

Minutes of the Board of Trustees

July 17, 2025

The Board of Trustees of the Teacher Retirement System of Texas met on Thursday, July 17, 2025, in the boardroom located on the Second Floor of TRS' offices located at 4655 Mueller Blvd, Austin, Texas, 78723.

The following Board members were present:

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

Others present:

Brian Guthrie, TRS	Dick Nance, Former TRS Trustee
Caasi Lamb, TRS	Beverly Nance, TRS Retiree
Heather Traeger, TRS	Mike Comstock, Aon
Jase Auby, TRS	Ashley Woeste, Aon
Don Green, TRS	Ryan Falls, Milliman
Barbie Pearson, TRS	Matt Larrabee, Milliman
Katrina Daniel, TRS	Cathleen Davis, AZ PSPRS
Amanda Jenami, TRS	Tammarka McCall, UHC
Merita Zoga, TRS	Damian Esquivel, UHC
Lori LaBrie, TRS	Joe Newton, GRS
Katherine Farrell, TRS	Danny White, GRS
Suzanne Dugan, Cohen Milstein	Kush Modashia, Express Scripts
Dr. Keith Brown, Board Investment Advisor	
	Brock Gregg, TRTA
	Peter Jensen, CBRE
	Carolos Telles, CBRE
	Renee Paulson, Elite Research
	Jodi Woodside, Elite Research
	Mary Widmier, RAC
	Joanna Coccaro, HMS
	Michelle Rodriguez, HMS
	Adam Morris, HMS
	Kirsten Schatten, Segal

1. Call roll of Board members.

Ms. Farrell called the roll. A quorum was present, Mr. Corpus was absent.

2. Consider administrative matters including the following – Robert H. Walls, Jr.: **A. Approval of the June 2025 proposed meeting minutes; and**

On a motion by Mr. Elliott, seconded by Mr. Williams, the Board unanimously voted to approve the June 2025 proposed meeting minutes as presented.

B. Excusing Board Member Absences from June 2025 meeting; and

On a motion by Mr. Williams, seconded by Mr. Rutherford, the Board unanimously voted to excuse the absences of Mr. Corpus and Ms. Graf from the June 2025 meeting

3. Resolution recognizing the service of James Dick Nance – Robert H. Walls, Jr.

Mr. Walls read the following resolution:

Resolution

Whereas, James “Dick” Nance was appointed to the TRS Board of Trustees by Gov. Greg Abbott in November 2017 as the retiree representative with 35 years of service in public education; and

Whereas, he 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 a peak of \$210.5 billion; and

Whereas, Dick chaired the Compensation Committee and also served as a member of the Audit, Benefits, Budget, Governance, Policy, Risk, and Strategic Planning committees. He represented TRS as a member of the National Council on Teacher Retirement’s Resolution Committee; and

Whereas, he proudly served when TRS continued progress on the TRS Enterprise Application Modernization (TEAM) Program; implemented the Digital Business Transformation (DBT) program; launched the new MyTRS member self-service portal and the New Email Subscription Service, Subscribe!; completed the largest health care procurement in TRS history, saving the system hundreds of millions of dollars over several years; completed an updated Pension Benefit Design Study; annually received the “Certificate of Achievement for Excellence in Financial Reporting” from the Government Finance Officers Association for the Annual Comprehensive Financial Report; and

Whereas, Dick also oversaw the agency as TRS developed an outreach plan to assist members and employers with effectively planning for retirement; launched a new monthly digital newsletter, called Fresh Picks - a quick-read containing information highlights relevant to members; created an ombuds position; made comprehensive changes to Employment After Retirement (EAR); implemented new dental and vision benefits; and

Whereas, he played an integral part of the opening in 2022 of TRS' first regional office in El Paso, Texas, in an ongoing effort to engage directly with TRS members and providing services closer to where members are located; and

Whereas, Dick guided 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 was managed prudently; and

Whereas, he 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, the board of trustees in 2023 selected a compensation consultant and charged Dick as the compensation chair, to ensure the consultant was fully prepared and informed to provide the compensation committee and board with competitive market assessment of TRS' compensation plans; and

Whereas, Dick 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, under his leadership, the board directed staff to issue legislatively approved supplemental payments to retirees in 2019 and 2021. In 2023, additional authorized supplements and a cost-of-living adjustment were made to retirees; and
Whereas, before the end of his term, TRS reached several milestone numbers: 500K+ annuity payments issued per month; \$1B+ in monthly annuity payments; \$15B+ in annuities paid in a year; and \$15M in medical claims paid per day; and

Whereas, during his time coaching, Dick developed and led many teams to victory. During Coach Nance's tenure as a TRS Trustee, he was the embodiment of teamwork. He went out of his way to ensure the board maintained cohesiveness and unity. During a rare divisive board vote, coach's emphasis on team kept respect and shared purpose as the focus of the board. In 2019, Dick was presented the "Best Testimony Award" by then Chair Hollingsworth for having represented all of that year's TRS appointees before the 86th Legislature's Senate Committee on Nominations, taking one for the team; and

Whereas, Dick is the first TRS Trustee to serve to the very last constitutional day of his term, managing to serve eight years of his six-year term. TRS staff and fellow trustees already miss him. However, we know he is enjoying watching his Astros and well-earned time back on "Nance Hill" with his lovely wife Beverly;

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 James “Dick” Nance 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 James “Dick” Nance and entered into the record of the board for July 17, 2025.

Mr. Walls commented about how Mr. Nance has been such a great partner on this Board, who lead the way in terms of putting our members first which he will always appreciate.

Mr. Nance commented how much he appreciated everyone at TRS, in particular the culture Brian Guthrie has built with quality people. He also expressed appreciation for his fellow trustees who volunteer their time to take care of our members.

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

A. Review administrative operational matters, including updates on financial, audit, legal, staff services, special projects, investment matters, strategic planning, legislative, trustee elections, personnel matters and notification of contract renewals.

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 started by sharing the board was meeting in a new space and explained how executive sessions would work here. He described the efforts TRS had made to assist those devastated by the flooding in Kerrville and other areas of Texas earlier in the month. He then reviewed conferences and meetings that were upcoming and had passed. He reviewed the board contracts that he intended to renew under his delegated authority. Mr. Guthrie announced another Board of Trustees election was complete and that the three candidates were sent to the Governor at the beginning of June. He concluded the report by reviewing items for September and December Board meetings.

5. Receive an update regarding the 89th Regular Legislative Session – Addison Reagan.

Ms. Reagan Addison thanked everyone at TRS for the long days, late nights and weekend work performed during this past legislative session. She reported the legislature continues to support TRS’ mission by providing \$6.4 billion in contributions to the TRS Pension Fund and \$1.2 billion to the TRS-Care fund, as well as an additional \$369 million to the TRS-ActiveCare fund for the biennium. She then highlighted legislation that impacted TRS.

6. Receive TRS Quarterly Ombudsman’s Report – Lori LaBrie.

Ms. Lori LaBrie reviewed the Ombuds communications received from January to May 2025. She reported the Office received 270 communications during the period. She reviewed the top three large-scale agency issues. For January to May 2025 she reported there were 44 point-in-time complaints which was down from 55 complaints reported for the same time period last year. She concluded by sharing the outreach and engagement the office has participated in for the year.

7. Receive an update from the Deputy Director including considering the acceptance of the Procurement and Contracting Report – Caasi Lamb.

Ms. Caasi Lamb began her report by sharing the first member to be seen in the new member center, Dr. Kevin Foster. She then recognized the teams that assisted with the move to the new facility and those teams who prepared the new buildings for occupancy and disposition of the Red River campus. She reported the final projected spend on the construction and finish out of Bravo was \$337 million, just under the \$340 million authorized by the Board. Next, she reviewed the agency's implementation of the return to office legislation passed this past session. She also reviewed the two interim studies, pension design and wildland firefighter studies, TRS will conduct as directed by the legislature. For the TEAM update, she said the project remains on schedule and has entered a critical phase in the development life cycle which is final regression testing and user acceptance testing. She concluded her report presenting the quarterly solicitation and contract report.

On a motion by Ms. Graf, seconded by Mr. Elliott, the Board voted unanimously to accept the procurement and contracting report, as presented.

8. Consider the administrative appeal of Linda Richardson –

Mr. Walls introduced the appeal of Linda Richardson in the matter of Linda Richardson v. Teacher Retirement System of Texas, SOAH Docket No. 323-24-12204. Ms. Richardson appeals the decision of TRS' executive director, Brian Guthrie. Mr. Guthrie's decision denied Ms. Richardson's appeal and adopted without changes the findings of fact and conclusions of law from the proposal for decision issued by the administrative law judge (ALJ), Rebecca Smith, for the State Office of Administrative Hearings. Mr. Walls said the primary issue raised by the petitioner is whether the beneficiary designation on April 12, 2021, TRS-15 form is valid. The ALJ determined that TRS lacks the jurisdiction to examine questions of mental capacity or allegations of fraud or forgery and found that the order from the Department of Veterans Affairs did not constitute a court order that adjudicated Mr. Price's mental capacity, as it only addressed Mr. Price's ability to manage his veterans benefits. As a result, the ALJ determined that TRS correctly paid the death benefits due from Mr. Price's TRS account in accordance with the April 2021 TRS-15 form, and denied Ms. Richardson's appeal on the basis that TRS could not grant her the relief she was seeking. Mr. Guthrie's decision upholds that position.

Mr. Walls instructed each party had five minutes to make their presentations with a one-minute rebuttal from Ms. Richardson who was represented by Mr. D. Bradley Kizzia and TRS staff was represented by Assistant General Counsel Nicholas Gonzalez.

Mr. D. Bradley Kizzia, representing Ms. Richardson the surviving wife and widow of Mr. Jack Price, a longtime teacher. He argued shortly before his death, Mr. Price changed the beneficiary designation while both mentally and physically incapacitated. He argued that while the Veterans Administration's determination of Mr. Price's incompetency may not legally bind TRS but TRS cannot or should not ignore the uncontroverted evidence that has been presented, along with Ms. Richardson's own uncontroverted sworn affidavit testimony and that the purported signature on the documents does not match his prior signatures in TRS' own file. He further argued TRS had the duty to determine correctly that the deceased signed the form, sent it in to TRS and properly designated a beneficiary.

Mr. Gonzalez argued that under TRS plan terms, specifically Texas Gov't Code, Section 824.101(d), the most recently designated beneficiary of a member or retiree prior to their death is the individual entitled to benefits payable after that member or retiree's death. He said the most recent form designated someone other than Ms. Richardson and nothing in the record contradicts it. As to the invalidity claims due to capacity and forgery, he said TRS simply does not have the authority to make determinations of mental incapacity or fraud or forgery. He said the opposing side has not cited any such statutory language that would grant TRS this authority. He noted that TRS can accept an order from a court of competent jurisdiction that makes one of these findings and use that order to set aside a beneficiary designation but Ms. Richardson has not provided TRS with such an order. He also argued the Department of Veterans Affairs' order is not an order from a court of competent jurisdiction. Mr. Gonzalez stated for these reasons, Ms. Richardson's appeal should be denied and the decision of the Executive Director should be adopted without changes to the findings of fact and conclusions of law.

Mr. Kizzia, in his one-minute rebuttal, argued the uncontroverted evidence before TRS shows the signature on the form was not that of Mr. Price and that he was not mentally or physically capable at the time to change his designation. He said TRS should grant Ms. Richardson's appeal and pay her the benefits that her husband intended her to receive, or, alternatively, the Board should overturn the executive order and remand the case to the ALJ to actually hear and decide the facts based on the evidence.

At 10:43 a.m., Mr. Walls announced the Board would go into executive session for agenda item 8 under Section 551.071 to discuss the administrative appeal of Linda Richardson and consult with legal counsel as needed.

At 11:23 a.m., Mr. Walls reconvened the Board meeting in open meeting. On a motion by Mr. Ball, seconded by Mr. Elliott, the Board voted after appropriate consideration of the statements of both the appellant's counsel and the TRS counsel, to uphold the decision of the executive director without any changes.

Mr. Walls announced the next five agenda items have public presentations and then each are targeted to go into an executive session.

9. **Consider selecting a provider of pension fund actuarial consulting and related 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 – LaTresa Stroud and Janic Ehlert.**

Ms. Janice Ehlert provided the background on the actuarial services and the timeline for the procurement that is statutorily required ever four years. Mr. Jacob Bledsoe provided further detail as to the procurement timeline. He said the top scoring vendors were GRS and Milliman.

Mr. Joe Newton and Mr. Dan White representing GRS, provided an overview of the proposed team, history of the firm, and approach to actuarial services.

Mr. Ryan Falls and Mr. Matt Larrabee representing Milliman, provided an overview of the proposed team, history of the firm, and approach to actuarial services.

10. **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 Goesewehr.**

Ms. Barbie Pearson stated while progress had been made since the last meeting, Staff did not feel comfortable at this time recommending a specific location for the Board's consideration.

11. **Review of the new legislation and discuss the Proxy Advisor 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 – Dale West.**

Mr. Dale West provided a brief update on proxy voting and potential changes to the services received from ISS, TRS' proxy advisor.

12. **Consider the role, performance, engagement or renewal of the Board Investment Advisors and Consultants, 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.**

Mr. Guthrie provided a brief presentation on the history of the Board's investment advisor and the scope of work performed. He noted the one-year contract with Dr. Brown is set to expire on August 31st of this year.

13. **Discuss personnel matters, including the appointment, employment, evaluation, compensation, performance, duties, discipline, or dismissal of the Executive Director and Chief Investment Officer – Shunne Powell.**

Ms. Shunne Powell reviewed succession planning process at TRS. She said succession continues to be critical to the agency for the continuity of processes.

On a motion by Mr. Williams, seconded by Mr. Rutherford, the board voted unanimously to find that deliberating or conferring on items 9, 10, 11 and 12 would have a detrimental effect on the position of the retirement in negotiations with a third person.

14. 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 -

There was no public presentation for this agenda item.

At 12:40 p.m., Mr. Walls announced the Board would go into executive session under the following agenda items and sections of the Government Code: item 9 under Sections 825.115(e), and 551.071 to discuss selecting a provider of pension fund actuarial consulting and related services and to consult with legal counsel as needed; item 10 825.115(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 11 under sections 825.115(e), and 551.071 to discuss new legislation in the proxy advisor contract and to consult with legal counsel as needed; item 12 under Sections 825.115(e), and 551.071 to discuss the role, performance, engagement or renewal of the Board Investment Advisors and Consultants and to consult with legal counsel as needed; item 13 under Sections 551.074 and 551.071 to discuss personnel matters and to consult with legal counsel as needed.

At 4:43 p.m., Mr. Walls reconvened the Board in open meeting.

On a motion by Mr. Ball, seconded by Mr. Williams, the Board voted unanimously to adopt the resolution selecting Gabriel, Roeder, Smith & Company (GRS) to provide actuarial services for TRS and if the executive director concludes negotiations are not likely to be successful, then to select Milliman, Inc. in accordance with the following resolution:

**July 17, 2025
RESOLUTION REGARDING SELECTING A PROVIDER OF ACTUARIAL
CONSULTING SERVICES FOR THE FOUR-YEAR PERIOD FROM JANUARY 1,
2026 TO DECEMBER 31, 2029**

WHEREAS, Section 825.206(a) of the Texas Government Code and TRS Bylaws subsection 1.7(o)(3) provide that the Board of Trustees (Board) of the Teacher Retirement System of Texas (TRS) shall select and evaluate an actuary as its technical

adviser.

WHEREAS, Section 825.206(c) of the Texas Government Code provides that the Board shall redesignate its actuary at least once every four years after advertising for and reviewing proposals from providers of actuarial services;

WHEREAS, Section 825.101 of the Texas Government Code states that the Board is responsible for the general administration and operation of the retirement system and its assets, and Section 825.103 of the Texas Government Code provides that the Board has exclusive authority over the purchase of goods and services when using trust funds, which includes the purchase of actuarial valuation and pension consulting services;

WHEREAS, TRS Bylaws subsections 4.1.2(f) tasks TRS executive director to recommend to the Board, either directly or through a designee, the selection and evaluation of the actuary or other consultant or advisor to the Board;

WHEREAS, TRS conducted a competitive procurement for actuarial valuation and pension consulting services;

Whereas, The Board wishes to authorize the executive director to enter into a contract for the pension actuarial services and TRS-Care actuarial valuation services for the four year period from January 1, 2026 to December 31, 2029; now, therefore be it

RESOLVED, That the Board considered the evaluation and recommendations made by TRS Staff related to the candidates for selection as a pension actuarial services and TRS-Care actuarial valuation services vendor for TRS and finds that _____ Gabriel, Roeder, Smith & Company (GRS) 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 _____ GRS_____ to provide pension actuarial services and TRS-Care actuarial valuation services.

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 _____ GRS _____ to provide pension actuarial services and TRS-Care actuarial valuation services for a term to commence on January 1, 2026 and terminate on December 31, 2029; and, 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 the same or better financial terms presented to the Board and 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 any amendments 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 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 _____ GRS _____, then the Board hereby selects _____ Milliman, Inc. _____ to provide pension actuarial services and TRS-Care actuarial valuation services and authorizes the Executive Director or his designee to negotiate as soon as practicable, with the assistance of legal counsel, a contract with _____ Milliman, Inc _____ for a term to commence on January 1, 2026 and terminate on December 31, 2029; and, 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 the same or better financial terms presented to the Board and 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 any necessary amendments to the contract, that such officer may deem 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 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 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.

On a motion by Ms. Graf, seconded by Mr. Elliott, the Board voted unanimously to enter into a one-year contract with Dr. Brown, consistent with the terms of the following resolution:

**Authorizing the Executive Director to Negotiate and Execute
Investment Consultant Agreement**

WHEREAS, Article 1.7(n) of the Bylaws of the Board of Trustees (Board) provides that the Board shall select and evaluate investment counsel or other consultants to provide expert advice and assistance to the Board as the Board deems necessary to exercise its investment and trust administration responsibilities;

WHEREAS, In June 2017, the Board selected Keith C. Brown, Ph.D., CFA to provide investment consulting services and to serve as investment consultant to TRS and the Board because, in the Board's judgment, engaging Dr. Brown represented the best overall value for TRS based on his qualifications, experience, proposed contract terms and conditions, proposed fees, and other relevant factors;

WHEREAS, in June 2017, the Board authorized the Executive Director to negotiate an agreement with Dr. Brown for an initial term not to exceed five (5) years in duration, with one or more options for extensions not to exceed a total of two (2) years, with terms and conditions that provided the best overall value to TRS;

WHEREAS, TRS entered into a contract with Dr. Brown for a term of five (5) years to commence September 1, 2017, and entered two, one-year extensions in 2022 and 2023;

WHEREAS, in May 2024, the Board approved a new contract commencing September 1, 2024, with Dr. Brown for year-to-year contract term with minimal changes as needed or determined by the Executive Director.

WHEREAS, Dr. Brown's contract is scheduled to expire on August 31, 2025;

WHEREAS, The Board has considered the information presented by TRS staff;

Now, therefore be it

RESOLVED, That the Board approves entering into a new contract with Dr. Brown for a period of one (1) year at the same rate as the current contract.

RESOLVED, That the Board hereby authorizes and instructs the Executive Director or his delegee, with the assistance of TRS employees, to take all actions and do all things necessary or desirable, to negotiate a new contract with Dr. Brown, including negotiating the compensation to be provided and on such other terms and conditions deemed by the Executive Director to be in the best interest of TRS, and from time to time, to amend the contract as deemed by the Executive Director, or his designee, to be in the best interest of TRS.

RESOLVED, That the Executive Director is directed to report to and update the Board at its regular meetings, as requested, on the actions taken and activities performed under these resolutions.

and

RESOLVED, That nothing in this resolution or the Board's selection of Dr. Brown pursuant to this resolution shall be construed as a contract, obligation to contract, an offer to 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 a full and final written contract is successfully negotiated and executed by both parties.

At 4:45 p.m., Mr. Walls announced the Board would recess for the day to take up the scheduled committee meetings.

July 18, 2025

The Board of Trustees of the Teacher Retirement System of Texas met on July 18, 2025 in the boardroom located on the Second Floor of TRS' offices located at 4655 Mueller Blvd, Austin, Texas, 78723.

The following Board members were present:

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

Others present:

Brian Guthrie, TRS	Jordan Ash, Private Equity Stakeholder Project (virtual)
Caasi Lamb, TRS	Cathleen Davis, AZ PSPRS
Don Green, TRS	Troy Dearing, KSI
Heather Traeger, TRS	Cheryl Dietz, CalSTRS
Jase Auby, TRS	Tony Chavez, TX ERS
Barbie Pearson, TRS	
Katrina Daniel, TRS	
Amanda Jenami, TRS	
Katherine Farrell, TRS	
Suzanne Dugan, Cohen Milstein	

At 11:07 am the Chair reconvened the board meeting, Mr. Corpus was absent.

15. Provide an opportunity for public comment – Chair.

Mr. Jordan Ash, with Private Equity Stakeholder Project, expressed concern about the use of RealPage's algorithmic property management software and requested TRS to halt all future investments with Toma Bravo who owns RealPage, until RealPage removes the rental price sharing component from its software.

16. Receive the report of the Benefits Committee on its July 17, 2025 meeting and consider adoption, approval or acceptance of the following – Committee Chair:

- A. Acceptance of the Medical Board Meeting minutes for March 2025 and May 2025;**
- B. Approval of the Benefit Payments for March – May 2025;**
- C. Appointment of members of the Medical Board, including the Medical Board Chair;**
- D. Adoption of the premiums for the TRS-Care Medicare Advantage including COBRA rates for plan year (PY) 2026;**

- E. Adoption of the premiums and benefits for the TRS-Care Standard plan including COBRA rates for PY 2026;**
- F. Adoption of the premiums and benefits for the TRS-Care Optional Dental Plan for PY 2026; and**
- G. Adoption of the premiums and benefits for the TRS-Care Optional Vision Plan for PY 2026.**

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

The Benefits Committee met on July 17, 2025. The committee approved the proposed minutes of the Benefits Committee for the April 10, 2025 meeting.

Ms. 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 March and May 2025.

Ms. Barbie Pearson provided an update on Benefit Payments for the third quarter of Fiscal Year 2025. The committee recommends to the Board the approval of Benefit Payments for March through May 2025.

The Committee received a Pension Services workload and service level update from Ms. Pearson for the first three quarters of fiscal year 2025. Ms. Bridgeman, senior director of Benefit Processing, provided an overview of the solicitation process for the Medical Board

Ms. Pearson made a recommendation to the 7 committee to recommend to the Board the appointment of Dr. 8 Alice Cox, a returning physician, and Dr. Sujan Gogu for a two-year term to begin September 1, 2025, and end August 31, 2027. Ms. Pearson made a recommendation to the committee to recommend to the Board the appointment of Dr. Alice Cox as the chair of the Medical Board. And lastly, Ms. Pearson made a recommendation to appoint Dr. Tiffany Dugas and Dr. Antonia Hernandez as the two alternates in the contingency pool.

Next, Ms. Sunitha Downing, the director of Enterprise Program Management, and Dr. Rene Paulson, from Elite Research, presented the results of the 2025 reporting employer satisfaction survey. Reporting a 20 percent increase in responses and reporting the ratings for the highest overall satisfaction remained consistent in the 2025 report.

Next the committee received an update from Ms. Katrina Daniel, the chief Health Care officer, and Meaghan Bludau, the Health Division chief of staff, and she provided an update on TRS-ActiveCare. Ms. Daniel presented TRS-Care, Medicare Advantage and TRS-Care Standard premiums, recommending the Board maintain the current rates. She then presented proposed benefit changes to the TRS-Care Standard plan benefits to align with the IRS standards for high deductible plans, thus

ensuring their ongoing ability to coordinate with health care health savings accounts, HSAs. Ms. Bludau then described benefit enhancements the TRS-Care Standard plan. Ms. Bludau next presented TRS-Care dental and vision plan rates, recommending the Board to maintain the current rates.

Next, Ms. Yimei Zhao, the deputy chief of finance for the Health Division, provided an overview of the work of the finance department and their impact on improved plan costs. She discussed the current medical procurement and the regional considerations in TRS-ActiveCare, as well as other innovations.

And finally, Jeff Bain, the director of Health contracts, presented the annual claims audit results for the HMS Gainwell and Health Plan Data Solutions auditors.

Mr. Williams concluded the report with the following motions:

On a motion by Mr. Williams, the Board unanimously voted accept the Medical Board's meeting minutes for March 2025 and May 2025 meetings, as recommended by the Benefits Committee.

On a motion by Mr. Williams, the Board unanimously voted to approve the benefit payments for March through May 2025, as recommended by the committee.

On a motion by Mr. Williams, the Board unanimously voted to adopt the resolution for appointment of members to the Medical Board, including the Medical Board chair, as recommended by the Benefits Committee:

Resolution to Appoint TRS Medical Board Members

Whereas, Texas Government Code section 825.204 requires the Board of Trustees of the Teacher Retirement System of Texas to appoint a Medical Board composed of three physicians to perform medical board services under contracts with TRS;

Whereas, The term of two of the current three members will expire August 31, 2025;

Whereas, TRS staff recommends that the Board of Trustees appoint Dr. Alice Cox and Dr. Sujana Gogu as members of the TRS Medical Board effective September 1, 2025, for a two-year term that ends on August 31, 2027;

Whereas, TRS staff recommends that the Board of Trustees appoint Dr. Alice Cox as chair of the TRS Medical Board for a two-year term beginning September 1, 2025, and expiring on August 31, 2027;

Whereas, TRS staff recommends that the Board of Trustees also authorize the designation of two alternate members to serve as Medical Board members in the event a member of the Medical Board needs to be replaced; now therefore, be it

Resolved, That the Board of Trustees appoints Dr. Alice Cox and Dr. Sujana Gogu to the TRS Medical Board for a two-year term beginning on September 1, 2025 and expiring on August 31, 2027;

Resolved, That the Executive Director, or his designee, is hereby authorized to negotiate, with the assistance and advice of legal counsel, contracts for Medical Board services with Dr. Alice Cox and Dr. Sujan Gogu and, if negotiations are deemed by the Executive Director in his discretion to be successful, then the Executive Director or his designee is hereby authorized to execute a contract with Dr. Alice Cox and Dr. Sujan Gogu for two years coinciding with the term of their appointment and according to such terms, conditions, and fees as the Executive Director may deem in his discretion to be appropriate and to provide the best overall value for TRS, and to execute and deliver all such other documents that the Executive Director may deem necessary or appropriate to effect 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 associated with such contract and deemed in the discretion of the Executive Director to be reasonably necessary or advisable with respect to such contract;

Resolved, That, if the Executive Director receives notice of the need for a replacement on the Medical Board, the Executive Director will bring to the next meeting of the Board of Trustees the recommendation for appointment of one of the alternate board members to fulfill the unexpired term, to be selected in this order: (1) Dr. Tiffany Dugas (2) Dr. Antonia Hernandez; and

Resolved, That the Board of Trustees appoints Dr. Alice Cox as chair of the TRS Medical Board for a two-year term beginning on September 1, 2025 and expiring on August 31, 2027.

On a motion by Mr. Williams, the Board unanimously voted to adopt the following resolutions approving premiums and benefit for the plan year 2026 for the following TRS-Care plans: TRS-Care Medicare Advantage, including COBRA rates, for the plan year 2026, TRS-Care Standard plan, including COBRA rates; TRS-Care optional dental plan; TRS-Care optional vision plan, as recommended by the Benefits Committee.as recommended by the Benefits Committee:

RESOLUTION APPROVING PREMIUM RATE CHANGES FOR THE TRS-CARE MEDICARE ADVANTAGE PLAN

Whereas, Chapter 1575, Insurance Code (the Texas Public School Retired Employees Group Benefits Act), authorizes the Teacher Retirement System of Texas ("TRS"), as trustee, to implement and administer the Texas Public School Retired Employees Group Benefits Program ("TRS-Care Program"), as described in the statute;

Whereas, under Section 1575.158(c), Insurance Code, TRS-Care offers a Medicare Advantage plan which provides coverage to Medicare-eligible participants, which has a fully insured Medicare Advantage component and a self-funded Medicare Prescription Drug component;

Whereas, Section 1575.052, Insurance Code, authorizes the trustee to take actions it considers reasonably necessary to devise, implement, and administer the TRS-Care Program;

Whereas, Section 1575.212, Insurance Code, authorizes the trustee to determine premiums to be paid by participants of the TRS-Care Program;

Whereas, the trust fund of TRS-Care has experienced growth in recent years stemming from federal changes to Medicare along with TRS' diligent health plan management and other factors, which provides TRS with a unique opportunity to reduce premiums for the participants of the TRS-Care Medicare Advantage plan;

Whereas, TRS received correspondence from legislative leadership directing TRS to use the growth in the TRS-Care fund to reduce premiums and allow for a limited time enrollment opportunity for eligible TRS-Care Medicare Advantage participants;

Whereas, TRS staff and consultants assisting staff (the "Consultants") have evaluated how to use the fund balance to accomplish these goals while maintaining the fund's long-term stability, and have recommended rate changes be made to the TRS-Care Medicare Advantage plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

Whereas, the Board considered the information provided by TRS staff and the Consultants and desires to approve the recommendations by TRS staff and the Consultants; now, therefore, be it

Resolved, that the Board hereby adopts and authorizes the premium rate changes to the TRS-Care Medicare Advantage plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

Further resolved, that the Board authorizes the Executive Director or his designees to take any actions that he or his designee in his or their discretion deem to be necessary or advisable to implement this resolution until further action by the Board.

RESOLUTION APPROVING BENEFIT CHANGES FOR THE TRS-CARE STANDARD PLAN

Whereas, Chapter 1575, Insurance Code (the Texas Public School Retired Employees Group Benefits Act), authorizes the Teacher Retirement System of Texas ("TRS"), as trustee, to implement and administer the Texas Public School Retired Employees Group Benefits Program ("TRS-Care Program"), as described in the statute;

Whereas, under Section 1575.158(a), Insurance Code, the TRS-Care Program offers a high deductible health plan which provides coverage to non-Medicare eligible participants ("TRS-Care Standard Plan");

Whereas, Section 1575.052, Insurance Code, authorizes the trustee to take actions it considers reasonably necessary to devise, implement, and administer the TRS-Care Program;

Whereas, on May 2024 the Internal Revenue Service (IRS) released inflation adjustments to the minimum deductibles that high deductible health plans must have to be qualified to work together with health savings accounts (HSAs), so that the funds that participants deposit in those HSAs enjoy a tax-favored status;

Whereas, TRS desires to make adjustments to the current deductibles of the TRS-Care Standard Plan according to the IRS guidelines, so that the plan continues to be a qualified high deductible health plan under such IRS guidelines;

Whereas, plan costs require adjustments to the COBRA rates for spouses and children without Medicare, rates which had not changed since the year 2018;

Whereas, accordingly, TRS staff and consultants assisting TRS staff (the "Consultants") have recommended the benefit changes to be made to the TRS-Care Standard Plan and changes to non-Medicare COBRA rates for spouses and children beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

Whereas, the Board considered the information provided by TRS staff and the Consultants and desires to approve the recommendations by TRS staff and the Consultants; now, therefore, be it

Resolved, that the Board hereby adopts and authorizes the benefit changes to the TRS-Care Standard Plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

Further resolved, that the Board authorizes the Executive Director or his designees to take any actions that he or his designees in his or their discretion deem to be necessary or advisable to implement this resolution until further action by the Board.

RESOLUTION APPROVING BENEFITS AND PREMIUM RATES FOR THE TRS-CARE OPTIONAL DENTAL PLAN PY2026

Whereas, Chapter 1575, Insurance Code (the Texas Public School Retired Employees Group Benefits Act), authorizes the Teacher Retirement System of Texas ("TRS"), as trustee, to implement and administer the Texas Public School Retired Employees Group Benefits Program ("TRS-Care Program"), as described in the statute;

Whereas, Section 1575.1601, Insurance Code, requires TRS to establish or contract for and make available under the TRS-Care Program an optional plan that provides coverage for dental care for retirees, dependents, surviving spouses, and surviving dependent children ("TRS-Care Optional Dental Plan");

Whereas, Section 1575.052, Insurance Code, authorizes the trustee to take actions it considers reasonably necessary to devise, implement, and administer the TRS-Care Program;

Whereas, Section 1575.212, Insurance Code, authorizes the trustee to determine premiums to be paid by participants of the TRS-Care Program;

Whereas, on the May 2024 Board Meeting, TRS selected MetLife Insurance Company (“MetLife”) to be the insurance carrier to provide and administer the TRS-Care Optional Dental Plan;

Whereas, TRS staff have negotiated with MetLife the premium rates and benefits for the TRS-Care Optional Dental Plan to be offered on the initial plan year that starts on January 1, 2025;

Whereas, TRS staff and consultants assisting TRS staff (the “Consultants”) have evaluated the premium rates and benefits and have recommended the Board approves them as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

Whereas, the Board considered the information provided by TRS staff and the Consultants and desires to approve the recommendations by TRS staff and the Consultants; now, therefore, be it

Resolved, that the Board hereby adopts and authorizes the premium rates and benefits to the TRS-Care Optional Dental Plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

Further resolved, that the Board authorizes the Executive Director or his designees to take any actions that he or his designee in his or their discretion deem to be necessary or advisable to implement this resolution until further action by the Board.

RESOLUTION APPROVING BENEFITS AND PREMIUM RATES FOR THE TRS-CARE OPTIONAL VISION PLAN PY2026

Whereas, Chapter 1575, Insurance Code (the Texas Public School Retired Employees Group Benefits Act), authorizes the Teacher Retirement System of Texas (“TRS”), as trustee, to implement and administer the Texas Public School Retired Employees Group Benefits Program (“TRS-Care Program”), as described in the statute;

Whereas, Section 1575.1601, Insurance Code, requires TRS to establish or contract for and make available under the TRS-Care Program an optional plan that provides coverage for vision care for retirees, dependents, surviving spouses, and surviving dependent children (“TRS-Care Optional Vision Plan”);

Whereas, Section 1575.052, Insurance Code, authorizes the trustee to take actions it considers reasonably necessary to devise, implement, and administer the TRS-Care Program;

Whereas, Section 1575.212, Insurance Code, authorizes the trustee to determine premiums to be paid by participants of the TRS-Care Program;

Whereas, on the May 2024 Board Meeting, TRS selected MetLife Insurance Company (“MetLife”) to be the insurance carrier to provide and administer the TRS-Care Optional Vision Plan;

Whereas, TRS staff have negotiated with MetLife the premium rates and benefits for the TRS-Care Optional Vision Plan to be offered on the initial plan year that starts on January 1, 2025;

Whereas, TRS staff and consultants assisting TRS staff (the “Consultants”) have evaluated the premium rates and benefits and have recommended the Board approves them as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

Whereas, the Board considered the information provided by TRS staff and the Consultants and desires to approve the recommendations by TRS staff and the Consultants; now, therefore, be it

Resolved, that the Board hereby adopts and authorizes the premium rates and benefits to the TRS-Care Optional Vision Plan beginning on the plan year that starts on January 1, 2025, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

Further resolved, that the Board authorizes the Executive Director or his designees to take any actions that he or his designee in his or their discretion deem to be necessary or advisable to implement this resolution until further action by the Board.

17. Receive the report of the Investment Management Committee on its July 17, 2025 meeting – Committee Chair.

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

The Investment Management Committee met on July 17, 2025. The committee approved the proposed April 2025 minutes.

Jase Auby began with his CIO Update. The First Quarter 2025 Performance Review was then presented by Mike Comstock and Ashley Woeste of Aon.

Following, Eric Lang presented the Private Markets Annual Update. Carolyn Hansard presented the review for Energy, Natural Resources, & Infrastructure. Neil Randall presented the review for Private Equity. Concluding the Investment Management Committee, Grant Walker provided the review for Real Estate

18. Receive the report of the Governance Committee on its July 17, 2025 meeting and consider adoption of the following – Committee Chair:

- A. Adoption of the proposed amendments to TRS Rule 25.131 in Subchapter J, Chapter 25 of Title 34, Part 3 of the Texas Administrative Code, related to Required Service**
- B. Adoption 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 the Alternative Plan for Medicare-Eligible Participants.

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

The Governance Committee met on July 17, 2025. The Committee approved the minutes from the April 2025 Governance Committee meeting.

The committee discussed and reviewed proposed modifications to the IMD and TRICOT performance pay plans for the 2025 to 2026 performance period. The committee discussed and reviewed the executive director's areas of focus for fiscal year 2025 and proposed fiscal year 2026.

The committee recommended to the Board adoption 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 the alternative plan for Medicare-eligible participants.

The committee authorized for publication in the Texas Register notice of the proposed amendments to TRS rules in Chapter 27 and Chapter 29 of Title 34, Part 3 of the Texas Administrative Code, as listed on the agenda.

Mr. Elliott concluded his report with the following motions:

On a motion by Mr. Elliott, the Board unanimously voted to adopt the proposed amendments to TRS Rule 25.131, related to required service, as recommended by the Governance Committee.

On a motion by Mr. Elliott, the Board voted to adopt the proposed amendments TRS Rule 41.12, related to eligibility for the alternative plan for Medicare-eligible participants, as recommended by the Governance Committee, with Ms. Graf opposing.

19. Receive the report of the Budget Committee on its July 17, 2025 meeting and consider adoption of the following – Committee Chair:

- A. Consider the adoption of the proposed fiscal year 2026 pension trust fund administrative operations budget, general provisions, and resolution authorizing transfer of pension trust funds to the TRS expense account to cover the expenses approved under the fiscal year 2026 budget;**
- B. Consider the adoption of the proposed fiscal year 2026 administrative operations budgets and general provisions for the TRS health benefits funds (retired and active plans).**
- C. Consider the adoption of the proposed tenant improvement costs for Alpha Building;**
- D. Consider the adoption of the proposed administrative operations budget for a new Regional Office and resolution making a fiduciary finding authorizing transfer of pension trust funds to the TRS expense account to cover expenses approved under Ride 20; and**

E. Consider the adoption of the statutory certification of estimated state contributions to the State Comptroller of Public Accounts to be received by the retired school employees group health benefit fund for the fiscal year ending August 31, 2026.

Mr. Rutherford, Committee Chair, provided the following report of the Budget Committee:

The Budget Committee met Friday, July 18th. The first item of business was approval of the minutes of the April 2025 Budget Committee meeting.

Mr. Don Green presented a high level overview of the proposed administrative operating budget of \$385 million for fiscal year 2026 and the associated general provisions. Don also presented an overview of the new tenant and the \$3.4 million build-out for related expenses for the leased portion of the Alpha Building, and also gave us a summary of where we are to date for the new headquarters.

He also gave us an overview of the new regional office, and then presented the required state contribution certification for the retired school employees group health benefit fund for fiscal year 2026.

The committee concluded with an overview of the TRS fellowship program provided by Michelle Gray and Alisha Barnebey.

Mr. Rutherford concluded his report with the following motions:

On a motion by Mr. Rutherford, the Board unanimously voted to adopt the fiscal year 2026 Pension Trust Fund administrative operations budget, general provisions and resolution authorizing the transfer of Pension Trust funds to the TRS expense account to cover the expenses approved under the fiscal year 2026 budget, as recommended by the Budget Committee.

Resolution Authorizing Expenditure and Transfer of Trust Funds For Pension Trust Fund Administrative Operations

Whereas, Section 825.312 of the Government Code provides that the retirement system shall pay from the expense account of the retirement system account for the pension trust fund all administrative expenses of the retirement system that are required to perform the fiduciary duties of the board;

Whereas, Section 825.313(d) of the Government Code provides that the TRS Board of Trustees (board) may authorize transferring from the interest account to the expense account of the retirement system an amount necessary to cover TRS' operating expenses for the fiscal year that are required to perform the fiduciary duties of the board;

Whereas, Rider 15, "Contingent Appropriation of Pension Trust Funds for GASB Statement Implementation," of the TRS bill pattern in the State General Appropriations Act, 89th Legislature provides that upon a finding of fact by the TRS board that additional resources are necessary to implement accounting guidelines

related to Governmental Accounting Standards Board statements and pronouncements;

Resolved, That the board approves the amendments to the General Provisions for the Pension Trust Fund Administrative Operations, including a change to the performance pay plans maximum award of \$57.9 million.

Resolved, That the board finds the expenditure of pension trust funds for operating expenses in Fiscal Year 2026 including the changes listed below are required to perform the fiduciary duties of the board in administering the retirement system in the amount of \$308,143,600, as approved today in the Fiscal Year 2026 Budget and General Provisions for the Pension Trust Fund Administrative Operations, as amended, plus such additional amounts as may be necessary for the following expenditures and changes to the General Provisions:

- To pay the actual amount of performance incentive compensation payable up to \$57.9 million in Fiscal Year 2026, if any; and
- To reimburse reasonable and necessary employee transportation and other expenditures necessary for employees to attend orientation, training and staff development activities conducted at TRS headquarters; and
- To achieve recovery of operational capabilities in the event of a catastrophic occurrence as contemplated by such General Provisions adopted by the board; and to implement GASB statements; and

Resolved, That the staff is authorized to transfer from the interest account to the expense account an amount necessary to cover the expenses of the retirement system under the approved budget for Fiscal Year 2026, but not to exceed the amount of \$308,143,600 plus, any additional amounts necessary to pay performance incentive compensation payable in Fiscal Year 2026 and, as applicable, to achieve recovery of operational capabilities in the event of a catastrophic occurrence as contemplated by the General Provisions adopted by the board

On a motion by Mr. Rutherford, the Board unanimously voted to adopt the proposed fiscal year 2026 administrative operations budget and general provisions for the TRS Health Benefits Fund, both retired and active plans, as recommended by the Budget Committee.

On a motion by Mr. Rutherford, the Board unanimously voted to adopt the proposed tenant improvement costs for the Alpha Building, as recommended by the Budget Committee.

On a motion by Mr. Rutherford, the Board unanimously voted adopt the state contribution certification of estimated state contributions to the State Comptroller of Public Accounts to be received by the retired school employees group health benefits fund for the fiscal year ending August 31, 2026, as recommended by the Budget Committee.

20. Receive the report of the Audit, Compliance, and Ethics Committee on its July 18, 2025 meeting – 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 April 11, 2025 meeting.

The committee received the report on the TRS Internal Audit quality assurance and improvement program external assessment. The committee received routine compliance and enterprise risk reports from general counsel and chief compliance officer and staff.

Internal Audit staff presented audit reports on middle office operations and enterprise risk management program. The committee also received an update on the status of prior audit recommendations and some routine administrative matters.

The committee then went into executive session to discuss the results of the review of cyber controls, and the committee then reconvened in open session.

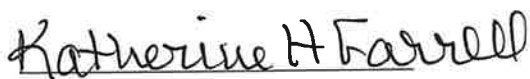
21. Receive quarterly update on TRS Data Protection and Security update – Frank Williams and Kristi Glasgall.

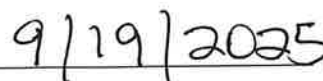
This agenda item had no public presentation.

At 11:26 a.m., with no further business, Mr. Walls adjourned the meeting.

APPROVED BY THE BOARD OF TRUSTEES OF THE TEACHER RETIREMENT SYSTEM OF TEXAS ON THE 18th DAY OF SEPTEMBER 2025.

ATTESTED BY:


Katherine H. Farrell
Secretary to the TRS Board of Trustees


Date