethics Committee met earlier this morning. The Committee approved the minutes of its December 5, 2024 meeting. The committee considered the chief audit executive's recommended revisions to the fiscal year 2025 Audit Plan. Internal Audit staff presented audit reports on energy, natural resources and infrastructure portfolio operations and Information Security

Office's contract oversight. The committee also received an update on the status of prior audit recommendations, as well as some administrative reports.

The committee then went into executive session to discuss the results of the audit of access control management. The committee reconvened in open session to receive routine compliance and enterprise risk reports from general counsel and the chief compliance officer and staff.

Ms. Allred concluded her report with the following motion:

On a motion by Ms. Allred, the Board voted to adopt the proposed revision to the fiscal year 2025 audit plan, as recommended by the Audit, Compliance, and Ethics Committee.

16. Receive Quarterly TRS Data Governance and Information Security Update - Frank Williams.

This item was not taken up for discussion.

Mr. Walls announced taking up Agenda Item 8 without objection.

8. Consider the role, performance, engagement and selection or renewal of the Board Investment Advisors and Consultants role, including considering a finding that to deliberate or confer in open meeting would have a detrimental effect on the position of the retirement system in the negotiations with a third person – Steve Wilson, LaTresa Stroud and Aundre Petty.

On a motion by Mr. Ball, seconded by Mr. Elliott, the Board voted to find that deliberating or conferring on item 8 would have a detrimental effect on the position of the Retirement System in negotiations with a third person.

At 11:11 a.m., Mr. Walls announced the Board would go into executive session under the following agenda item and sections of the Government Code: item 8 under Sections 825.115(e) and 551.071, to discuss the role, performance, engagement and selection and renewal of the Board investment advisors and consultants role and to consult with legal counsel as needed.

At 11:43 a.m., Mr. Walls reconvened the open meeting and announced taking up Agenda Item 4 without objection.

4. Review and Discuss the Executive Director's report on the following matters – Brian Guthrie:

- D. Administrative operational matters, including updates on financial, audit, legal, staff services, special projects, strategic planning, legislative, personnel matters, notification of contract renewals and trustee elections.**
- E. Board operational matters, including a review of draft agendas for upcoming meetings.**
- F. Event notices or reminders; holiday and other schedules of interest; board member, employee or other individual recognitions; and expressions of thanks, congratulations, or condolences.**

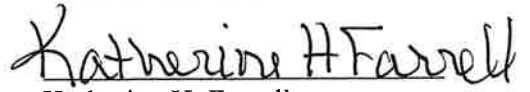
Mr. Guthrie stated he had two final items to close the Board meeting out with. Mr. Guthrie noted barring any unforeseen issues, this would be Mr. Nance's last meeting. He thanked Mr. Nance for his outstanding service as a trustee since December 2017 and seeing out his term to the very end.

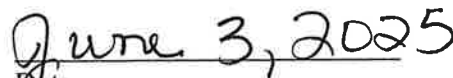
Mr. Guthrie also noted this was the last meeting in the Red River location. He said the buildings had served us well over the last 50 years, there are a lot of memories and history here. He then shared a short video capturing the activities over the last half century. He concluded by thanking everyone in the room and all employees for their service to members. Mr. Walls, echoing Mr. Guthrie's comments, said he would like to thank staff and Mr. Guthrie personally for his steady hand.

At 11:50 a.m., Mr. Walls announced with no more scheduled business before the Board he adjourned the last meeting at Red River Headquarters.

APPROVED BY THE BOARD OF TRUSTEES OF THE TEACHER RETIREMENT SYSTEM OF TEXAS ON THE ^{3rd} DAY OF JULY 2025.

ATTESTED BY:


Katherine H. Farrell
Secretary to the TRS Board of Trustees


Date