

April 2025

TRUSTEES

TRS Board of Trustees Meeting



**Teacher Retirement System of
Texas**

1000 Red River Street
Austin, Texas
78701-2698

**TEACHER RETIREMENT SYSTEM OF TEXAS MEETING
BOARD OF TRUSTEES**

AGENDA

April 10, 2025 – 9:00 a.m.

April 11, 2025 – 9:00 a.m.

*All or part of the April 10 - 11, 2025 meeting of the TRS Board of Trustees may be held by telephone or video conference call as authorized under Sections 551.130 and 551.127 of the Texas Government Code. The Board intends to have the presiding officer and a quorum physically present at the following location, which will be open to the public during the open portions of the meeting: **1000 Red River, Austin, Texas 78701 in the TRS East Building, 5th Floor, Boardroom.***

Members of the public may provide virtual public comment by registering first with the Board Secretary by submitting an email to publiccomment@trs.texas.gov identifying the name of the speaker and topic, no later than 5:00 pm on April 10, 2025.

The open portions of the Board meeting are being broadcast over the Internet. Access to the Internet broadcast and agenda materials of the Board meeting is provided at www.trs.texas.gov. A recording of the meeting will be available at www.trs.texas.gov.

NOTE: The Board may take up any item posted on the agenda during its meeting on April 10 - 11, 2025 beginning at the time and place specified on this agenda.

1. Call roll of Board members.
2. Consider the following administrative matters including – Robert H. Walls, Jr.:
 - A. Approval of the February 2025 proposed meeting minutes;
 - B. Consenting to the Chair's appointment of committee members and receive the Chair's announcement of committee chairs; and
 - C. Setting, rescheduling, or canceling future Board meetings, including adding a June 3, 2025 meeting.
3. Resolution recognizing the service of Nanette Sissney – Robert H. Walls, Jr.
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.

5. Consider proposed amendments to the TRS Board of Trustees Bylaws – Heather Traeger and Katherine Farrell.
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 – Caasi Lamb:
 - A. Executive Coaching
 - B. Executive Assessment
 - C. Pension Fund Actuarial Consultant
 - D. Compensation Consultant
 - E. Healthcare Actuarial Consultants
 - F. TEAM Independent Program Assessment Vendor
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.
8. Consider the role, performance, engagement and selection or renewal of the Board Investment Advisors and Consultants role, 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 – Steve Wilson, LaTresa Stroud and Aundre Petty.
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.

NOTE: The Board meeting likely will recess after the last item above and will resume April 11, 2025, Friday morning, to take up items listed below.

10. Provide an opportunity for public comment – Robert H. Walls, Jr.
11. Receive the report of the Benefits Committee on its April 10, 2025 meeting and consider the following - Committee Chair:
 - 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.
12. Receive the report of the Investment Management Committee on its April 10, 2025 meeting – Committee Chair.

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.
14. Receive the report of the Budget Committee on its April 11, 2025 meeting – Committee Chair.
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.
16. Receive Quarterly TRS Data Governance and Information Security Update – Frank Williams.
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.

The Board may convene in Executive Session under the following, but not limited to:

- A. Texas Government Code, Section 551.071: Consultation with Attorney;
- B. Texas Government Code, Section 551.072: Deliberation Regarding Real Property;
- C. Texas Government Code, Section 551.074: Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees including but not limited to the Executive Director, Chief Audit Executive, Chief Investment Officer.
- D. Texas Government Code, Section 551.076: Deliberation Regarding Security Devices or Security Audits;
- E. Texas Government Code, Section 551.089: Deliberation Regarding Security Devices or Security Audits; or
- F. Texas Government Code, Section 825.115: Applicability of Certain Laws;
- G. Texas Government Code, Section 825.3011: Certain Consultations Concerning Investments.

Minutes of the Board of Trustees

February 27, 2025

The Board of Trustees of the Teacher Retirement System of Texas met on Thursday, February 27, 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
Mike Ball
David Corpus
John Elliott
Laronda Graf
James Dick Nance
John R. Rutherford
Elvis Williams

Others present:

Brian Guthrie, TRS
Caasi Lamb, TRS
Heather Traeger, TRS
Jase Auby, TRS
Don Green, TRS
Barbie Pearson, TRS
Katrina Daniel, TRS
Amanda Jenami, TRS
Elizabeth Hallmark, TRS
Katherine Farrell, TRS
Elena Barreiro, TRS
Kyle McKay, TRS
Yimei Zhao, TRS
Lori LaBrie, TRS
Kirk Sims, TRS
Steve Wilson, TRS
LaTresa Stroud, TRS
Aundre Petty, TRS
Kale Romberger, TRSe
David Munns, TRS

Phyllis Ruffin, TX AFT Retiree plus
Rita Runnels TX AFT Retiree plus
David Richter, Grosvenor Capital Management
Brad Meyers, Grosvenor Capital Management
Peter Braffman, Grosvenor Capital Management
Amy McDuffee, Mosaic Governance Advisors
Keith Brown, Investment Advisor
Mike Comstock, Aon
Ashley Woeste, Aon
Suzanne Dugan, Cohen Millstein
Danica Esourbel, UHC
Amy Daily, ESI
Vicki Redfein, ESI
Heather Sheffield, ATPE
Karen Haywood, BCBS TX
Peter Jansen, CBRE

At 8:00 a.m., Mr. Walls called the meeting to order.

1. Call roll of Board members.

Ms. Farrell called the roll; a quorum was present.

Mr. Walls welcomed the newly appointed Board member, Trustee Laronda Graf.

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

Ms. Phyllis Ruffin representing Texas AFT Retiree Plus stated that they had surveyed their members and developed an educator bill of rights, presenting it to the legislature to make into law. She reported one being a sound retirement and thanked TRS staff for making that possible.

3. Consider the following administrative matters: – Robert H. Walls, Jr.

A. Approval of the December 2024 proposed meeting minutes;

On a motion by Mr. Nance, seconded by Mr. Elliott, the Board unanimously voted to approve the December 2024 Board meeting minutes as presented.

B. Excusing Trustee absences from December 2024 meeting; and

On a motion by Mr. Elliott, seconded by Mr. Williams, the Board unanimously voted to excuse the Trustee absences of Trustee Ball for the December 5, 2024, meeting, and Trustees Corpus and Rutherford from the December 6, 2024, meeting.

C. Consider the election of the Board Vice-Chair.

On a motion by Mr. Walls, seconded by Mr. Nance, the Board unanimously voted to elect Mr. Mike Ball as the Board Vice-Chair.

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, and Moving Forward Together, Update including new regional office.**
- 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 provided general updates on upcoming and past conferences and meetings. He gave an update on legislative activities. He reported on changes at the federal level regarding members that do not participate in Social Security, which he noted was most of TRS members. The change impacted the amount of Social Security members could receive in terms of spousal benefits or their own benefits if they had paid in through other employment. He announced this was all at the Social Security Federal level and did not involve TRS except to pass along

information to members. Mr. Guthrie then explained the various processes and tools TRS utilizes to verify benefit payments are not paid inappropriately to members who passed away.

Mr. Guthrie reviewed TRS workforce demographics noting the average age of employees was 44 years and tenure around 6 years. He provided an update on Alpha/Bravo progress reporting the first group would move into the building next month and open to members by May 20th. He announced TRS received the Top Workplace in the United States for the fourth time. He concluded by reviewing the upcoming board meetings.

5. Consider review and update to the TRS Mission Statement – Caasi Lamb.

Ms. Caasi Lamb reported every four years the mission statement is brought before the board for review and adoption. She noted one of the reasons TRS is consistently a Top Workplace is because of the mission. She said the current mission statement continues to lay out the purpose and reason for being and that it is still both meaningful and relevant.

On a motion by Mr. Corpus, seconded by Mr. Nance, the Board voted to unanimously re-adopt the mission statement with no changes.

6. Receive an update on employer reporting “The people behind the data.” – Mark Chi and Katie Tucker.

Mr. Mark Chi reviewed the role a reporting official plays for reporting and what information they help remit to TRS. He said Benefit Accounting is the department within Benefit Services that supports reporting officials with two reporting teams made up of 23 staff members who support employers. He said there are currently 1,338 employers consisting of higher education institutions, independent school districts, education service centers, charter schools as well as other education districts. He said the information reported on a monthly basis is called the full payroll report and includes demographic information, days and hours worked, payroll data. He reported that with the reports the deposits are due. He said the deposits include contribution on the member side as well as the employer side. He noted starting in September 2017 TRS has the ability to assess late fees on reports. He said there is a 14 calendar day grace period after the due date without getting a penalty fee assessed by TRS. He said there is no grace period for deposits, if they are not remitted a penalty interest is imposed on those late deposits.

Ms. Katie Tucker reviewed how new employees are reported by employers to TRS. She said in the last month, TRS received and processed over 2,600 employee demographic (ED) reports containing 350,000 ED records. She reviewed common errors in filing reports and other employment reports for when employees leave, retire or employment after retirement.

Mr. Chi reviewed the reporting requirements for higher education institution. An example he provided was not having to report any TRS-Care related contribution. He also reviewed the other types of contributions reported on the employer side for higher education. He said the Employer Advisory Group (EAG) started in 2017 to help facilitate communication between TRS and the employers, to work together to identify practical ways to comply with any new laws, rules and

accounting requirements. He concluded with the importance of receiving feedback from reporting employers and described the two surveys TRS performs to solicit further feedback.

7. Receive an update on TRS-Care and TRS-ActiveCare healthplans including a review of annual performance with benchmark comparisons as well as updates on new dental and vision plans – Katrina Daniel and Kyle McKay.

Ms. Katrina Daniel provided the Health Division's annual report. She noted one in 47 Texans are in a TRS health plan. She reported \$6 billion a year is spent on claims. She gave her favorite statistic that nearly 6,000 new Texans are born in TRS-ActiveCare every year, lots of babies born. She said for TRS-Care there were 106,000 enrollments for the new dental and vision benefits. She said some 64,000 people enrolled in both products. She said the limited time enrollment for TRS-Care runs through March 2026 and about 2500 people applied to enroll in this first period. She said this resulted in 1.1 million calls resulting in a 325 percent year-over-year increase.

Mr. Kyle McKay discussed how the large scale of TRS-ActiveCare reduces volatility, greater stability year to year and carriers compete aggressively to win our business because of the size. He said the third benefit of the size is the rich data to quickly identify areas of risk, areas of growing cost to manage and identify areas in the market where opportunities exist to work with partners. He said such large scale data is leveraged to purchase high value health care for the lowest cost possible. An example he gave, was last year they audited contracts, looking at price guarantees, that generated an estimated \$30 million a year in savings. He said bringing the summary health plan reporting internal allowed the process to be automated and more of a streamline experience for the employer through the RE portal.

Mr. McKay described how TRS is a partner with four other state agencies pulling data to compare trends and costs as the legislature required. He reviewed how they are able to benchmark against non-participating school districts by estimating costs based on information found on their websites regarding benefits and premiums. He said this demonstrates how ActiveCare is well below market. He discussed a current initiative to review data to determine utilization and spending by category to determine if savings can be garnered in the upcoming RFP process.

Ms. Yimei Zhao concluded by reviewing the timeline for the upcoming RFP for three medical contracts in the two programs. She noted all three contracts are coming to an end in 2026. She said the three goals for the procurements are reducing cost, opportunities for innovative products, and efficiencies.

4. Receive the Ombudsman's Annual Report – Lori LaBrie.

Ms. Lori LaBrie presented the Annual Ombud's Report for calendar year 2024. She said the office for the year received 756 communications. She noted this is almost double what was received in 2022. She said 53 percent of the communications came from service retirees. She reported for social media, health care trended the most, receiving the most comments. As for complaints she said there were a total of 111 point-in-time complaints, down from 206 last year. She reviewed the change in complaint categories where three were removed for these categories were not utilized when a complaint was submitted.

Mr. Walls announced without objection taking up agenda item 14 next.

14. Review and consider proposed amendments to the Employee Ethics Policy – Heather Traeger and Elena Barreiro.

Ms. Elena Barreiro presented the proposed revisions to the Employee Ethics Policy as it pertains to the Governor's executive order that was released on November 19, 2024. She reported the executive order requires all state agencies to include in their ethics policies provisions related to the acceptance of gifts from organizations associated with the countries on the U.S. Department of Commerce Foreign Adversaries list. She said it also required state personnel report any instances when they are being approached and offered gifts by individuals associated with these countries.

On a motion by Mr. Corpus, seconded by Mr. Ball, the Board unanimously voted to amend the Employee Ethics Policy, as presented by staff.

9. Review and discuss the CIO Update including Talent Management; Accomplishments; Notices; Key Dates and Upcoming Events – Jase Auby.

Mr. Jase Auby reported the Trust ended the calendar year 2024 with a one-year return of 7.9 percent, 239 basis points of excess return. He noted the annual town hall was held where two awards were presented. He announced the Excellence in Investing award went to Brian Leary, who launched the small cap quantitative portfolio and the General Excellence award went to IMD AV team that consists of Ben Levy, Austin Anderson and Jay Tucker.

Mr. Auby provided a market update. He said the equity markets absolutely thrived in 2024, U.S. equities had the best return with 24.8 percent. He said looking forward at growth, the prediction is no recession with moderating growth expectations. He reported inflation was closer to 2.5 percent and persistently sticking.

Mr. Auby discussed United States federal debt as a special topic for the meeting.

10. Receive the Annual Review of Emerging Manager Program - Kirk Sims.

Mr. Kirk Sims provided the one-year review of the Emerging Manager Program. He announced the program had reached the 20-year milestone, making it one of the oldest programs in the country and has grown to \$6.2 billion. He said for the one-year period the program trailed the benchmark by eight basis points but over the three-year period it outperformed the benchmark by 178 basis points. He said the focus of the program was finding the emerging managers doing different types of investments and approaches, innovation. The other focus he said was graduation. In 2024, he said, two more managers graduated from the program into the main Trust. The total amount managed by graduates, he reported, is currently \$5.6 billion. He said the Emerging Manager Conference hosted 800 meetings in a six hour period, the program continues to be actively engaged the marketplace.

Mr. Walls announced taking up short public presentations for agenda items 11 and 12 and then going into executive session for both items together.

11. Consider the role, performance and engagement of the Board Investment Advisors and Consultants role, 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 – Steve Wilson, LaTresa Stroud and Aundre Petty.

Mr. Aundre Petty provided a brief background on the pending RFP for the board advisor position that was initiated following the September 2024 Board meeting.

12. Receive an update and consider long term facility planning for a new regional office, 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.

Ms. Pearson stated the first regional office in El Paso opened in November 2022, where over 10,000 members have been assisted in that office. She said this time the focus is on the Rio Grande Valley area for the next regional office. She said they looked at areas in the State outside of the large metro areas that are more than five hours away from headquarters. She said Regions 1 and 2 are close and have 112,000 members with almost 45,000 members eligible to retire over the next five years. She said Region 1 Education Service Center did not have available space for TRS regional office nor did the Texas Facilities Commission have any owned state buildings in that area. She reviewed the criteria considered to lease office space in the area.

On a motion by Mr. Williams, seconded by Mr. Ball, the Board voted to find that deliberating or conferring on items 11 and 12 would have a detrimental effect on the position of the Retirement System in negotiations with a third person.

At 1:52 p.m., Mr. Walls announced the Board would go into executive session under the following agenda items and sections of the Government Code: item 11 under Sections 825.115(e) and 551.071, to discuss the role, performance and engagement of the Board investment advisors and consultants and to consult with legal counsel as needed; item 12 under Sections 825.115(e) and 551.071, to discuss long term facility planning for a new regional office and to consult with legal counsel as needed.

At 3:56 p.m., Mr. Walls reconvened the meeting in open session.

On a motion by Mr. Williams, seconded by Ms. Graf, the Board voted to direct the executive director to bring to the Board top candidates for the Board Investment Advisor role and a staff recommendation for a new regional office and other details as described in the following resolution:

**Resolution of the Board of Trustees
February 27, 2025
Authorizing Actions Relating to Leasing Certain Commercial Office Space
for the New TRS Regional Office**

Whereas, Texas Government Code §821.007 provides that the buildings comprising the home office of the Teacher Retirement System (“TRS”) are under the control and custodianship of the retirement system;

Whereas, TRS identified a need to improve access to services for members throughout the state, including being able to provide in-person office visit appointments for members who live far from the Austin headquarters;

Whereas, In Fiscal Year 2022, TRS opened its first regional office in El Paso, Texas to offer member services in an underserved part of the state, and within two years of operations, the El Paso Office has served over 4,000 members locally and answered over 20,000-member calls;

Whereas, TRS is now conducting a search for properties for a second regional office in the Rio Grande Valley in order to further TRS’ strategic goals to improve customer service and benefit delivery, identify resource needs and develop project plans associated with opening additional regional offices and align people, processes and technology to achieve excellence in member service delivery;

Whereas, Upon completion of the property search, TRS staff will bring to the Board the top properties and a staff recommendation for final Board selection for the second regional office; now, therefore be it

Resolved, That the Executive Director is directed to bring to the Board at a subsequent Board meeting the top candidates and a staff recommendation for a real property lease for a new regional office; and

Resolved, That the Executive Director is authorized to expend such budgeted and available TRS funds and enter any agreements and related documents as the Executive Director deems in his discretion to be reasonably necessary and advisable to achieve the objectives of this resolution;

Resolved, That the Executive Director is directed to report 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 these resolutions 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 the retirement system 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.

13. Receive annual ethics and fiduciary training – Heather Traeger, Suzanne Dugan and Amy McDuffee.

Ms. Heather Traeger, Ms. Suzanne Dugan and Ms. Amy McDuffee provided the annual training focusing on fiduciary duty, governance and ethics.

15. Review Internal Audit’s upcoming External Quality Assurance Review – Amanda Jenami.

Ms. Amanda Jenami stated the Texas Government Code requires internal audit functions to comply with professional internal auditing standards. She said these standards require Internal Audit to develop and implement a quality assurance and improvement program that should include both internal and external assessments. She said the last external assessment was performed in 2022 and it is time to conduct another one. She the assessment will be done by an independent team to provide more opportunity to learn from the External Quality Assurance Review team. She said the peer review team selected is Ms. Cheryl Cervantes Dietz with CalSTRS, Ms. Cathleen Davis with Arizona Public Safety Personnel Retirement System and Mr. Tony Chavez with Texas ERS.

16. Receive an overview and preview of TRS’ planned member-centric website redesign for www.trs.texas.gov – Elizabeth Hallmark.

Ms. Beth Hallmark stated the launch of the new and improved website is a culmination of more than 19 months of work in partnership with the IT Division and ongoing participation from every part of the organization. She said it was time to update to a new web platform and that it was timely to create efficiencies and be responsive to new technology. The last update she said was nearly a decade ago. Mr. David Munns described the member research that was conducted, directly engaging 700 members, to ensure the right improvements were implemented in the redesign. He reported the most important focus was on making it easier for members to find information through robust search capabilities. Ms. Kale Romberger provided a preview of the new website. She said once the website is live they will measure website traffic and continue to survey members, to ensure it improves the member experience. Ms. Hallmark said they are hoping to roll out the new site early to mid-April but only once it is ready and fully meets the highest of standards.

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

This item was not taken up for discussion.

At 5:40 p.m., Mr. Walls noted there was no more scheduled business before the Board and announced the meeting was adjourned.

APPROVED BY THE BOARD OF TRUSTEES OF THE TEACHER RETIREMENT SYSTEM OF TEXAS ON THE __ DAY OF APRIL 2025.

ATTESTED BY:

Katherine H. Farrell
Secretary to the TRS Board of Trustees

Date



Proposed CY 2025 Dates



Proposed CY 2025

February 27 - 28, 2025

April 10 - 11, 2025

June 3, 2025

July 17 – 18, 2025

September 18 – 19, 2025

December 4 – 5, 2025

TAB 4



Executive Director Report

Presentation Date: April 10, 2025

Presented By:
Brian Guthrie



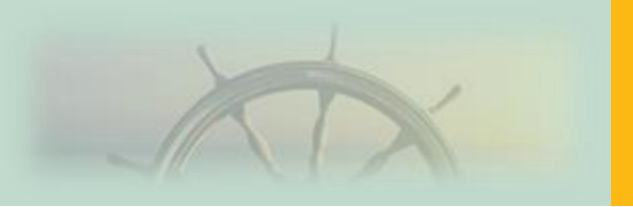
Topics for Discussion

General Updates
Mid-Year Actuarial Valuation
2025 Trustee Election Update
Contract Renewal Notices
Honors and Special Acknowledgments
Upcoming Board Meeting Agendas
Board Direct Reports Performance Review Process and Timeline
Staffing and Turnover Update





General Updates



Upcoming Conferences and Meetings:

- April 14, 2025: Senate Nominations Committee, Austin, TX
- May 18 - 21, 2025: NCPERS Annual Conference & Exhibition, Denver, CO
- July 13 – 16, 2025: NCTR 25th Annual Trustee Workshop, Williamsburg, VA

Past Meetings and Updates:

- March 1 – 3, 2025: NASRA Winter Meeting, Washington, D.C.
- March 3, 2025: House Committee Pensions, Investments & Financial Services (PIFS), Austin, TX
- March 5, 2025: House Committee on the Delivery of Government Efficiency, Austin, TX
- March 6, 2025: House Committee on Public Education, Austin, TX
- March 11, 2025: House Committee on Public Education, Austin, TX
- March 10 – 12, 2025: CII's 2025 Spring Conference
- March 17, 2025: House Committee Pensions, Investments & Financial Services (PIFS), Austin, TX
- March 19, 2025: House Committee on Insurance, Austin, TX
- March 31, 2025: House Committee on Pensions, Investments & Financial Services (PIFS), Austin, TX



Mid-Year Actuarial Valuation



	2024 Valuation	Feb. 28 th Update	Change
UAAL (\$ in Billions)	\$60.6	\$62.0	+\$1.4 Billion
Actuarial Funded Ratio	77.8%	78.2%	+0.4%
Funding Period in Years	28	28	No Change
State Contribution Rate	8.25%	8.25%	No Change
Member Contribution Rate	8.25%	8.25%	No Change
Employer Contribution Rate ²	1.9%	1.9%	No Change

¹Projected as of August 31, 2024

²The Employer Contribution Rate will increase to 2.0% in FY 2025, completing the scheduled statutory contribution increases.



Trustee Election Updates



March 14, 2025
Ballots Mailed
Electronic
Voting Open

May 5, 2025
Election
Concludes

May 29, 2025
Election Rvw
Committee
Reports Top 3
to Governor

Sept. 1, 2025
Earliest Trustees
May Be
Appointed

Public School District
Employee Candidates:

Dr. Ismael Gonzalez III

Dr. Marty Lenard

Dr. Pete D. Pape



Executive Director's Contract Renewal Notices



Board Contract to be Renewed prior to July Board Meeting:

Compensation Consultant: Mercer

Board Contracts to be Renewed after July Board Meeting:

Medical Board Members' Contract: Dr. Buck & Dr. Rothschild

Health Plan Administrator: BCBS ActiveCare

HMO –South and West TX: BCBS HMO

PBM TRS ActiveCare: Express Scripts, Inc.

Healthcare Actuarial: Milliman and Segal



Honors and Special Acknowledgments



Katy Hoffman

Treasurer, Council of Institutional Investors

Barbie Pearson

Advisor, HCU's Women in Leadership

Heather Traeger

Chair/President, Association of SEC Alumni



Upcoming Board Meeting Agendas

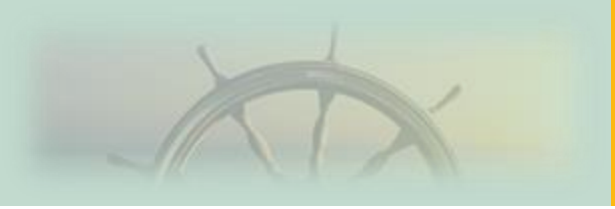


June 3, 2025

- Consider TRS Active-Care FY26 Rates and Benefits Changes



Upcoming Board Meeting Agendas



July 17, 2025

Benefits Committee

- Operational Updates
- Approval of Benefits
- Medical Board Minutes

Investment Management Committee

- CIO Update
- 1st Quarter Performance Review
- Annual Review of External Private Markets
- Review of IPS Modifications

Budget Committee

- Proposed Adoption of FY 2026 Budget

Governance Committee

- Proposed Changes to Performance Pay Plans
- Proposed changes to ED's Areas of Focus
- Possible Proposed Rules from Legislative Session

ACE Committee

- Internal Audit and Compliance Reports

July 18, 2025

Committee Reports

ED Report

Ombuds Report

Deputy Director Report

Information Security Update

Litigation Update



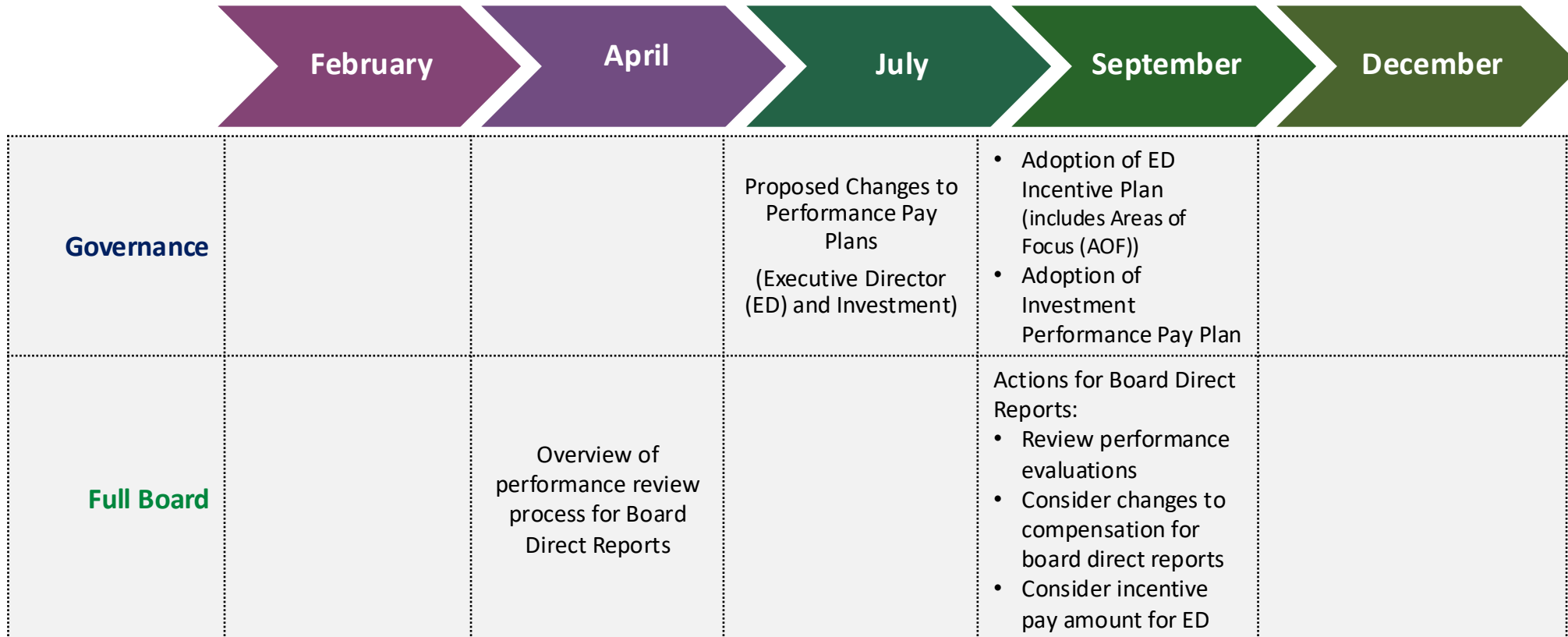
Board Direct Reports Performance Review Process and Timeline



TALENT
Effectiveness



Performance Review Process and Timeline

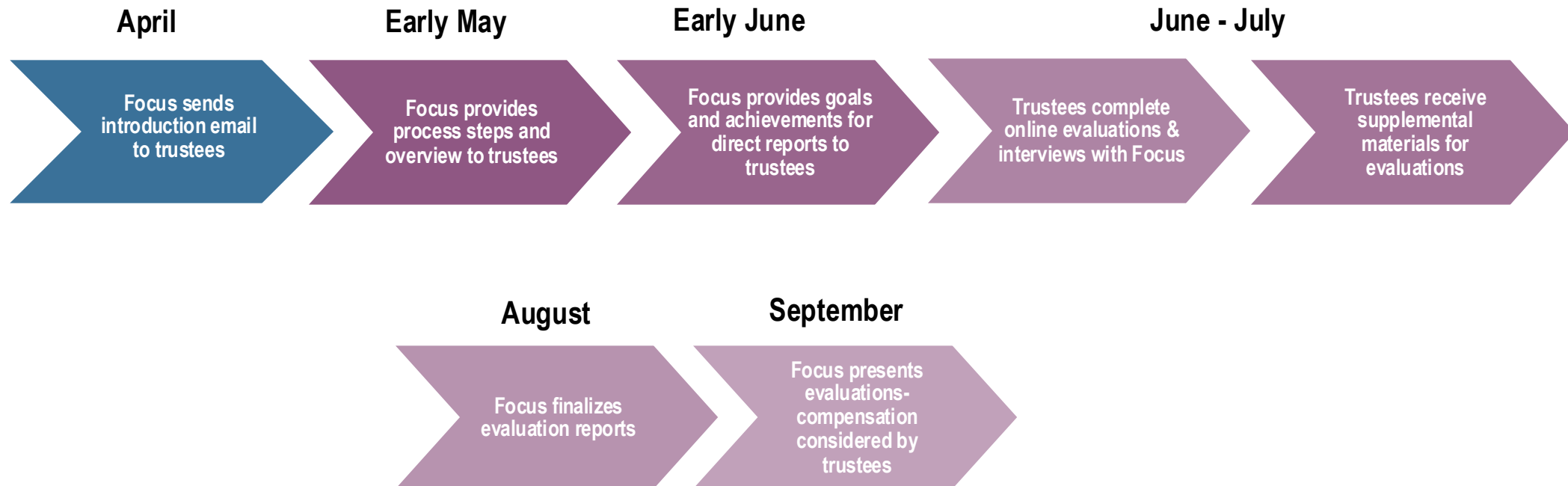




2025 Performance Review Process Timeline



Performance review process administered by Focus Consulting





Executive Director Timeline



	April	July	September	December
How are goals established, and AOF determined?		Board previews proposed Areas of Focus for FY26	Board adopts Areas of Focus for FY26	
How is progress toward those goals and AOF tracked?	Board previews potential updates to the Strategic Plan	Board adopts Strategic Plan Updates Board receives Strategic Plan Progress Report		Board receives Strategic Plan Progress Report
How is the incentive plan reviewed and approved?		Board receives a report of proposed changes to the performance pay plan, if needed (Governance Committee)	Board reviews and adopts FY26 ED Incentive Plan, which includes AOF discussed in Strategic Planning Committee (Governance Committee)	
How is incentive compensation determined?			Board considers FY25 incentive pay amount for Executive Director (Full Board)	

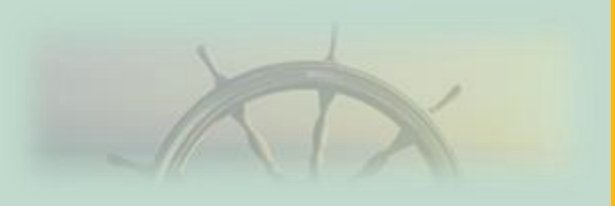


Staffing and Turnover





Turnover and Vacancy Trends

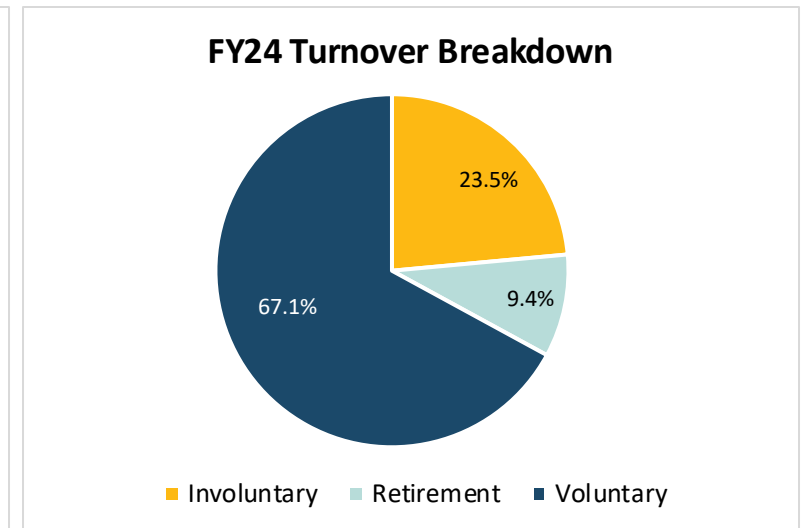
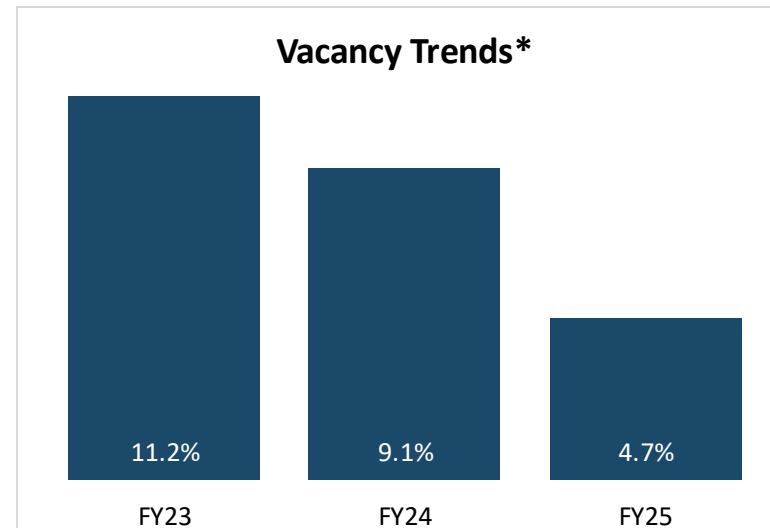
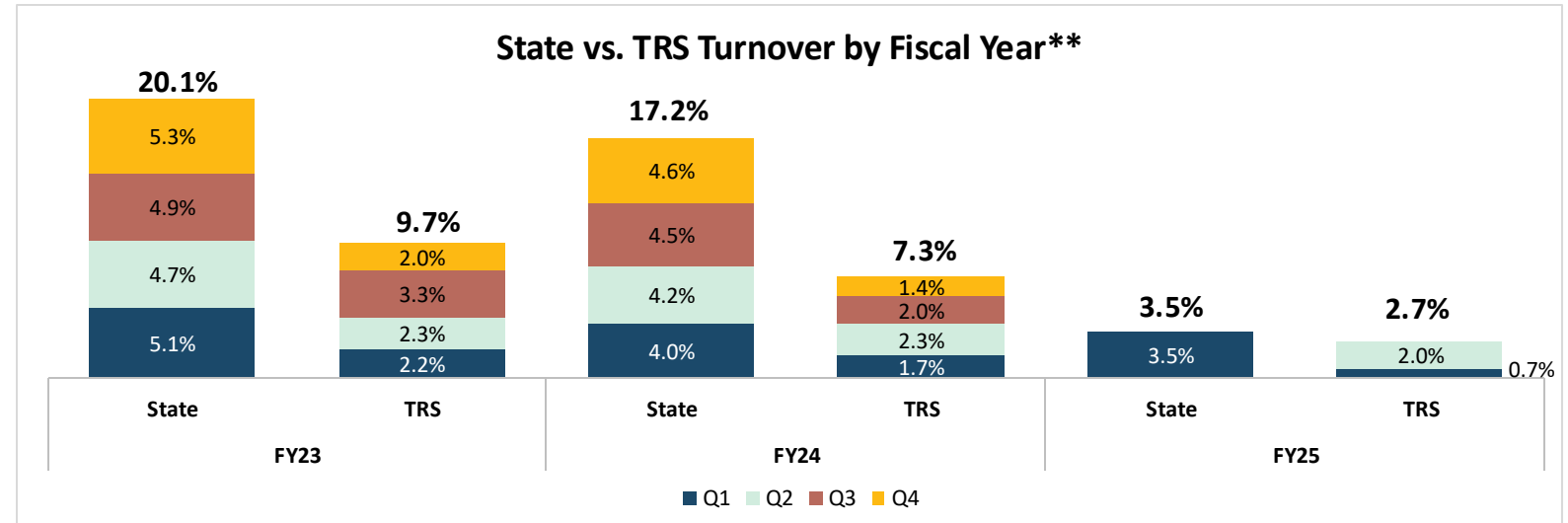


Turnover rates remain stable

- Turnover rates continue to trend downward
- In FY 24 TRS' turnover rate was more than 50% below the state average – and FY 25 rates continue to follow that trend

Vacancy trends remain low

- Over the past two years the percentage of vacant positions has steadily declined
- End of Q2, 4.7% of positions approved to be filled are vacant



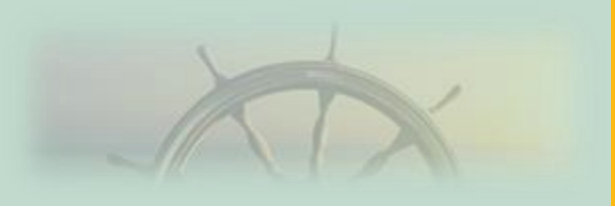
Notes

*FY 25 data – as of 2/28/2025

**FY 25 Q2 State turnover available was not yet available



Recruiting and Staffing Trends



Recruiting and hiring trends remain strong

- TRS continues to see strong interest in positions, and is on track to exceed number of applications received in FY 24

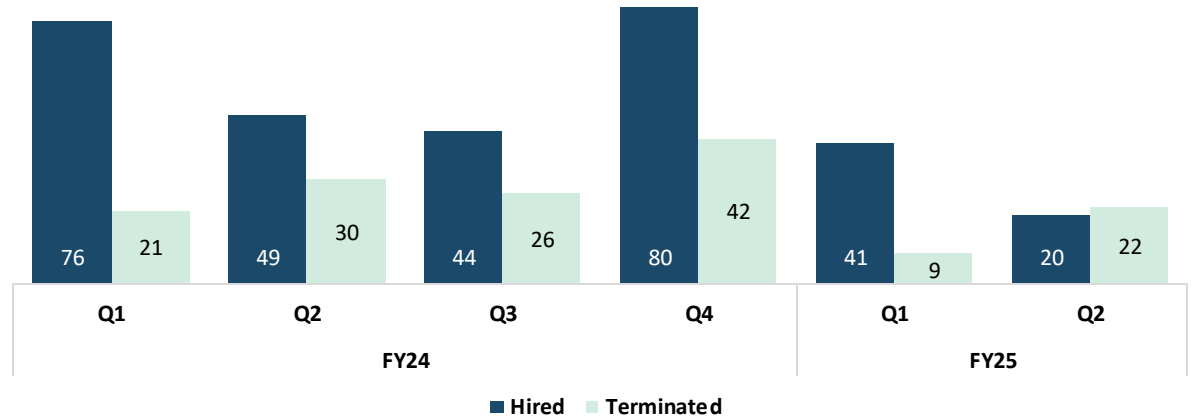
Summer internship preparation has begun

- For FY 25, TRS estimates 26 interns
- Internship program runs 10 weeks, and divisions across the agency participate in providing learning opportunities to students

TRS Fellowship Program continues to grow

- Program currently has 24 Fellows
- Fellowship roles last a maximum of three years and provide training and development for recent graduates

Staffing by Quarter



Applications Received



TAB 5



Memorandum

DATE: April 10, 2025

TO: Board of Trustees

FROM: Heather Traeger, General Counsel
Katherine Farrell, Board Secretary

COPY: Brian Guthrie, Executive Director

RE: Proposed Amendments to Bylaws of the Board of Trustees

Introduction

TRS asks the Board of Trustees (“Board”) to adopt the proposed amendments to the Bylaws of the Board of Trustees of TRS (“Bylaws”).

Background

With a focus on efficiency, TRS Staff reviewed the Board’s committee structure and identified opportunities that would assist in running meetings more efficiently while preserving good governance practices. The majority of the proposed amendments pertain to a reorganization of committees, specifically having the Compensation and Strategic Planning Committees’ (SPC) activities moved to other committees or directly to the Board as outlined below. Additionally, Staff recommends renaming the Policy Committee to the Governance Committee to reflect the expansion of its activities beyond a policy focus. There is one amendment that pertains to a Constitutional provision that was adopted in 2017 regarding holdover status of Trustees.

Pursuant to the Policy Review Schedule, the next comprehensive review of the Bylaws is scheduled for September 2026.

Considerations for the Board

In addition to proposed non-substantive reordering and reorganization of existing provisions, TRS Staff recommends the following changes to the Bylaws:

- **1.2** Includes constitutional language limiting the holdover period of a trustee to end on the last day of the Legislature’s first regular session after the trustee’s expiration date.
- **1.7 (j)** Moves Compensation Committee’s activity of compensation matters of TRS staff including TRS Classification System to Board level.
- **3.1.1(c)(3-5)** Moves SPC’s enterprise risk oversight and reports to the Audit, Compliance and Ethics Committee.

- **3.1.3 (d-e)** Moves SPC's reporting of major project development and execution to Budget Committee.
- **3.1.4 (h)** Changes reference of Policy Committee to Governance Committee.
- **3.1.5** Renames the Policy Committee to Governance Committee and expands authority to include strategic planning responsibilities.
- **3.1.5(a, c, f-g)** Moves SPC and Compensation activities regarding TRS mission and vision statements, performance pay plans and the strategic plan goals and objectives to the Governance Committee.
- **3.1.5 (e)** Deletes duplicative language regarding review of Board policies.

A redlined and clean copy of the proposed amended Bylaws are attached to this memo.

Requested Action

TRS Staff requests that the Board adopt the attached proposed amended Bylaws of the Board of Trustees of TRS.

ATTACHMENT 1

Bylaws of the
Board of Trustees of the
Teacher Retirement System of Texas
AMENDED ~~September 16, 2022~~
April 10, 2025

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**Bylaws of the Board of Trustees
of the
Teacher Retirement System of Texas**

AMENDED ~~July 16, 2021~~April 10,
2025

ARTICLE 1

Organization of the Board of Trustees

1.1 Authority. The Teacher Retirement System of Texas (“TRS” or the “system”) has been established pursuant to Article 16, Section 67 of the Texas Constitution, which requires TRS to have a Board of Trustees (the “Board”) to administer TRS and invest its funds. The assets of the TRS pension fund are required by state and federal law to be held in trust for the exclusive benefit of plan participants and beneficiaries. (See Texas Constitution, Art. 16, Section 67(a); Texas Government Code Sections 825.506 and 825.101; United States Internal Revenue Code Section 401(a).) The Board of Trustees of TRS is the trustee of all plan assets, is responsible for the general administration and operation of TRS and its subsidiaries and affiliates, and is authorized by law to adopt rules for the administration of TRS and the transaction of the business of the Board. (See Texas Government Code chapter 825.) All powers of trusteeship are held in the Board’s fiduciary capacity. The exercise or non-exercise of the Board’s powers are subject to the fundamental duties of prudence, loyalty, and impartiality (Restatement Third, Trust §§ 77-79); to a duty to respect the terms and purposes of the trust (Restatement Third, Trust § 76); and to other fiduciary duties of trusteeship. Although a trustee’s duties, like trustee powers, may be affected by the terms of the trust, the fiduciary duties of trusteeship are subject to minimum standards that require the trustee to act in good faith and in a manner consistent with the purposes of the trust and the interests of the beneficiaries. These fundamental standards of trusteeship are implicit in and normally essential to the trust relationship. (See Restatement Third, Trust §§ 70 and 86.) The Board has similar responsibilities for the health benefits programs under the Texas Public School Retired Employees Group Benefits Act and the Texas School Employees Uniform Group Health Coverage Act and other trusts or programs authorized by law to be administered by TRS.

1.2 Composition. The Board is composed of nine members, who serve for staggered terms of six years each, three of which expire on August 31 of each odd-numbered year. Trustees are appointed in accordance with statutory requirements (Texas Government Code Sections 825.001-.004).

A trustee whose term expires shall continue to perform the duties of the office until his or her successor shall be duly qualified. If a successor is not appointed, a trustee may serve in the capacity of a holdover until the last day of the first regular session of the Legislature that begins after the expiration of the term. (Texas Constitution, Art. 16, Section 17; also see Government Code, Section 572.0211). Similarly, a trustee who tenders his or her resignation nonetheless holds over until his or her successor is duly qualified for the office. Limited exceptions may arise, one of which is the removal of an office holder in a quo warranto proceeding (Civ. Prac. & Rem. Code Section 66.001).

1.3 Chairman of the Board of Trustees.

- 1.3.1** The Governor of the State of Texas designates a member of the Board as the presiding officer of the Board. (Texas Government Code Section 825.201.)
- 1.3.2** The chairman shall preside over meetings of the Board and perform such other duties as are assigned by statute, these Bylaws, or other action of the Board.
- 1.3.3** The chairman serves at the pleasure of the Governor.

1.4 Vice Chairman of the Board of Trustees.

- 1.4.1** The Board shall elect a vice chairman who is a member of the Board.
- 1.4.2** In case of the absence, death, resignation, disability, removal, or disqualification of the chairman, the vice chairman shall perform the duties of the chairman until the chairman shall resume his or her office or a successor chairman has been appointed.
- 1.4.3** The vice chairman serves at the pleasure of the Board.

1.5 Absence of Chairman and Vice Chairman. In the case of the absence, death, resignation, disability, removal, or disqualification of both the chairman and vice chairman, the member of the Board with the longest service on the Board (considering all Board service), as certified by the executive director, shall exercise the duties of the chairman, as acting chairman, until the chairman or vice chairman shall resume his or her office or until a successor chairman has been appointed or a successor vice chairman has been elected. In the event there are two or more members with equal length of service, the executive director shall designate one of those members to serve as the acting chairman.

1.6 Elections.

- 1.6.1** Elections for vice chairman and any other positions that require election by the Board shall be conducted annually on or before the Board's first regular meeting of the fiscal year or as soon thereafter as may be practicable.
- 1.6.2** When a position subject to Board election becomes vacant, a special election for the position shall be held as soon thereafter as practicable.
- 1.6.3** Subject to the proviso that such persons serve at the pleasure of the Board, persons elected to positions under this section serve for a term that expires with the next election for that position or upon resignation from the position by the person holding it.

1.6.4 Nominations for the vice chairman of the Board and any other position that requires election by the Board will be made from the floor by Board members at a meeting of the Board or by special committee established for the purpose of making nominations. A Board member may self-nominate for any such position.

1.6.5 Elections conducted in Board meetings shall be conducted in an open meeting by acclamation or by a roll-call vote pursuant to a motion that has been seconded. Unless a different number is required by law, a majority vote of a quorum is required to elect a nominee for each election required by these Bylaws.

1.7 Responsibilities of the Board. Board members are TRS fiduciaries and shall discharge their duties in the exclusive interest of members and annuitants for the purpose of providing authorized benefits to participants and their beneficiaries. The Board is tasked with the general administration and operation of the retirement system. In order for the Board to monitor and evaluate the effectiveness of the system it shall:

- (a) adopt and periodically review the TRS mission in light of the Board's constitutional and statutory authority and set clear goals for its accomplishment;
- (b) adopt rules, regulations, and bylaws as appropriate or required by law;
- (c) establish committees to make recommendations to the Board and help carry out the Board's responsibilities; however, such committees may not exercise authority required under these Bylaws or by state or federal law to be exercised by the Board as a whole, and the Board may consider or take any action otherwise specified to be taken or considered by a committee created pursuant to article 3 of these Bylaws;
- (d) approve the annual operating budgets;
- (e) adopt and periodically review policies for the operation of the system;
- (f) consider appeals as provided in Board rules;
- (g) be responsible for the following positions:
 - (1) selection, job description, assignment of duties, performance evaluation, compensation, and discipline, including dismissal, of the executive director;
 - (aa) provide oversight and direction to the executive director to ensure that effective management practices are followed in the organization;
 - (bb) delegate to the executive director the responsibility for all administrative functions; and
 - (cc) delegate authority to the staff through the executive director;
 - (2) selection, job description, assignment of duties, performance evaluation, compensation, and discipline, including dismissal, of the chief audit executive in consultation with the Audit, Compliance and Ethics Committee and executive director;
 - (3) selection, job description, assignment of duties, performance evaluation,

compensation, and discipline, including dismissal, of the ombudsman in consultation with the executive director;

(4) selection, performance evaluation, and establish compensation of the chief investment officer, in consultation with the executive director;

(h) ensure the establishment of a system for equitable and effective hiring, evaluation, compensation, and termination of employees;

(i) set not-to-exceed amounts in the exempt salary schedule in consultation with the ~~Compensation Committee and~~ executive director; ~~and~~

(j) provide direction to the executive director on the compensation of TRS staff and other compensation matters including monitoring the TRS Classification System;

(k) ensure an adequate working environment for staff members;

(l) receive reports from the staff, investment consultants and advisors, and others regarding the investment portfolio;

(m) review investment performance, asset mix, portfolio characteristics, cash flow, transactions, and monitor compliance with investment policies and guidelines;

~~(h)~~(n) select one or more commercial banks, depository trust companies or other entities to serve as custodian(s) of TRS securities and to lend such securities, provided that, for avoidance of doubt, this requirement 1) does not apply to regulated brokerage, clearing, exchange, or similar accounts into which TRS is required to deposit assets or collateral and 2); the selected securities lending entity(ies) may act independently of the selected custodian(s)

~~(j)~~(o) select the following consultants and advisors to the Board:

(1) select and evaluate 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;

(2) select and evaluate fiduciary counsel;

(3) select and evaluate an actuary;

~~(j)~~(p) appoint members to the following:

(1) the Medical Board; and

(2) members and officers of the Retirees Advisory Committee.

1.8 Board Travel.

1.8.1 Members of the Board shall be reimbursed for allowable travel expenses while on official TRS business as specified in state law and the “TRS Travel Rules and Guidelines.”

1.8.2 Official TRS business is defined as travel while acting as a designated representative of the Board (such as meeting with elected officials or Board consultants and advisors on behalf of the Board whether within or outside the state), travel to and from meetings of the Board, meetings of Board committees, orientation meetings, or other travel within the state in the

capacity of a member of the Board.

- 1.8.3** In addition to travel on official TRS business as defined in subsection 1.8.2 of this section, it is anticipated that each Board member will receive reimbursement established through the budget process of allowable Board travel expenses to attend conferences and other activities meeting the following criteria:
- (a) The purpose of the expense is related to the business of TRS and the Board; and
 - (b) Attendance at the function will benefit the Board or a Board member in the exercise of TRS responsibilities.
- 1.8.4** Travel allocations are not compensation, nor are they in the nature of an allowance paid regardless of whether travel expenses are incurred. Any international travel must receive advance approval as required by law.
- 1.8.5** The Executive Director in consultation with the Legal & Compliance Division shall be responsible for developing and administering procedures for travel under sections 1.8.2 and 1.8.3.

1.9 Board Education. Each Board member is encouraged to attend workshops and training sessions on such matters as fiduciary duties, actuarial valuations, investment issues, and benefits delivery, which may enable the Board member to better fulfill trustee responsibilities to the system.

ARTICLE 2

Meetings of the Board

2.1 Meetings of the Board.

- 2.1.1** The Board shall meet approximately five, but at least four, times per fiscal year. The dates for regular meetings will be approved annually in advance by the Board at the first regular meeting of each fiscal year or as soon thereafter as practicable. When necessary, and in addition to the provisions of subsection 2.1.6 of this article, the Board may add or cancel a regular meeting or change the date, time, or location of a regular meeting by action of the Board.
- 2.1.2** Special meetings of the Board may be held either upon the call of the chairman of the Board or the call of at least four members of the Board, or upon action of the Board. A call by the chairman or by other members of the Board must be communicated to the executive director within sufficient time to permit posting of the meeting as required by law. The call or action of the Board, as applicable, shall specify the date of each special meeting and may specify the time and place for each special meeting.
- 2.1.3** Meetings shall be held at TRS headquarters, in Austin, Texas, unless by call

or action of the Board another location is specified.

2.1.4 Regular and special meetings shall begin at a time designated by the chairman of the Board unless a time has been specified in the call or by action of the Board in setting a particular meeting.

2.1.5 Emergency meetings may be called in the same manner as special meetings.

The Board member who initiates the call for an emergency meeting shall provide the executive director with the reason for the emergency or urgent public necessity. An emergency meeting is one which cannot be posted within the seven day advance notice normally required by the Open Meetings Act (Texas Government Code Chapter 551, Section 551.044, or a successor statute) (the “Act”), but which is needed because of “imminent threats to public health and safety or reasonably unforeseeable situations requiring immediate action by the government body” or as otherwise defined by the Act, as amended, court decision, or other applicable law. Emergency meetings shall be posted in accordance with applicable law, including Texas Government Code Section 551.045 (or its successor statute), requiring posting for at least two hours before the meeting is convened.

2.1.6 If a catastrophe prevents the Board from convening a properly posted meeting, the Board may, under Texas Government Code Section 551.0411, convene in a convenient location within 72 hours pursuant to Texas Government Code Section 551.045 by giving written notice of the date, hour, place, and agenda of the rescheduled and/or relocated meeting at least two hours before it begins. For the purposes of this subsection, the term “catastrophe” has the meaning assigned in Texas Government Code Section 551.0411. In consultation with the executive director, the chairman of the Board shall specify the date, hour, and place of a meeting rescheduled under this subsection to accommodate as many members of the public, board, and staff as possible.

2.1.7 In addition to the provisions of subsection 2.1.6 of this article, a special or emergency meeting of the Board may be canceled or rescheduled, or the location of the meeting changed, only by action of the Board or by a call of at least four members of the Board communicated to the executive director within sufficient time for TRS to comply with all posting requirements for the meeting. Unless a time has been specified in the call or action of the Board rescheduling the meeting, the chairman may set the time of a rescheduled meeting, though any such time must meet all posting requirements of applicable law.

2.2 Public Comment at Meetings.

2.2.1 The Board will allow reasonable opportunity for public comment to the Board on any issue under the jurisdiction of the Board. The chairman may determine the total time to allot to public comments at a meeting of the Board.

2.2.2 Persons who desire to deliver oral comments at a Board meeting must complete the required sign-in form, preferably before the public comment agenda item is reached during the Board meeting. Persons who desire to provide oral comments virtually at a Board meeting must complete the required electronic sign-in form preferably by 5:00 pm the day before public comment is scheduled. The chairman of the meeting will specify the length of time to be allowed for each person to speak. Persons wishing to speak before the Board shall provide the following information:

- (a) name and contact information;
- (b) the name of the person or group, if any, the speaker is representing;
- (c) the agenda item upon which the person wishes to speak, if any; and
- (d) if the matter does not relate to an agenda item, a brief description of the nature of the matter to be addressed by the speaker.

If the chairman determines based on the information provided that public comment is made for the purpose of soliciting TRS business and the particular solicitation is not specifically identified on the agenda, the chairman may deny the opportunity to deliver the comment.

2.3 Meeting Agendas.

2.3.1 The agenda for each Board meeting shall be set by the chairman of the Board and when appropriate other Board members in consultation with the executive director. The executive director shall prepare and distribute to the Board the agenda and relevant written materials.

2.3.2 Items may be submitted for inclusion on the agenda of any Board meeting by any Board member or by the executive director prior to posting. The executive director shall determine the initial order of the agenda items prior to posting. Board members desiring to add an agenda item must submit it to the executive director by 5:00 p.m. not later than the tenth TRS business day before the meeting.

2.3.3 Agenda items may be added to a posted agenda by the chairman, by the executive director, or by written request of any Board member, provided that the proposed addition is submitted to the executive director in time to post the amendment to the agenda in compliance with the Open Meetings Act. If the item must be added as an emergency agenda item due to insufficient time to post it as a regular item, the request to add the item must include a valid reason for the emergency, as determined by the executive director in consultation with the general counsel.

2.4 Notice of Meetings. The executive director will cause meeting notices to be posted in compliance with these Bylaws and the Open Meetings Act.

2.5 Auxiliary Aids or Services at Meetings. Persons who do not speak English or persons with disabilities may request auxiliary aids or services to be provided at a meeting, such as

language interpreters or interpreters for persons who are deaf or hearing impaired, or readers or large print or Braille texts for persons who are visually impaired. If the request is made to the executive director with adequate advance notice before the meeting, the executive director shall cause reasonable accommodations to be provided to persons with disabilities to the extent required by law and may exercise discretion to determine any other accommodations to be provided.

2.6 Procedure.

2.6.1 A quorum of the Board is a majority of the number of members fixed by statute, unless otherwise defined by applicable law. A quorum is required for the board to conduct business. Unless otherwise provided by law, a majority vote of the board (i.e., a majority vote of the members present and voting at a meeting where a quorum is present) is required for action or decision by the Board, and at least a majority of the minimum number of members needed to constitute a quorum must vote in favor of the action or decision for it to be approved by the Board. Abstentions are not counted in determining the outcome of a vote but are counted in determining a quorum. The most recent edition of *Robert's Rules of Order Newly Revised*, when not in conflict with other Board-adopted rules of procedure, these Bylaws, or applicable law, shall be the rules of parliamentary procedure and order for the Board and its committees. The TRS general counsel shall assist and advise the chairman of the Board or of a committee regarding interpretation and application of the rules of parliamentary procedure.

2.6.2 The minutes of the Board shall contain each subject of discussion and deliberation, all motions, seconds, if any, and the vote, if any, on such motions. Each Board member shall be given an opportunity to record in the minutes his or her vote on a motion and to have included in the minutes the reasons stated in the meeting for his or her vote.

ARTICLE 3

Committees

3.1 Standing Committees. In accordance with section 1.7 of these Bylaws, the Board may establish standing committees by amendment of this article. A quorum of a standing committee shall be a majority of the members of the committee. Any committee may convene in joint session with any other committee. The committees shall normally meet on a quarterly basis or at the call of its chairman. Standing committees may perform other activities related to the committees' responsibilities as requested by the Board.

3.1.1 Audit, Compliance, and Ethics Committee. The Board shall have an Audit, Compliance, and Ethics Committee. The responsibilities of the Audit, Compliance, and Ethics Committee shall be as follows:

(a) Purpose

(1) To assist the Board in fulfilling its fiduciary oversight

responsibilities for

- (aa) the financial reporting process;
- (bb) the risk management and internal control system;
- (cc) the internal audit process;
- (dd) the external audit process;
- (ee) the process for monitoring compliance with laws, regulations, and policies, and
- (ff) reporting and other activities.

- (2) To coordinate and interface with the Board regarding Audit, Compliance, and Ethics Committee activities and other pertinent matters.

(b) Financial Reporting Process

- (1) Review and understand significant accounting and reporting matters requiring judgment (including those involving complex or unusual transactions), consider recent professional and regulatory pronouncements, and understand the impact of such matters and pronouncements on financial statements.
- (2) Review with management and the external and internal auditors the results of audits, including any difficulties encountered.
- (3) Review all significant suggestions for improved financial reporting made by the external financial statement auditor and by the internal auditor.
- (4) Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- (5) Review with management and the auditors all matters required to be communicated to the committee under generally accepted auditing standards.

(c) Governance, Risk Management, and Internal Control Activities

- (1) Receive reports on and discuss the internal and external auditors' assessment of the effectiveness of the organization's governance, risk management, and internal control activities, including technology governance and fraud risk prevention activities.
- (2) Obtain reports from internal and external auditors and compliance staff on significant findings and recommendations relating to governance, risk management, and internal control activities, together with management's response, including receiving reports regarding any violation of portfolio risk management standards as required by the Investment Policy Statement of the Board for (1) any passive violation of prescribed portfolio policy limits as the result of changing market or credit conditions, and (2) any active violation of prescribed portfolio policy limits as a result of entering into an agreement or investment that breaches a policy limit at inception and the corrective action plan implemented to cure such

violation.

- (3) Provide enterprise risk oversight by discussing and considering matters relating to the identification, prioritization, management, and monitoring of critical risks.
- (4) Receive reports from staff regarding the identification, evaluation, and management of risk across the enterprise.
- (5) Make such other recommendations to the Board as the committee deems necessary pertaining to any matters regarding enterprise risk mitigation, tolerance levels, and reduction strategies.

(d) Internal Audit Process

- (1) Assure and maintain, through the organizational structure and by other means, the independence of the internal audit process. Ensure there are no unjustified restrictions or limitations on the internal audit function.
- (2) Ensure that internal auditors have access to all documents, information and systems in the organization that are reasonably needed to accomplish the purpose of the audit, unless any such information is subject to a legally applicable and properly asserted privilege.
- (3) Review with management and the chief audit executive the charter, plans, activities, budget, staffing, qualifications and organizational structure of the internal audit function. Recommend to the Board an internal audit charter or modifications to such charter.
- (4) Review and recommend audit plans for approval by the Board.
- (5) Review all internal audit reports and management letters.
- (6) Review the responsiveness and timeliness of management's follow-up actions pertaining to any reported audit recommendations.
- (7) Receive periodic reports of advisory and consulting activities by internal auditors.
- (8) Authorize audits or investigations into any matters within the committee's scope of responsibilities and provide appropriate reports to the Board.
- (9) Provide input and advice to the Board in the appointment, replacement, dismissal and the annual evaluation of the performance and compensation of the chief audit executive in consultation with the executive director.
- (10) Review the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing* and Texas Government Code Chapter 2102 (the Texas Internal Auditing Act).

- (11) Designate the chief audit executive as the primary point of contact for handling audit-related matters pertaining to audits, examinations, investigations or inquiries of the State Auditor's Office, other appropriate state or federal agencies, and other external audit groups.
- (e) External Audit Process
 - (1) Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
 - (2) Review the performance of the external auditors, and, upon request, recommend to the Board the appointment or discharge of the external auditors. Obtain input from management, the chief audit executive, and other parties as appropriate.
 - (3) Review the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the organization, including any non-audit services, and discussing the relationship with the auditors.
 - (4) Review the audited financial statements, associated management letters, attestations on the effectiveness of the internal control structure and procedures for financial reporting, and required communications.
 - (5) Review all external audit reports and management letters.
 - (6) Review the responsiveness and timeliness of management's follow-up actions pertaining to any reported audit recommendations.
- (f) Compliance Process
 - (1) Assess the effectiveness of the system for monitoring compliance with laws, regulations and policies, and the results of management's follow-up actions pertaining to any reported instances of non-compliance.
 - (2) Review the findings and recommendations of any examinations by oversight agencies and compliance and auditor observations.
Obtain regular updates and reports from the chief compliance officer and, as appropriate, management regarding compliance matters.
- (g) Ethics Process
 - (1) Recommend, as deemed advisable, reports regarding conflict of interest disclosures from the chief compliance officer or reports that are submitted directly to the chairman of the committee as prescribed in an applicable ethics policy;
 - (2) Recommend to the Board waivers of any disclosed conflict of interest or a waiver of the prohibition against involvement in any matter affected by a disclosed conflict of interest, at a meeting held in compliance with the Open Meetings Act;
 - (3) Recommend to the Board or the executive director the prudence of contracting on behalf of TRS with any entity or a controlled

affiliate of such entity that employs or is represented by a former trustee or former employee;

- (4) Recommend, as deemed advisable, reports from the executive director of any approval given for outside employment by key employees, including the nature of the employment;
 - (5) Recommend to the Board approval in advance of any outside employment by the executive director;
 - (6) Recommend, as deemed advisable, reports from the executive director of any disciplinary action disclosed by key employees; and
 - (7) Recommend, as deemed advisable, reports of violations of a TRS ethics policy and any resulting disciplinary actions.
- (h) Reporting and Other Activities
- (1) At least quarterly, report to the Board about committee activities, issues, and related recommendations.
 - (2) Provide an open avenue of communication among management, internal audit, external auditors, compliance, and the Board.

3.1.2 Benefits Committee. The Board shall have a Benefits Committee. The purpose of the committee is to assist the Board in carrying out its responsibility for delivery of benefits under programs administered by TRS. The Benefits Committee shall:

- (a) review and make recommendations to the Board related to programs within its oversight;
- (b) receive recommendations from the Retirees Advisory Committee regarding TRS-Care, and recommend related actions to the Board;
- (c) recommend to the Board persons to serve on the Retirees Advisory Committee;
- (d) establish performance standards for professional benefits consultants and participate in performance evaluations of those consultants;
- (e) recommend to the Board persons to serve on the Medical Board;
- (f) review periodic reports by TRS staff or consultants on benefit delivery services, benefit-related trends, and other significant benefit topics; and
- (g) receive reports and make recommendations regarding customer service standards and satisfaction;
- (h) the chair of the committee serves as the point of contact for the ombudsman, in consultation with the executive director, regarding member issues that occur in between committee meetings; and
- (i) provide input and advice to the Board in the appointment, replacement, dismissal and the annual evaluation of the performance and compensation of the ombudsman in consultation with the executive director.

3.1.3 Budget Committee. The Board shall have a Budget Committee. The purpose of the committee is to assist the Board in carrying out its fiduciary responsibility for budgeting and accounting for all expenses of the systems' funds. The Budget Committee shall:

- (a) recommend to the Board annual operating budgets;
- (b) recommend intra-budget transfers and budget amendments for approval by the Board; ~~and~~
- (c) monitor implementation of the operating budgets of the pension trust and other programs;
- (d) receive reports from staff regarding major project development and execution; and
- (e) provide input and guidance to TRS staff on the development and execution of major projects.

3.1.4 Investment Management Committee. The Board shall have an Investment Management Committee. The purpose of the Committee is to assist the Board in carrying out its responsibilities to invest and reinvest the system's assets. The Investment Management Committee shall:

- (a) recommend individual investments and investment- related action to the Board when the recommendation is required by the Board's Investment Policy Statement or resolutions adopted by the Board;
- (b) recommend to the Board overarching strategies for all TRS investments, and to monitor those strategies;
- (c) recommend to the Board or an applicable committee investment objectives, the establishment of performance and risk measurement and attribution standards for plan assets, each asset class and component portfolios, and risk parameters and controls, and to monitor those that the Board approves;
- (d) monitor the retirement system's investment processes and consider recommending to the Board or an applicable committee proposed changes to the system's investment processes;
- (e) monitor the investment performance of the overall fund, receive investment reports, and recommend to the Board or an applicable committee policies for appropriate reporting and communication mechanisms to keep the committee and the Board appropriately informed about TRS investments;
- (f) receive reports from staff regarding compliance with portfolio risk management standards as required by the Investment Policy Statement of the Board;
- (g) recommend to the Board approval of action plans submitted by staff to

cure passive violations of prescribed policy limits when it is necessary to extend the cure period beyond the time allowed by policy for staff to cure such violation;

- (h) review proposed new or amended investment policies and make recommendations relating to any investment policy, including reporting and communication requirements, to the Policy Governance Committee; and
- (i) recommend to the Board or the staff, as applicable, that TRS engage professional independent service providers, advisors, or consultants to review internal investment operations and render advice as appropriate. The committee may review responsive proposals and recommend engagement of one or more firms to the Board or the staff, as applicable; and

3.1.5 Policy Governance Committee. The Board shall have a Policy Governance Committee. The purpose of the Policy Governance Committee is to assist the Board in fulfilling its policy-making responsibilities, in accordance with Texas Government Code Sections 825.102 and 825.113. The Committee is also to assist the Board in its oversight responsibilities relating to strategic planning. The Policy Governance Committee shall:

- (a) review and make recommendations to the Board on the TRS mission and vision statements and the strategic plan goals and objectives;
- ~~(a)~~(b) make or review policy proposals, including those made by staff through procedures established by the executive director, and recommend new written Board policies and modifications to existing written policies as needed;
- (c) review the Performance Pay Plans and when needed make recommendations concerning them to the Board;
- ~~(e)~~(d) recommend new rules and rule amendments as needed and review existing rules periodically as required by law;
- ~~(d)~~(e) adopt and follow a plan of review for each fiscal year to ensure that all written TRS Board policies are reviewed periodically; ~~and ensure that proposed Board policies or policy changes have been appropriately reviewed, including by staff pursuant to procedures established by the executive director or by consultants as neecess~~
- (f) receive reports from staff regarding the development and execution of strategic planning, including regular updates on TRS' medium and long-term initiatives, the TRS Strategic Plan, key performance indicators, and the identification and mitigation of strategic plan risks and vulnerabilities; and
- (g) provide input and guidance regarding:
 - (1) assessment of the internal and external forces and variables that impact TRS' strategic planning;

- (2) formulation and execution of strategic goals and objectives; and
- (3) alignment of the organization behind the agency's strategic goals and objectives, including alignment with major projects, resource allocation, and the Executive Director's goals and objectives;

Strategic Planning Committee. ~~The Board shall have a Strategic Planning Committee. The purpose of the committee is to assist the Board in its oversight responsibilities relating to strategic planning, including related risks, opportunities, and major projects. The Strategic Planning Committee shall:~~

~~receive reports from staff regarding the development and execution of strategic planning, including regular updates on TRS' medium and long-term initiatives, the TRS Strategic Plan, key performance indicators, and the identification and mitigation of strategic plan risks and vulnerabilities;~~

~~provide input and guidance regarding:~~

~~assessment of the internal and external forces and variables that impact TRS' strategic planning;~~

~~formulation and execution of strategic goals and objectives; and~~

~~alignment of the organization behind the agency's strategic goals and objectives, including alignment with major projects, resource allocation, and the Executive Director's goals and objectives;~~

~~review and make recommendations to the Board on the TRS mission and vision statements and the strategic plan goals and objectives;~~

- ~~(g) provide enterprise risk oversight by discussing and considering matters relating to the identification, prioritization, management, and monitoring of critical risks;~~
- ~~(h) receive reports from staff regarding the identification, evaluation, and management of risk across the enterprise;~~
- ~~(i) receive reports from staff regarding major project development and execution;~~
- ~~(j) provide input and guidance to TRS staff on the development and execution of major projects;~~
- ~~(k) make such other recommendations to the Board as the committee deems necessary pertaining to any matters regarding enterprise risk mitigation, tolerance levels, and reduction strategies; and~~

3.1.2 Compensation Committee. ~~The Board shall have a Compensation Committee.~~

~~The purpose of the Committee is to assist the Board in its responsibilities to establish a system for the equitable and effective compensation of employees. The Compensation Committee shall:~~

- ~~(a) review the Performance Pay Plans and when needed make~~

- ~~recommendations concerning it to the Board;~~
- ~~(b) provide direction to the executive director and make recommendations to the Board on the compensation of TRS staff and other compensation matters referred to the Compensation Committee by the Board chair;~~
- ~~(c) recommend to the Board adoption of not to exceed amounts in the exempt salary schedule in consultation with the executive director; and~~
- ~~(d) monitor efficiency and effectiveness of the TRS classification system to attract and retain a qualified workforce.~~

3.23.1 Special Committees. Special committees other than standing committees established in section 3.1 may be created by action of the Board, which shall establish the purpose and responsibilities of the committee and may establish the term for which it shall exist.

3.33.2 Composition of Committees. A committee will be composed of five members of the Board unless otherwise provided by action of the Board or these Bylaws. The chairman of the Board annually shall appoint committee members subject to the consent of the Board on or before the Board's first regular meeting of the fiscal year or as soon thereafter as may be practicable. The chairman of the Board shall designate the chairman of each committee. Committee chairmen serve as chairmen at the pleasure of the chairman of the Board. The term of a committee member expires on the earlier to occur of the date of the Board's consent to the appointment of a successor committee member to fill the member's position or the date on which the member's term as a Board member has expired according to law and the person is no longer holding over and serving as a member of the Board. The chairman of the Board may appoint an interim successor to the committee for a member whose Board term has expired, who is holding over as a Board member, but who has resigned his or her committee position. Any such interim successor member of a committee may serve until the meeting of the Board at which the Board votes to consent to the appointment of committee members.

3.43.3 Advisory and Auxiliary Committees. If authorized or required by state law or Board policy, the Board shall appoint advisory or auxiliary committees of non-board members to assist TRS. These committees may be composed of volunteers, independent contractors, or employees. Such committees include the Medical Board and the Retirees Advisory Committee for TRS-Care. The terms, qualifications, and methods of appointment of these committees shall be governed by relevant state law or Board policy. The Board shall designate the chairman and vice chairman, if any, of each such committee.

3.53.4 Committee Agendas. The agenda for each committee meeting shall be set in a manner similar to a Board meeting agenda, but with the committee chairman and members having the same authority with regard to the committee agenda of committee meetings that the Board chairman and members have with regard to the Board agenda of Board meetings.

3.63.5 Committee Attendance. Any member of the Board may attend a meeting of a committee of which he or she is not a member but shall not vote. Because the attendance of

five or more trustees at a Board committee meeting constitutes a quorum of the full Board, public notice of a committee meeting is also posted as a Board meeting under the Open Meetings Act (Texas Government Code Chapter 551) in anticipation of a quorum of the full Board possibly attending the meeting. Also in compliance with the Open Meetings Act, a record is kept of the attendance of a quorum of the full Board at a Board committee meeting. The attendance of a quorum of the full Board at a Board committee meeting is not a regular, special, or emergency Board meeting under Article 2 of these Bylaws, relating to meetings of the Board. In addition, the attendance of a quorum of the full Board at a Board committee meeting is not a regularly scheduled Board meeting under Texas Government Code Section 825.010(a)(5), relating to grounds for removal of a trustee because of absence from Board meetings.

ARTICLE 4

Executive Director

4.1 Responsibilities of Executive Director. The Board shall employ an executive director as required by law, with such duties as may be required by law of the chief executive officer and chief administrative employee of TRS and with such other duties as may be established by the Board in its policies, resolutions, and other actions. In these Bylaws, the term “executive director” means the person appointed by the Board pursuant to Texas Government Code Section 825.202 (or a successor statute) and these Bylaws.

4.1.1 With respect to the operations of the Board itself the executive director shall:

- (a) make preparations, including trustee travel arrangements, for all meetings of the Board and its committees;
- (b) under the direction of the chairman of the Board or a relevant committee, prepare and distribute the agendas and appropriate documentation for all meetings of the Board and its committees;
- (c) under the direction of the chairman of the Board or of a relevant committee, post notices of all meetings and the subject matter thereof as may be required by law;
- (d) cause the secretary to the Board to record, prepare, and index the official minutes of the Board and its committees;
- (e) file and preserve all official documents, correspondence, and proceedings of the Board and its committees;
- (f) ensure proper custody, access and use of the TRS official seal and any counterparts consistent with section 5.9 of these Bylaws;
- (g) maintain the official copy of these Bylaws;
- (h) as directed by the Board, establish routine reporting mechanisms and procedures to the Board and prepare special reports to the Board; and
- (i) carry out other policies adopted by the Board.

4.1.2 The executive director is the chief executive officer of TRS and is responsible to the Board for the general administration of TRS in accordance with relevant

state laws and policies adopted by the Board. The executive director shall:

- (a) manage the daily operations of TRS as its chief executive officer;
- (b) assume managerial responsibility and leadership for the planning, operation, supervision, and evaluation of programs and services;
- (c) assume authority and responsibility for the selection, job description, assignment of duties, performance evaluation, promotion, compensation, and discipline, including dismissal of all TRS personnel except for:
 - (1) the chief audit executive as provided in subsections 1.7 and 3.1.1 of these Bylaws;
 - (2) the selection of the chief investment officer as provided in subsection 1.7 of these Bylaws. The executive director shall evaluate the chief investment officer in consultation with the Board and have full authority and responsibility for all other personnel matters, including the chief investment officer's assignment of duties and discipline, including dismissal; and
 - (3) the ombudsman as provided in subsection 1.7 of these Bylaws. .
- (d) prepare and submit annual operating budgets for consideration by the Board;
- (e) prepare recommendations for policies to be considered by the Board and oversee the implementation of adopted policies;
- (f) recommend to the Board, either directly or through a designee, the selection and evaluation of the actuary, custodian for securities and for securities lending, investment consultant or advisor to the Board, and fiduciary counsel to the Board;
- (g) organize TRS to accommodate its mission; and
- (h) develop programs designed to create a culture of diversity, inclusion, and equity at TRS, including in the organization's recruitment, retention, position, pay and procurement practices.

4.2 Miscellaneous Duties.

4.2.1 The executive director shall annually provide to members of the Board information regarding their qualification for office, including Texas Government Code Sections 825.002, -.003, -.0032, and -.010, and their responsibilities under applicable laws relating to standards of conduct for state officers including Texas Government Code Sections 553.002, 572.005, 572.051, 572.056, 572.058, 825.0032, 825.210-.212, and 2254.032, and Texas Penal Code Sections 32.43, 32.45, 36.02, 36.08, 36.10, 39.01, and 39.03, and any amended, new, or successor statutes.

4.2.2 The executive director shall annually provide to TRS employees information regarding their qualification for employment, including Texas Government Code Sections 573.001-.084 and 825.0032 and their responsibilities under applicable laws relating to standards of conduct for state employees including

Texas Government Code Sections 553.002, 572.051, 572.005, 825.0032, 825.210-.212, and 2254.032, and Texas Penal Code Sections 32.43, 32.45, 36.02, 36.08, 36.10, 39.01, and 39.03, and any amended, new, or successor statutes.

- 4.2.3** In accordance with Texas Government Code Section 825.010(c), the executive director shall notify the chairman of the Board if he has knowledge that a potential ground for removal of a trustee exists. The chairman shall then notify the appropriate appointing officer or body that a potential ground for removal exists.

4.3 Absence of Executive Director. If the executive director will be away from the TRS headquarters for a brief period, as contemplated by section 4.4 of this article, the executive director may designate the deputy director to act in his or her stead generally or for a particular purpose. If the deputy director is also unavailable, the executive director may designate the chief financial officer to act for the executive director. In the absence of the executive director due to incapacity or otherwise when the duration of the absence is unknown and the absence may be extended or permanent, the deputy director shall perform such duties as are necessary to the administration of the system and shall have the responsibility and authority of the executive director until the Board designates the person succeeding to the responsibilities and authority of the executive director. In the absence of the executive director and the deputy director, the chief financial officer shall perform such duties as are necessary to the administration of the system and shall have the responsibility and authority of the executive director and the deputy director until the earlier of the following events: the executive director or the deputy director has resumed his or her duties; or the Board has designated the person succeeding to the responsibilities and authority of the executive director or the deputy director.

For no longer than the duration of an emergency situation, the chairman of the Board shall designate the person succeeding to the responsibilities and authority of the executive director pending approval by the Board of Trustees. A designee under this section shall have the responsibility and authority of the executive director. The chairman of the Board or the deputy director shall notify the Texas Ethics Commission whenever there is a change in the person named to the position of executive director. A member of the Board is not eligible for temporary designation or permanent appointment to serve in the capacity of the executive director under Texas law.

4.4 Delegating Responsibilities. The executive director shall designate an employee of TRS to serve as secretary to the Board to assist in the execution of duties enumerated in subsection 4.1.1 of this article and may assign other employees of TRS as necessary to assist in carrying out these and other duties.

ARTICLE 5

Miscellaneous Organizational Provisions

5.1 Administration of TRS. The administration of TRS is governed by these Bylaws, Board policies, and applicable laws. In the event of a conflict between these Bylaws and applicable state law, the applicable state law shall govern to the extent necessary to resolve the conflict.

5.2 Investments of TRS. TRS investments are authorized to be made only in accordance with policies adopted by the Board and applicable state, federal, and foreign law.

5.3 Custody of TRS Assets. TRS trust assets shall be entrusted to one or more custodians only in accordance with policies and other actions of the Board and applicable state law. The Board shall select the custodian or custodians to hold TRS assets.

5.4 Budgets and Fiscal Year. The budgets of the pension trust fund and any other trust funds administered by TRS are adopted by the Board and may be amended by the Board in subsequent meetings. The TRS fiscal year shall begin September 1 and shall end the following August 31.

5.5 Title to and Ownership of Assets. Accounts or assets of TRS may be held in the name of TRS, a nominee, or other agent in accordance with state law. The assets of TRS shall not be considered at any time to be assets of the state or any employer of TRS members but are to be held in trust for the exclusive benefit of TRS members, annuitants, beneficiaries, or other trust participants.

5.6 Authority to Act for TRS. The Board delegates authority for the following matters:

- (a) investment decisions, in accordance with actions of the Board, including investment policies and applicable state law;
- (b) contracts for the purchase of goods and services, to the executive director or his designee in accordance with the budget, subject to applicable actions of the Board;
- (c) release of assets held in the name of TRS, its nominees, or other agents, in accordance with actions of the Board;
- (d) approval of retirement, death, and survivor benefit payments and refunds to the executive director and his or her designees, in accordance with actions of the Board and applicable state law;
- (e) execution of vouchers for payment of TRS funds, in accordance with actions of the Board; and
- (f) initiation, defense, and settlement of lawsuits and other claims, to the executive director or his designee, subject to applicable actions of the Board.

5.7 TRS Rules. The executive director is authorized to draft and submit proposed rules for TRS to the Texas Secretary of State to be considered by the Board for adoption in accordance with state law.

5.8 Personnel Policies. TRS personnel policies shall be issued and disseminated to all employees by the executive director and revised from time to time, in compliance with Board policies and state law. TRS is an at-will employer.

5.9 Official Seal of TRS. The form of the official seal of TRS shall consist of a five-point star surrounded by a pair of branches and two concentric circles with the name “Teacher Retirement System of Texas” displayed in the space between the two circles. The seal may be either embossed or stamped. The executive director may designate in writing those TRS employees, in addition to and not in lieu of the secretary to the Board, who are authorized to use and affix the seal to TRS documents when the secretary is absent, incapacitated, or otherwise unavailable. Such a designated employee is authorized, in the capacity of an assistant secretary to the Board, to attest, to affix the seal, or to certify as to any matter as to which the secretary to the Board could attest, affix the seal, or certify. Purchase and use of identical counterparts of the seal is authorized when each counterpart is held by an authorized designee of the executive director. Affixing the TRS seal is not necessary to authenticate or attest a TRS document unless the seal is required by applicable law.

ARTICLE 6

Amendment of Bylaws

6.1 Amendment of Bylaws. These Bylaws may be amended only by a majority vote of the Board at any duly posted meeting of the Board for which notice of consideration of the proposed amendment has been properly given under the Open Meetings Act. At least every four years, these Bylaws shall receive a full review to determine necessity and adequacy of their need.

ATTACHMENT 2

**Bylaws of the
Board of Trustees of the
Teacher Retirement System of Texas
AMENDED April 10, 2025**

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**Bylaws of the Board of Trustees
of the
Teacher Retirement System of Texas
AMENDED April 10, 2025**

**ARTICLE 1
Organization of the Board of Trustees**

1.1 Authority. The Teacher Retirement System of Texas (“TRS” or the “system”) has been established pursuant to Article 16, Section 67 of the Texas Constitution, which requires TRS to have a Board of Trustees (the “Board”) to administer TRS and invest its funds. The assets of the TRS pension fund are required by state and federal law to be held in trust for the exclusive benefit of plan participants and beneficiaries. (See Texas Constitution, Art. 16, Section 67(a); Texas Government Code Sections 825.506 and 825.101; United States Internal Revenue Code Section 401(a).) The Board of Trustees of TRS is the trustee of all plan assets, is responsible for the general administration and operation of TRS and its subsidiaries and affiliates, and is authorized by law to adopt rules for the administration of TRS and the transaction of the business of the Board. (See Texas Government Code chapter 825.) All powers of trusteeship are held in the Board’s fiduciary capacity. The exercise or non-exercise of the Board’s powers are subject to the fundamental duties of prudence, loyalty, and impartiality (Restatement Third, Trust §§ 77-79); to a duty to respect the terms and purposes of the trust (Restatement Third, Trust § 76); and to other fiduciary duties of trusteeship. Although a trustee’s duties, like trustee powers, may be affected by the terms of the trust, the fiduciary duties of trusteeship are subject to minimum standards that require the trustee to act in good faith and in a manner consistent with the purposes of the trust and the interests of the beneficiaries. These fundamental standards of trusteeship are implicit in and normally essential to the trust relationship. (See Restatement Third, Trust §§ 70 and 86.) The Board has similar responsibilities for the health benefits programs under the Texas Public School Retired Employees Group Benefits Act and the Texas School Employees Uniform Group Health Coverage Act and other trusts or programs authorized by law to be administered by TRS.

1.2 Composition. The Board is composed of nine members, who serve for staggered terms of six years each, three of which expire on August 31 of each odd-numbered year. Trustees are appointed in accordance with statutory requirements (Texas Government Code Sections 825.001-.004).

A trustee whose term expires shall continue to perform the duties of the office until his or her successor shall be duly qualified. If a successor is not appointed, a trustee may serve in the capacity of a holdover until the last day of the first regular session of the Legislature that begins after the expiration of the term. (Texas Constitution, Art. 16, Section 17; also see Government Code, Section 572.0211). Similarly, a trustee who tenders his or her resignation nonetheless holds over until his or her successor is duly qualified for the office. Limited exceptions may arise, one of which is the removal of an office holder in a quo warranto proceeding (Civ. Prac. & Rem. Code Section 66.001).

1.3 Chairman of the Board of Trustees.

- 1.3.1 The Governor of the State of Texas designates a member of the Board as the presiding officer of the Board. (Texas Government Code Section 825.201.)
- 1.3.2 The chairman shall preside over meetings of the Board and perform such other duties as are assigned by statute, these Bylaws, or other action of the Board.
- 1.3.3 The chairman serves at the pleasure of the Governor.

1.4 Vice Chairman of the Board of Trustees.

- 1.4.1 The Board shall elect a vice chairman who is a member of the Board.
- 1.4.2 In case of the absence, death, resignation, disability, removal, or disqualification of the chairman, the vice chairman shall perform the duties of the chairman until the chairman shall resume his or her office or a successor chairman has been appointed.
- 1.4.3 The vice chairman serves at the pleasure of the Board.

1.5 Absence of Chairman and Vice Chairman. In the case of the absence, death, resignation, disability, removal, or disqualification of both the chairman and vice chairman, the member of the Board with the longest service on the Board (considering all Board service), as certified by the executive director, shall exercise the duties of the chairman, as acting chairman, until the chairman or vice chairman shall resume his or her office or until a successor chairman has been appointed or a successor vice chairman has been elected. In the event there are two or more members with equal length of service, the executive director shall designate one of those members to serve as the acting chairman.

1.6 Elections.

- 1.6.1 Elections for vice chairman and any other positions that require election by the Board shall be conducted annually on or before the Board's first regular meeting of the fiscal year or as soon thereafter as may be practicable.
- 1.6.2 When a position subject to Board election becomes vacant, a special election for the position shall be held as soon thereafter as practicable.
- 1.6.3 Subject to the proviso that such persons serve at the pleasure of the Board, persons elected to positions under this section serve for a term that expires with the next election for that position or upon resignation from the position by the person holding it.

1.6.4 Nominations for the vice chairman of the Board and any other position that requires election by the Board will be made from the floor by Board members at a meeting of the Board or by special committee established for the purpose of making nominations. A Board member may self-nominate for any such position.

1.6.5 Elections conducted in Board meetings shall be conducted in an open meeting by acclamation or by a roll-call vote pursuant to a motion that has been seconded. Unless a different number is required by law, a majority vote of a quorum is required to elect a nominee for each election required by these Bylaws.

1.7 Responsibilities of the Board. Board members are TRS fiduciaries and shall discharge their duties in the exclusive interest of members and annuitants for the purpose of providing authorized benefits to participants and their beneficiaries. The Board is tasked with the general administration and operation of the retirement system. In order for the Board to monitor and evaluate the effectiveness of the system it shall:

- (a) adopt and periodically review the TRS mission in light of the Board's constitutional and statutory authority and set clear goals for its accomplishment;
- (b) adopt rules, regulations, and bylaws as appropriate or required by law;
- (c) establish committees to make recommendations to the Board and help carry out the Board's responsibilities; however, such committees may not exercise authority required under these Bylaws or by state or federal law to be exercised by the Board as a whole, and the Board may consider or take any action otherwise specified to be taken or considered by a committee created pursuant to article 3 of these Bylaws;
- (d) approve the annual operating budgets;
- (e) adopt and periodically review policies for the operation of the system;
- (f) consider appeals as provided in Board rules;
- (g) be responsible for the following positions:
 - (1) selection, job description, assignment of duties, performance evaluation, compensation, and discipline, including dismissal, of the executive director;
 - (aa) provide oversight and direction to the executive director to ensure that effective management practices are followed in the organization;
 - (bb) delegate to the executive director the responsibility for all administrative functions; and
 - (cc) delegate authority to the staff through the executive director;
 - (2) selection, job description, assignment of duties, performance evaluation, compensation, and discipline, including dismissal, of the chief audit executive in consultation with the Audit, Compliance and Ethics Committee and executive director;
 - (3) selection, job description, assignment of duties, performance evaluation,

compensation, and discipline, including dismissal, of the ombudsman in consultation with the executive director;

- (4) selection, performance evaluation, and establish compensation of the chief investment officer, in consultation with the executive director;
- (h) ensure the establishment of a system for equitable and effective hiring, evaluation, compensation, and termination of employees;
- (i) set not-to-exceed amounts in the exempt salary schedule in consultation with the executive director;
- (j) provide direction to the executive director on the compensation of TRS staff and other compensation matters including monitoring the TRS Classification System;
- (k) ensure an adequate working environment for staff members;
- (l) receive reports from the staff, investment consultants and advisors, and others regarding the investment portfolio;
- (m) review investment performance, asset mix, portfolio characteristics, cash flow, transactions, and monitor compliance with investment policies and guidelines;
- (n) select one or more commercial banks, depository trust companies or other entities to serve as custodian(s) of TRS securities and to lend such securities, provided that, for avoidance of doubt, this requirement 1) does not apply to regulated brokerage, clearing, exchange, or similar accounts into which TRS is required to deposit assets or collateral and 2); the selected securities lending entity(ies) may act independently of the selected custodian(s)
- (o) select the following consultants and advisors to the Board:
 - (1) select and evaluate 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;
 - (2) select and evaluate fiduciary counsel;
 - (3) select and evaluate an actuary;
- (p) appoint members to the following:
 - (1) the Medical Board; and
 - (2) members and officers of the Retirees Advisory Committee.

1.8 Board Travel.

1.8.1 Members of the Board shall be reimbursed for allowable travel expenses while on official TRS business as specified in state law and the “TRS Travel Rules and Guidelines.”

1.8.2 Official TRS business is defined as travel while acting as a designated representative of the Board (such as meeting with elected officials or Board consultants and advisors on behalf of the Board whether within or outside the state), travel to and from meetings of the Board, meetings of Board committees, orientation meetings, or other travel within the state in the

capacity of a member of the Board.

- 1.8.3** In addition to travel on official TRS business as defined in subsection 1.8.2 of this section, it is anticipated that each Board member will receive reimbursement established through the budget process of allowable Board travel expenses to attend conferences and other activities meeting the following criteria:
- (a) The purpose of the expense is related to the business of TRS and the Board; and
 - (b) Attendance at the function will benefit the Board or a Board member in the exercise of TRS responsibilities.
- 1.8.4** Travel allocations are not compensation, nor are they in the nature of an allowance paid regardless of whether travel expenses are incurred. Any international travel must receive advance approval as required by law.
- 1.8.5** The Executive Director in consultation with the Legal & Compliance Division shall be responsible for developing and administering procedures for travel under sections 1.8.2 and 1.8.3.

1.9 Board Education. Each Board member is encouraged to attend workshops and training sessions on such matters as fiduciary duties, actuarial valuations, investment issues, and benefits delivery, which may enable the Board member to better fulfill trustee responsibilities to the system.

ARTICLE 2

Meetings of the Board

2.1 Meetings of the Board.

- 2.1.1** The Board shall meet approximately five, but at least four, times per fiscal year. The dates for regular meetings will be approved annually in advance by the Board at the first regular meeting of each fiscal year or as soon thereafter as practicable. When necessary, and in addition to the provisions of subsection 2.1.6 of this article, the Board may add or cancel a regular meeting or change the date, time, or location of a regular meeting by action of the Board.
- 2.1.2** Special meetings of the Board may be held either upon the call of the chairman of the Board or the call of at least four members of the Board, or upon action of the Board. A call by the chairman or by other members of the Board must be communicated to the executive director within sufficient time to permit posting of the meeting as required by law. The call or action of the Board, as applicable, shall specify the date of each special meeting and may specify the time and place for each special meeting.
- 2.1.3** Meetings shall be held at TRS headquarters, in Austin, Texas, unless by call

or action of the Board another location is specified.

2.1.4 Regular and special meetings shall begin at a time designated by the chairman of the Board unless a time has been specified in the call or by action of the Board in setting a particular meeting.

2.1.5 Emergency meetings may be called in the same manner as special meetings.

The Board member who initiates the call for an emergency meeting shall provide the executive director with the reason for the emergency or urgent public necessity. An emergency meeting is one which cannot be posted within the seven day advance notice normally required by the Open Meetings Act (Texas Government Code Chapter 551, Section 551.044, or a successor statute) (the “Act”), but which is needed because of “imminent threats to public health and safety or reasonably unforeseeable situations requiring immediate action by the government body” or as otherwise defined by the Act, as amended, court decision, or other applicable law. Emergency meetings shall be posted in accordance with applicable law, including Texas Government Code Section 551.045 (or its successor statute), requiring posting for at least two hours before the meeting is convened.

2.1.6 If a catastrophe prevents the Board from convening a properly posted meeting, the Board may, under Texas Government Code Section 551.0411, convene in a convenient location within 72 hours pursuant to Texas Government Code Section 551.045 by giving written notice of the date, hour, place, and agenda of the rescheduled and/or relocated meeting at least two hours before it begins. For the purposes of this subsection, the term “catastrophe” has the meaning assigned in Texas Government Code Section 551.0411. In consultation with the executive director, the chairman of the Board shall specify the date, hour, and place of a meeting rescheduled under this subsection to accommodate as many members of the public, board, and staff as possible.

2.1.7 In addition to the provisions of subsection 2.1.6 of this article, a special or emergency meeting of the Board may be canceled or rescheduled, or the location of the meeting changed, only by action of the Board or by a call of at least four members of the Board communicated to the executive director within sufficient time for TRS to comply with all posting requirements for the meeting. Unless a time has been specified in the call or action of the Board rescheduling the meeting, the chairman may set the time of a rescheduled meeting, though any such time must meet all posting requirements of applicable law.

2.2 Public Comment at Meetings.

2.2.1 The Board will allow reasonable opportunity for public comment to the Board on any issue under the jurisdiction of the Board. The chairman may determine the total time to allot to public comments at a meeting of the Board.

2.2.2 Persons who desire to deliver oral comments at a Board meeting must complete the required sign-in form, preferably before the public comment agenda item is reached during the Board meeting. Persons who desire to provide oral comments virtually at a Board meeting must complete the required electronic sign-in form preferably by 5:00 pm the day before public comment is scheduled. The chairman of the meeting will specify the length of time to be allowed for each person to speak. Persons wishing to speak before the Board shall provide the following information:

- (a) name and contact information;
- (b) the name of the person or group, if any, the speaker is representing;
- (c) the agenda item upon which the person wishes to speak, if any; and
- (d) if the matter does not relate to an agenda item, a brief description of the nature of the matter to be addressed by the speaker.

If the chairman determines based on the information provided that public comment is made for the purpose of soliciting TRS business and the particular solicitation is not specifically identified on the agenda, the chairman may deny the opportunity to deliver the comment.

2.3 Meeting Agendas.

2.3.1 The agenda for each Board meeting shall be set by the chairman of the Board and when appropriate other Board members in consultation with the executive director. The executive director shall prepare and distribute to the Board the agenda and relevant written materials.

2.3.2 Items may be submitted for inclusion on the agenda of any Board meeting by any Board member or by the executive director prior to posting. The executive director shall determine the initial order of the agenda items prior to posting. Board members desiring to add an agenda item must submit it to the executive director by 5:00 p.m. not later than the tenth TRS business day before the meeting.

2.3.3 Agenda items may be added to a posted agenda by the chairman, by the executive director, or by written request of any Board member, provided that the proposed addition is submitted to the executive director in time to post the amendment to the agenda in compliance with the Open Meetings Act. If the item must be added as an emergency agenda item due to insufficient time to post it as a regular item, the request to add the item must include a valid reason for the emergency, as determined by the executive director in consultation with the general counsel.

2.4 Notice of Meetings. The executive director will cause meeting notices to be posted in compliance with these Bylaws and the Open Meetings Act.

2.5 Auxiliary Aids or Services at Meetings. Persons who do not speak English or persons with disabilities may request auxiliary aids or services to be provided at a meeting, such as

language interpreters or interpreters for persons who are deaf or hearing impaired, or readers or large print or Braille texts for persons who are visually impaired. If the request is made to the executive director with adequate advance notice before the meeting, the executive director shall cause reasonable accommodations to be provided to persons with disabilities to the extent required by law and may exercise discretion to determine any other accommodations to be provided.

2.6 Procedure.

2.6.1 A quorum of the Board is a majority of the number of members fixed by statute, unless otherwise defined by applicable law. A quorum is required for the board to conduct business. Unless otherwise provided by law, a majority vote of the board (i.e., a majority vote of the members present and voting at a meeting where a quorum is present) is required for action or decision by the Board, and at least a majority of the minimum number of members needed to constitute a quorum must vote in favor of the action or decision for it to be approved by the Board. Abstentions are not counted in determining the outcome of a vote but are counted in determining a quorum. The most recent edition of *Robert's Rules of Order Newly Revised*, when not in conflict with other Board-adopted rules of procedure, these Bylaws, or applicable law, shall be the rules of parliamentary procedure and order for the Board and its committees. The TRS general counsel shall assist and advise the chairman of the Board or of a committee regarding interpretation and application of the rules of parliamentary procedure.

2.6.2 The minutes of the Board shall contain each subject of discussion and deliberation, all motions, seconds, if any, and the vote, if any, on such motions. Each Board member shall be given an opportunity to record in the minutes his or her vote on a motion and to have included in the minutes the reasons stated in the meeting for his or her vote.

ARTICLE 3

Committees

3.1 Standing Committees. In accordance with section 1.7 of these Bylaws, the Board may establish standing committees by amendment of this article. A quorum of a standing committee shall be a majority of the members of the committee. Any committee may convene in joint session with any other committee. The committees shall normally meet on a quarterly basis or at the call of its chairman. Standing committees may perform other activities related to the committees' responsibilities as requested by the Board.

3.1.1 Audit, Compliance, and Ethics Committee. The Board shall have an Audit, Compliance, and Ethics Committee. The responsibilities of the Audit, Compliance, and Ethics Committee shall be as follows:

(a) Purpose

(1) To assist the Board in fulfilling its fiduciary oversight

responsibilities for

- (aa) the financial reporting process;
- (bb) the risk management and internal control system;
- (cc) the internal audit process;
- (dd) the external audit process;
- (ee) the process for monitoring compliance with laws, regulations, and policies, and
- (ff) reporting and other activities.

- (2) To coordinate and interface with the Board regarding Audit, Compliance, and Ethics Committee activities and other pertinent matters.

(b) Financial Reporting Process

- (1) Review and understand significant accounting and reporting matters requiring judgment (including those involving complex or unusual transactions), consider recent professional and regulatory pronouncements, and understand the impact of such matters and pronouncements on financial statements.
- (2) Review with management and the external and internal auditors the results of audits, including any difficulties encountered.
- (3) Review all significant suggestions for improved financial reporting made by the external financial statement auditor and by the internal auditor.
- (4) Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- (5) Review with management and the auditors all matters required to be communicated to the committee under generally accepted auditing standards.

(c) Governance, Risk Management, and Internal Control Activities

- (1) Receive reports on and discuss the internal and external auditors' assessment of the effectiveness of the organization's governance, risk management, and internal control activities, including technology governance and fraud risk prevention activities.
- (2) Obtain reports from internal and external auditors and compliance staff on significant findings and recommendations relating to governance, risk management, and internal control activities, together with management's response, including receiving reports regarding any violation of portfolio risk management standards as required by the Investment Policy Statement of the Board for (1) any passive violation of prescribed portfolio policy limits as the result of changing market or credit conditions, and (2) any active violation of prescribed portfolio policy limits as a result of entering into an agreement or investment that breaches a policy limit at inception and the corrective action plan implemented to cure such

violation.

- (3) Provide enterprise risk oversight by discussing and considering matters relating to the identification, prioritization, management, and monitoring of critical risks.
- (4) Receive reports from staff regarding the identification, evaluation, and management of risk across the enterprise.
- (5) Make such other recommendations to the Board as the committee deems necessary pertaining to any matters regarding enterprise risk mitigation, tolerance levels, and reduction strategies.

(d) Internal Audit Process

- (1) Assure and maintain, through the organizational structure and by other means, the independence of the internal audit process. Ensure there are no unjustified restrictions or limitations on the internal audit function.
- (2) Ensure that internal auditors have access to all documents, information and systems in the organization that are reasonably needed to accomplish the purpose of the audit, unless any such information is subject to a legally applicable and properly asserted privilege.
- (3) Review with management and the chief audit executive the charter, plans, activities, budget, staffing, qualifications and organizational structure of the internal audit function. Recommend to the Board an internal audit charter or modifications to such charter.
- (4) Review and recommend audit plans for approval by the Board.
- (5) Review all internal audit reports and management letters.
- (6) Review the responsiveness and timeliness of management's follow-up actions pertaining to any reported audit recommendations.
- (7) Receive periodic reports of advisory and consulting activities by internal auditors.
- (8) Authorize audits or investigations into any matters within the committee's scope of responsibilities and provide appropriate reports to the Board.
- (9) Provide input and advice to the Board in the appointment, replacement, dismissal and the annual evaluation of the performance and compensation of the chief audit executive in consultation with the executive director.
- (10) Review the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing* and Texas Government Code Chapter 2102 (the Texas Internal Auditing Act).

- (11) Designate the chief audit executive as the primary point of contact for handling audit-related matters pertaining to audits, examinations, investigations or inquiries of the State Auditor's Office, other appropriate state or federal agencies, and other external audit groups.
- (e) External Audit Process
 - (1) Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
 - (2) Review the performance of the external auditors, and, upon request, recommend to the Board the appointment or discharge of the external auditors. Obtain input from management, the chief audit executive, and other parties as appropriate.
 - (3) Review the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the organization, including any non-audit services, and discussing the relationship with the auditors.
 - (4) Review the audited financial statements, associated management letters, attestations on the effectiveness of the internal control structure and procedures for financial reporting, and required communications.
 - (5) Review all external audit reports and management letters.
 - (6) Review the responsiveness and timeliness of management's follow-up actions pertaining to any reported audit recommendations.
- (f) Compliance Process
 - (1) Assess the effectiveness of the system for monitoring compliance with laws, regulations and policies, and the results of management's follow-up actions pertaining to any reported instances of non-compliance.
 - (2) Review the findings and recommendations of any examinations by oversight agencies and compliance and auditor observations.
Obtain regular updates and reports from the chief compliance officer and, as appropriate, management regarding compliance matters.
- (g) Ethics Process
 - (1) Recommend, as deemed advisable, reports regarding conflict of interest disclosures from the chief compliance officer or reports that are submitted directly to the chairman of the committee as prescribed in an applicable ethics policy;
 - (2) Recommend to the Board waivers of any disclosed conflict of interest or a waiver of the prohibition against involvement in any matter affected by a disclosed conflict of interest, at a meeting held in compliance with the Open Meetings Act;
 - (3) Recommend to the Board or the executive director the prudence of contracting on behalf of TRS with any entity or a controlled

affiliate of such entity that employs or is represented by a former trustee or former employee;

- (4) Recommend, as deemed advisable, reports from the executive director of any approval given for outside employment by key employees, including the nature of the employment;
 - (5) Recommend to the Board approval in advance of any outside employment by the executive director;
 - (6) Recommend, as deemed advisable, reports from the executive director of any disciplinary action disclosed by key employees; and
 - (7) Recommend, as deemed advisable, reports of violations of a TRS ethics policy and any resulting disciplinary actions.
- (h) Reporting and Other Activities
- (1) At least quarterly, report to the Board about committee activities, issues, and related recommendations.
 - (2) Provide an open avenue of communication among management, internal audit, external auditors, compliance, and the Board.

3.1.2 Benefits Committee. The Board shall have a Benefits Committee. The purpose of the committee is to assist the Board in carrying out its responsibility for delivery of benefits under programs administered by TRS. The Benefits Committee shall:

- (a) review and make recommendations to the Board related to programs within its oversight;
- (b) receive recommendations from the Retirees Advisory Committee regarding TRS-Care, and recommend related actions to the Board;
- (c) recommend to the Board persons to serve on the Retirees Advisory Committee;
- (d) establish performance standards for professional benefits consultants and participate in performance evaluations of those consultants;
- (e) recommend to the Board persons to serve on the Medical Board;
- (f) review periodic reports by TRS staff or consultants on benefit delivery services, benefit-related trends, and other significant benefit topics; and
- (g) receive reports and make recommendations regarding customer service standards and satisfaction;
- (h) the chair of the committee serves as the point of contact for the ombudsman, in consultation with the executive director, regarding member issues that occur in between committee meetings; and
- (i) provide input and advice to the Board in the appointment, replacement, dismissal and the annual evaluation of the performance and compensation of the ombudsman in consultation with the executive director.

3.1.3 Budget Committee. The Board shall have a Budget Committee. The purpose of the committee is to assist the Board in carrying out its fiduciary responsibility for budgeting and accounting for all expenses of the systems' funds. The Budget Committee shall:

- (a) recommend to the Board annual operating budgets;
- (b) recommend intra-budget transfers and budget amendments for approval by the Board;
- (c) monitor implementation of the operating budgets of the pension trust and other programs;
- (d) receive reports from staff regarding major project development and execution; and
- (e) provide input and guidance to TRS staff on the development and execution of major projects.

3.1.4 Investment Management Committee. The Board shall have an Investment Management Committee. The purpose of the Committee is to assist the Board in carrying out its responsibilities to invest and reinvest the system's assets. The Investment Management Committee shall:

- (a) recommend individual investments and investment- related action to the Board when the recommendation is required by the Board's Investment Policy Statement or resolutions adopted by the Board;
- (b) recommend to the Board overarching strategies for all TRS investments, and to monitor those strategies;
- (c) recommend to the Board or an applicable committee investment objectives, the establishment of performance and risk measurement and attribution standards for plan assets, each asset class and component portfolios, and risk parameters and controls, and to monitor those that the Board approves;
- (d) monitor the retirement system's investment processes and consider recommending to the Board or an applicable committee proposed changes to the system's investment processes;
- (e) monitor the investment performance of the overall fund, receive investment reports, and recommend to the Board or an applicable committee policies for appropriate reporting and communication mechanisms to keep the committee and the Board appropriately informed about TRS investments;
- (f) receive reports from staff regarding compliance with portfolio risk management standards as required by the Investment Policy Statement of the Board;
- (g) recommend to the Board approval of action plans submitted by staff to cure passive violations of prescribed policy limits when it is necessary to extend the cure period beyond the time allowed by policy for staff to

cure such violation;

- (h) review proposed new or amended investment policies and make recommendations relating to any investment policy, including reporting and communication requirements, to the Governance Committee; and
- (i) recommend to the Board or the staff, as applicable, that TRS engage professional independent service providers, advisors, or consultants to review internal investment operations and render advice as appropriate. The committee may review responsive proposals and recommend engagement of one or more firms to the Board or the staff, as applicable; and

3.1.5 Governance Committee. The Board shall have a Governance Committee. The purpose of the Governance Committee is to assist the Board in fulfilling its policy-making responsibilities, in accordance with Texas Government Code Sections 825.102 and 825.113. The Committee is also to assist the Board in its oversight responsibilities relating to strategic planning. The Governance Committee shall:

- (a) review and make recommendations to the Board on the TRS mission and vision statements and the strategic plan goals and objectives;
- (b) make or review policy proposals, including those made by staff through procedures established by the executive director, and recommend new written Board policies and modifications to existing written policies as needed;
- (c) review the Performance Pay Plans and when needed make recommendations concerning them to the Board;
- (d) recommend new rules and rule amendments as needed and review existing rules periodically as required by law;
- (e) adopt and follow a plan of review for each fiscal year to ensure that all written TRS Board policies are reviewed periodically;
- (f) receive reports from staff regarding the development and execution of strategic planning, including regular updates on TRS' medium and long-term initiatives, the TRS Strategic Plan, key performance indicators, and the identification and mitigation of strategic plan risks and vulnerabilities; and
- (g) provide input and guidance regarding:
 - (1) assessment of the internal and external forces and variables that impact TRS' strategic planning;
 - (2) formulation and execution of strategic goals and objectives; and
 - (3) alignment of the organization behind the agency's strategic goals and objectives, including alignment with major projects, resource allocation, and the Executive Director's goals and objectives;

3.1 Special Committees. Special committees other than standing committees established in section 3.1 may be created by action of the Board, which shall establish the purpose and responsibilities of the committee and may establish the term for which it shall exist.

3.2 Composition of Committees. A committee will be composed of five members of the Board unless otherwise provided by action of the Board or these Bylaws. The chairman of the Board annually shall appoint committee members subject to the consent of the Board on or before the Board's first regular meeting of the fiscal year or as soon thereafter as may be practicable. The chairman of the Board shall designate the chairman of each committee. Committee chairmen serve as chairmen at the pleasure of the chairman of the Board. The term of a committee member expires on the earlier to occur of the date of the Board's consent to the appointment of a successor committee member to fill the member's position or the date on which the member's term as a Board member has expired according to law and the person is no longer holding over and serving as a member of the Board. The chairman of the Board may appoint an interim successor to the committee for a member whose Board term has expired, who is holding over as a Board member, but who has resigned his or her committee position. Any such interim successor member of a committee may serve until the meeting of the Board at which the Board votes to consent to the appointment of committee members.

3.3 Advisory and Auxiliary Committees. If authorized or required by state law or Board policy, the Board shall appoint advisory or auxiliary committees of non-board members to assist TRS. These committees may be composed of volunteers, independent contractors, or employees. Such committees include the Medical Board and the Retirees Advisory Committee for TRS-Care. The terms, qualifications, and methods of appointment of these committees shall be governed by relevant state law or Board policy. The Board shall designate the chairman and vice chairman, if any, of each such committee.

3.4 Committee Agendas. The agenda for each committee meeting shall be set in a manner similar to a Board meeting agenda, but with the committee chairman and members having the same authority with regard to the committee agenda of committee meetings that the Board chairman and members have with regard to the Board agenda of Board meetings.

3.5 Committee Attendance. Any member of the Board may attend a meeting of a committee of which he or she is not a member but shall not vote. Because the attendance of five or more trustees at a Board committee meeting constitutes a quorum of the full Board, public notice of a committee meeting is also posted as a Board meeting under the Open Meetings Act (Texas Government Code Chapter 551) in anticipation of a quorum of the full Board possibly attending the meeting. Also in compliance with the Open Meetings Act, a record is kept of the attendance of a quorum of the full Board at a Board committee meeting. The attendance of a quorum of the full Board at a Board committee meeting is not a regular, special, or emergency Board meeting under Article 2 of these Bylaws, relating to meetings of the Board. In addition, the attendance of a quorum of the full Board at a Board committee meeting is not a regularly scheduled Board meeting under Texas Government Code Section 825.010(a)(5), relating to grounds for removal of a trustee because of absence from Board meetings.

ARTICLE 4

Executive Director

4.1 Responsibilities of Executive Director. The Board shall employ an executive director as required by law, with such duties as may be required by law of the chief executive officer and chief administrative employee of TRS and with such other duties as may be established by the Board in its policies, resolutions, and other actions. In these Bylaws, the term “executive director” means the person appointed by the Board pursuant to Texas Government Code Section 825.202 (or a successor statute) and these Bylaws.

4.1.1 With respect to the operations of the Board itself the executive director shall:

- (a) make preparations, including trustee travel arrangements, for all meetings of the Board and its committees;
- (b) under the direction of the chairman of the Board or a relevant committee, prepare and distribute the agendas and appropriate documentation for all meetings of the Board and its committees;
- (c) under the direction of the chairman of the Board or of a relevant committee, post notices of all meetings and the subject matter thereof as may be required by law;
- (d) cause the secretary to the Board to record, prepare, and index the official minutes of the Board and its committees;
- (e) file and preserve all official documents, correspondence, and proceedings of the Board and its committees;
- (f) ensure proper custody, access and use of the TRS official seal and any counterparts consistent with section 5.9 of these Bylaws;
- (g) maintain the official copy of these Bylaws;
- (h) as directed by the Board, establish routine reporting mechanisms and procedures to the Board and prepare special reports to the Board; and
- (i) carry out other policies adopted by the Board.

4.1.2 The executive director is the chief executive officer of TRS and is responsible to the Board for the general administration of TRS in accordance with relevant state laws and policies adopted by the Board. The executive director shall:

- (a) manage the daily operations of TRS as its chief executive officer;
- (b) assume managerial responsibility and leadership for the planning, operation, supervision, and evaluation of programs and services;
- (c) assume authority and responsibility for the selection, job description, assignment of duties, performance evaluation, promotion, compensation, and discipline, including dismissal of all TRS personnel except for:
 - (1) the chief audit executive as provided in subsections 1.7 and 3.1.1 of these Bylaws;
 - (2) the selection of the chief investment officer as provided in subsection 1.7 of these Bylaws. The executive director shall

evaluate the chief investment officer in consultation with the Board and have full authority and responsibility for all other personnel matters, including the chief investment officer's assignment of duties and discipline, including dismissal; and

- (3) the ombudsman as provided in subsection 1.7 of these Bylaws. .
- (d) prepare and submit annual operating budgets for consideration by the Board;
- (e) prepare recommendations for policies to be considered by the Board and oversee the implementation of adopted policies;
- (f) recommend to the Board, either directly or through a designee, the selection and evaluation of the actuary, custodian for securities and for securities lending, investment consultant or advisor to the Board, and fiduciary counsel to the Board;
- (g) organize TRS to accommodate its mission; and
- (h) develop programs designed to create a culture of diversity, inclusion, and equity at TRS, including in the organization's recruitment, retention, position, pay and procurement practices.

4.2 Miscellaneous Duties.

4.2.1 The executive director shall annually provide to members of the Board information regarding their qualification for office, including Texas Government Code Sections 825.002, -.003, -.0032, and -.010, and their responsibilities under applicable laws relating to standards of conduct for state officers including Texas Government Code Sections 553.002, 572.005, 572.051, 572.056, 572.058, 825.0032, 825.210-.212, and 2254.032, and Texas Penal Code Sections 32.43, 32.45, 36.02, 36.08, 36.10, 39.01, and 39.03, and any amended, new, or successor statutes.

4.2.2 The executive director shall annually provide to TRS employees information regarding their qualification for employment, including Texas Government Code Sections 573.001-.084 and 825.0032 and their responsibilities under applicable laws relating to standards of conduct for state employees including Texas Government Code Sections 553.002, 572.051, 572.005, 825.0032, 825.210-.212, and 2254.032, and Texas Penal Code Sections 32.43, 32.45, 36.02, 36.08, 36.10, 39.01, and 39.03, and any amended, new, or successor statutes.

4.2.3 In accordance with Texas Government Code Section 825.010(c), the executive director shall notify the chairman of the Board if he has knowledge that a potential ground for removal of a trustee exists. The chairman shall then notify the appropriate appointing officer or body that a potential ground for removal exists.

4.3 Absence of Executive Director. If the executive director will be away from the TRS

headquarters for a brief period, as contemplated by section 4.4 of this article, the executive director may designate the deputy director to act in his or her stead generally or for a particular purpose. If the deputy director is also unavailable, the executive director may designate the chief financial officer to act for the executive director. In the absence of the executive director due to incapacity or otherwise when the duration of the absence is unknown and the absence may be extended or permanent, the deputy director shall perform such duties as are necessary to the administration of the system and shall have the responsibility and authority of the executive director until the Board designates the person succeeding to the responsibilities and authority of the executive director. In the absence of the executive director and the deputy director, the chief financial officer shall perform such duties as are necessary to the administration of the system and shall have the responsibility and authority of the executive director and the deputy director until the earlier of the following events: the executive director or the deputy director has resumed his or her duties; or the Board has designated the person succeeding to the responsibilities and authority of the executive director or the deputy director.

For no longer than the duration of an emergency situation, the chairman of the Board shall designate the person succeeding to the responsibilities and authority of the executive director pending approval by the Board of Trustees. A designee under this section shall have the responsibility and authority of the executive director. The chairman of the Board or the deputy director shall notify the Texas Ethics Commission whenever there is a change in the person named to the position of executive director. A member of the Board is not eligible for temporary designation or permanent appointment to serve in the capacity of the executive director under Texas law.

4.4 Delegating Responsibilities. The executive director shall designate an employee of TRS to serve as secretary to the Board to assist in the execution of duties enumerated in subsection 4.1.1 of this article and may assign other employees of TRS as necessary to assist in carrying out these and other duties.

ARTICLE 5

Miscellaneous Organizational Provisions

5.1 Administration of TRS. The administration of TRS is governed by these Bylaws, Board policies, and applicable laws. In the event of a conflict between these Bylaws and applicable state law, the applicable state law shall govern to the extent necessary to resolve the conflict.

5.2 Investments of TRS. TRS investments are authorized to be made only in accordance with policies adopted by the Board and applicable state, federal, and foreign law.

5.3 Custody of TRS Assets. TRS trust assets shall be entrusted to one or more custodians only in accordance with policies and other actions of the Board and applicable state law. The Board shall select the custodian or custodians to hold TRS assets.

5.4 Budgets and Fiscal Year. The budgets of the pension trust fund and any other trust

funds administered by TRS are adopted by the Board and may be amended by the Board in subsequent meetings. The TRS fiscal year shall begin September 1 and shall end the following August 31.

5.5 Title to and Ownership of Assets. Accounts or assets of TRS may be held in the name of TRS, a nominee, or other agent in accordance with state law. The assets of TRS shall not be considered at any time to be assets of the state or any employer of TRS members but are to be held in trust for the exclusive benefit of TRS members, annuitants, beneficiaries, or other trust participants.

5.6 Authority to Act for TRS. The Board delegates authority for the following matters:

- (a) investment decisions, in accordance with actions of the Board, including investment policies and applicable state law;
- (b) contracts for the purchase of goods and services, to the executive director or his designee in accordance with the budget, subject to applicable actions of the Board;
- (c) release of assets held in the name of TRS, its nominees, or other agents, in accordance with actions of the Board;
- (d) approval of retirement, death, and survivor benefit payments and refunds to the executive director and his or her designees, in accordance with actions of the Board and applicable state law;
- (e) execution of vouchers for payment of TRS funds, in accordance with actions of the Board; and
- (f) initiation, defense, and settlement of lawsuits and other claims, to the executive director or his designee, subject to applicable actions of the Board.

5.7 TRS Rules. The executive director is authorized to draft and submit proposed rules for TRS to the Texas Secretary of State to be considered by the Board for adoption in accordance with state law.

5.8 Personnel Policies. TRS personnel policies shall be issued and disseminated to all employees by the executive director and revised from time to time, in compliance with Board policies and state law. TRS is an at-will employer.

5.9 Official Seal of TRS. The form of the official seal of TRS shall consist of a five-point star surrounded by a pair of branches and two concentric circles with the name "Teacher Retirement System of Texas" displayed in the space between the two circles. The seal may be either embossed or stamped. The executive director may designate in writing those TRS employees, in addition to and not in lieu of the secretary to the Board, who are authorized to use and affix the seal to TRS documents when the secretary is absent, incapacitated, or otherwise unavailable. Such a designated employee is authorized, in the capacity of an assistant secretary to the Board, to attest, to affix the seal, or to certify as to any matter as to which the secretary to the Board could attest, affix the seal, or certify. Purchase and use of identical counterparts of the seal is authorized when each counterpart is held by an authorized designee of the executive director. Affixing the TRS seal is not necessary to authenticate or attest a TRS document unless the seal is required by applicable law.

ARTICLE 6

Amendment of Bylaws

6.1 Amendment of Bylaws. These Bylaws may be amended only by a majority vote of the Board at any duly posted meeting of the Board for which notice of consideration of the proposed amendment has been properly given under the Open Meetings Act. At least every four years, these Bylaws shall receive a full review to determine necessity and adequacy of their need.

TAB 6



Deputy Director Report

Presentation Date: April 10, 2025

Presented By: Caasi Lamb



Agenda



- **One TRS: Moving Forward Together**
- **Return to Office**
- **TEAM**
- **Efficiency Initiative**
- **Quarterly Contract Report – Q2 FY 25**



One TRS: Moving Forward Together



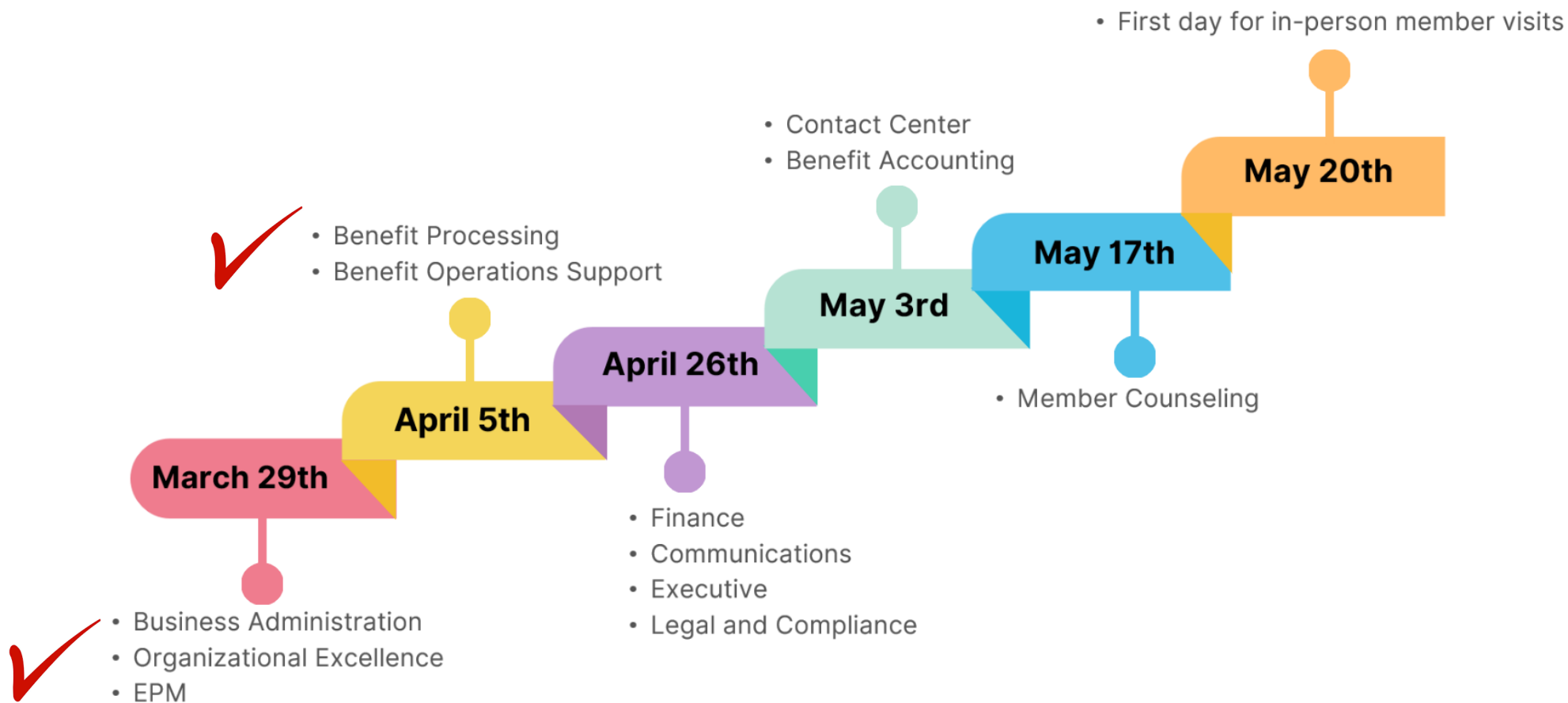
KEY MILESTONES

Milestone	Target Completion Date
Bravo Tenant Improvement Construction Construction is complete with punch-list and day-2 items remaining	March 2025
Bravo Move-in First move groups into Bravo complete with first day of business March 31	Mid 2025





One TRS: Moving Forward Together

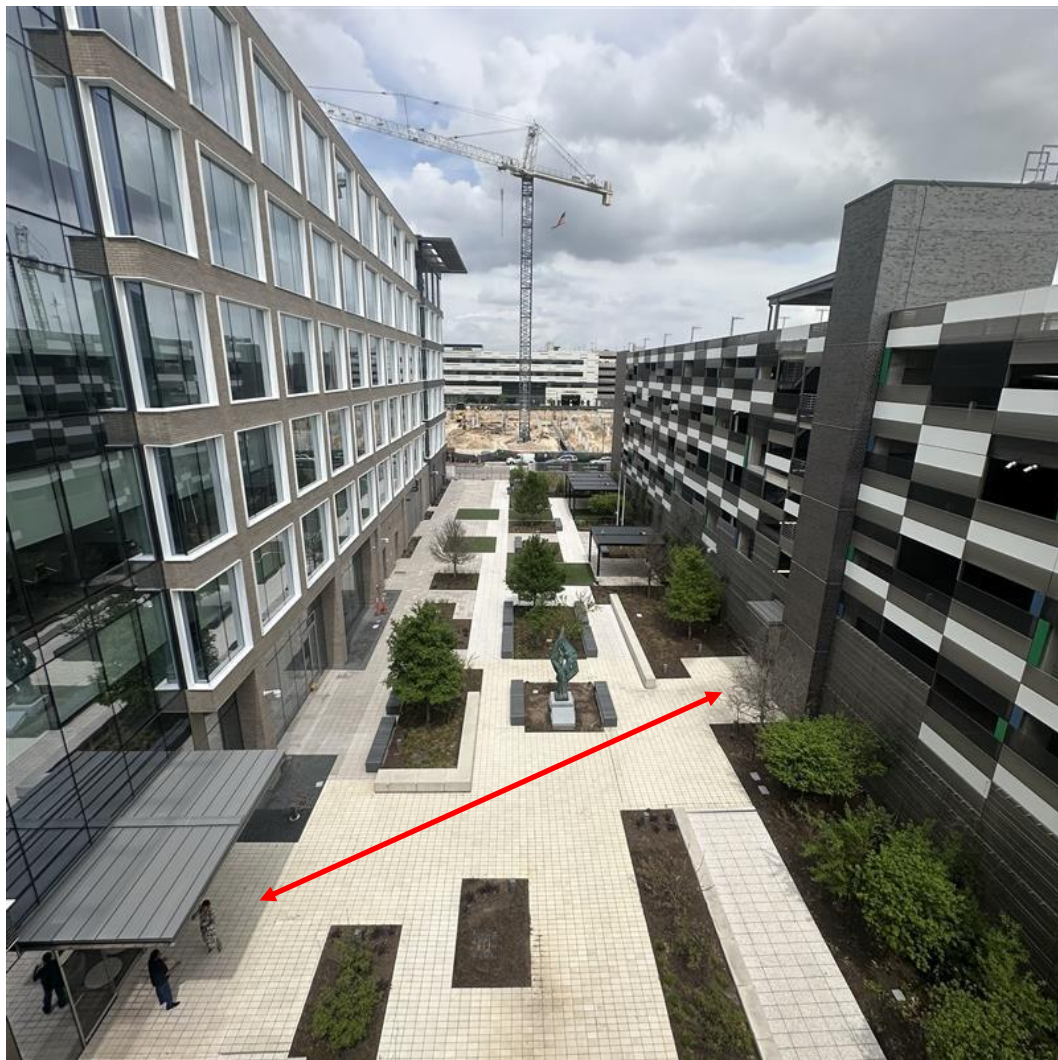




One TRS: Moving Forward Together



BRAVO CONSTRUCTION STATUS



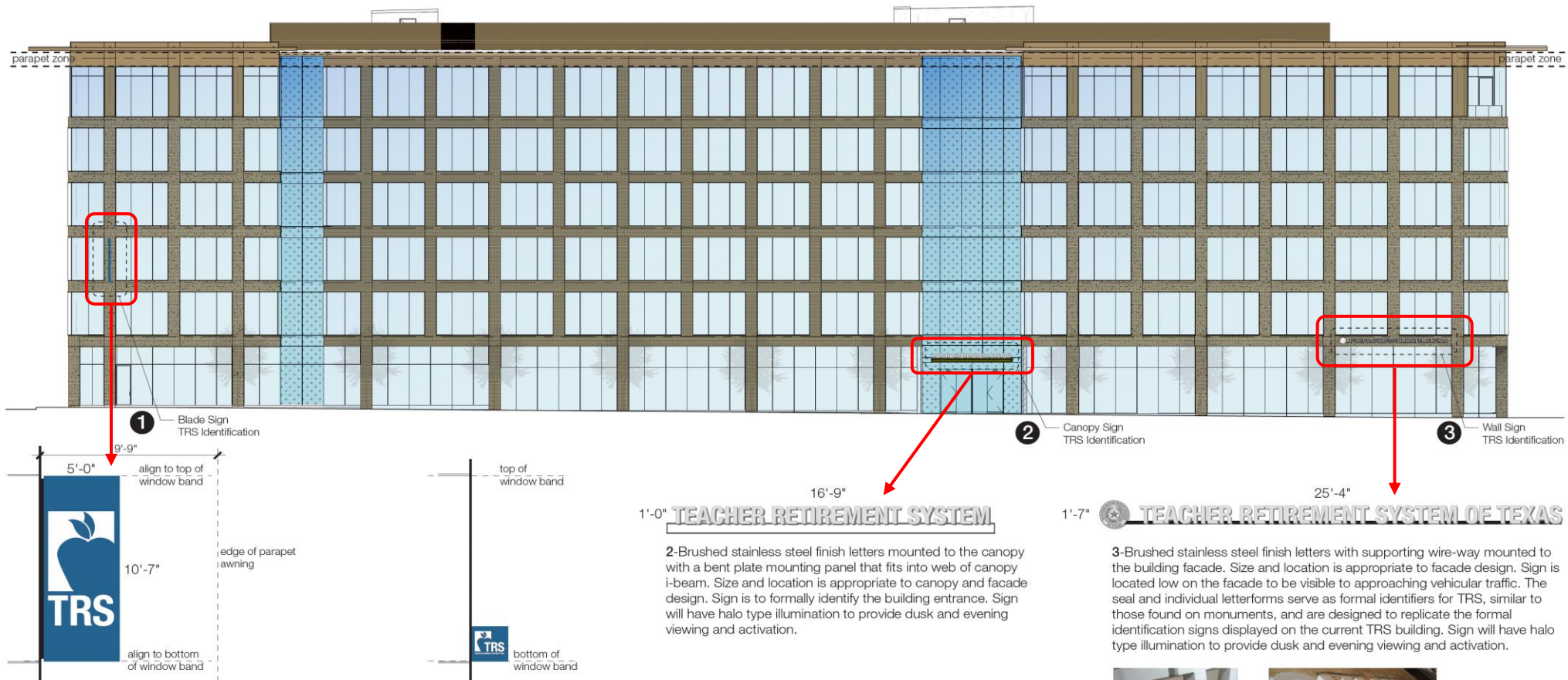


One TRS: Moving Forward Together



BRAVO EXTERIOR SIGNAGE

Bravo Building Mueller Blvd Elevation



1-TRS Blue projecting sign with white text and graphics. Sign is used to identify the building to approaching vehicular traffic with logo used to tie in with TRS branding. Sign is located to be visible above street scape trees. Sign will be illuminated to provide dusk and evening viewing and activation.

Example of sign at 4sf size noted in the ordinance. This small size does not work with scale of building. The 4sf sign is appropriate for a retail tenant storefront identification with viewing intended to be from the pedestrian scale sidewalk zone.

1'-0" **TEACHER RETIREMENT SYSTEM**

2-Brushed stainless steel finish letters mounted to the canopy with a bent plate mounting panel that fits into web of canopy i-beam. Size and location is appropriate to canopy and facade design. Sign is to formally identify the building entrance. Sign will have halo type illumination to provide dusk and evening viewing and activation.

1'-7" **TEACHER RETIREMENT SYSTEM OF TEXAS**

3-Brushed stainless steel finish letters with supporting wire-way mounted to the building facade. Size and location is appropriate to facade design. Sign is located low on the facade to be visible to approaching vehicular traffic. The seal and individual letterforms serve as formal identifiers for TRS, similar to those found on monuments, and are designed to replicate the formal identification signs displayed on the current TRS building. Sign will have halo type illumination to provide dusk and evening viewing and activation.



Example detail for letter engagement of mounting rail



Example detail for letter with polycarbonate back and halo illumination effect

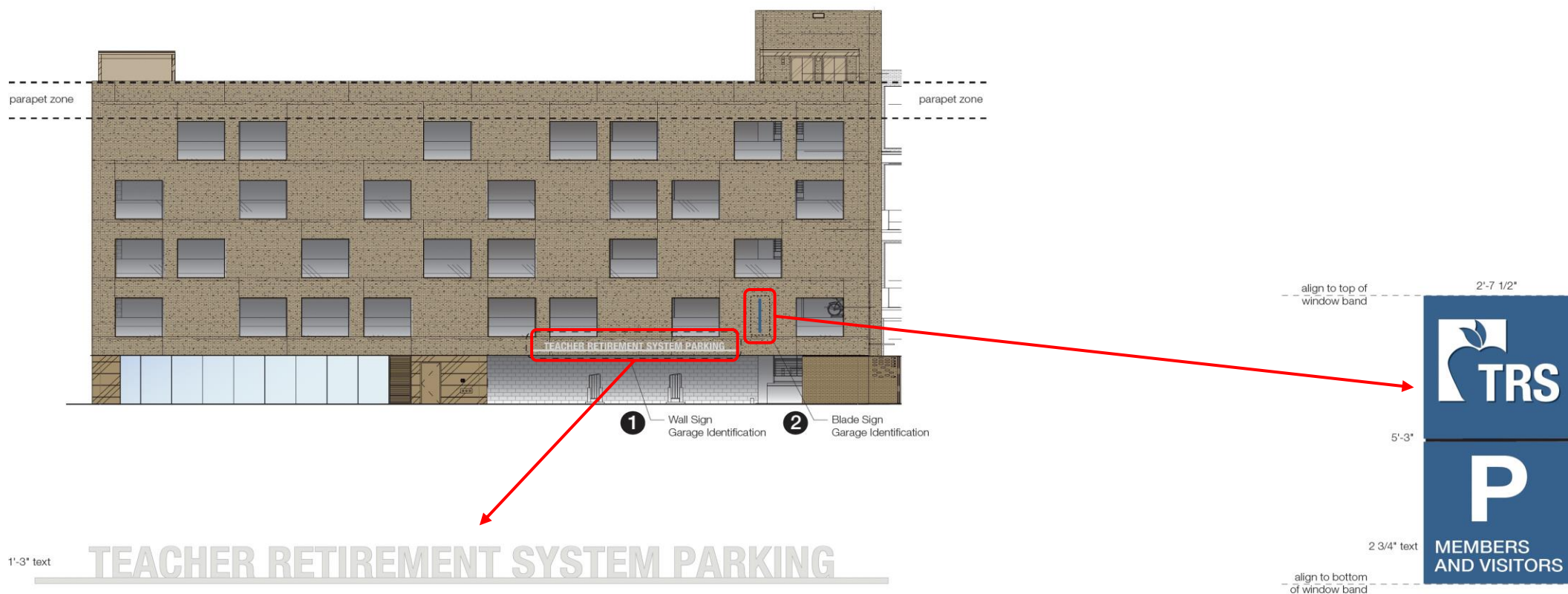


One TRS: Moving Forward Together



BRAVO EXTERIOR SIGNAGE

Bravo Garage R. Browning St Elevation



1-Brushed stainless steel finish letters mounted to building facade over garage entry drive. Size and location is appropriate to facade design. Sign is located low on the facade and above the garage entrance to be visible to approaching vehicular traffic. Sign is to identify garage and communicate that this garage is for TRS and is not a public garage. Sign will have halo type illumination to provide dusk and evening viewing and activation.

2-TRS Blue projecting sign with white text and graphics. Size and location is appropriate to facade design. Sign is to identify garage to approaching vehicular traffic and communicate that this is not a public garage. Sign will be illuminated to provide dusk and evening viewing and activation.



One TRS: Moving Forward Together

Member Communications

- Website, emails/newsletters (TRS News, Fresh Picks, Update), videos, social media
- Counselor talking points, FAQs
- Signage, wayfinding, leave behinds
- Member appointment emails, text messages
- Letterhead, envelopes, forms
- Employee email signatures

TRS is Moving to a New Headquarters Soon!

Welcome to our dedicated page for updates and information on TRS' upcoming move to a new headquarters in Austin's Mueller Community later this spring. Here, you'll find the latest news and details about your Member Center in central Austin.

WHERE to find Your TRS: (as of May 20, 2025)

📍 Mailing Address

Teacher Retirement System of Texas
P.O. Box 149676
Austin, Texas 78714-9676

📍 Physical Address

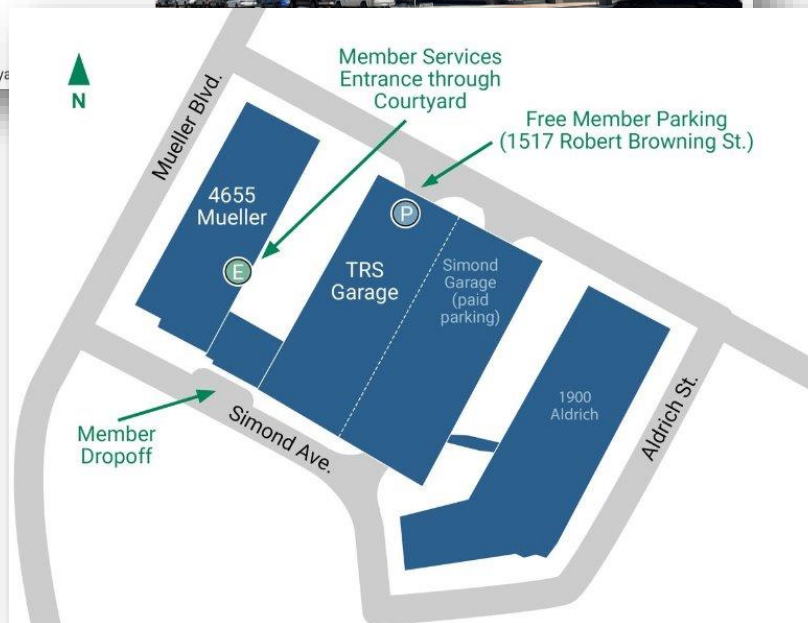
Teacher Retirement System of Texas
[4655 Mueller Blvd](#)
[Austin, Texas 78723](#)

📍 Parking: TRS Garage

[1517 Robert Browning St. \(off Mueller Blvd\)](#)

📍 Drop Off: Personal Vehicle Passengers or Rideshares

[1704 Simond Ave](#) (from here, follow the signs through the courtyard)





Return to Office

- The Executive Council has been reviewing definitions for onsite, hybrid, and remote positions
- Unless a role or business area requires a full-time on-site presence, TRS staff is maintaining current work schedules
- Agencywide update will be finalized after the 89th Legislative session ends
- Groups onsite 5 days/week now:
 - Executive Council
 - Enterprise and senior leaders
 - IMD Staff
 - Staff currently scheduled onsite due to the nature of the work (e.g. Security, Facilities)

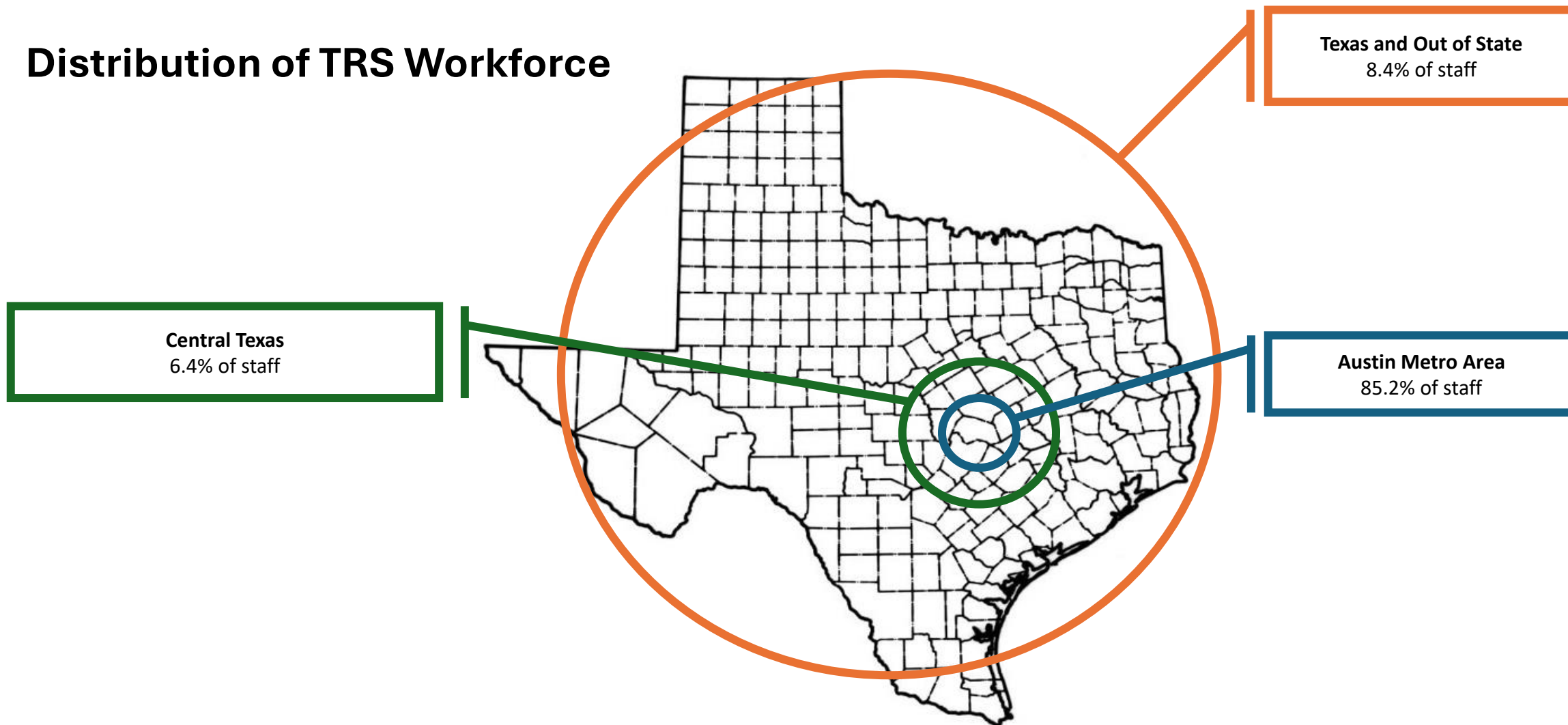




Return to Office



Distribution of TRS Workforce



Calculates difference in zip codes between employee address and HQ. For El Paso employees, the Regional Service Center was considered as their respective HQ.



TEAM



Annuity Payroll, Benefit Account Adjustment & Tax Reporting (PBT)



Project Status = ON SCHEDULE

KEY STATUS UPDATES

Achievements

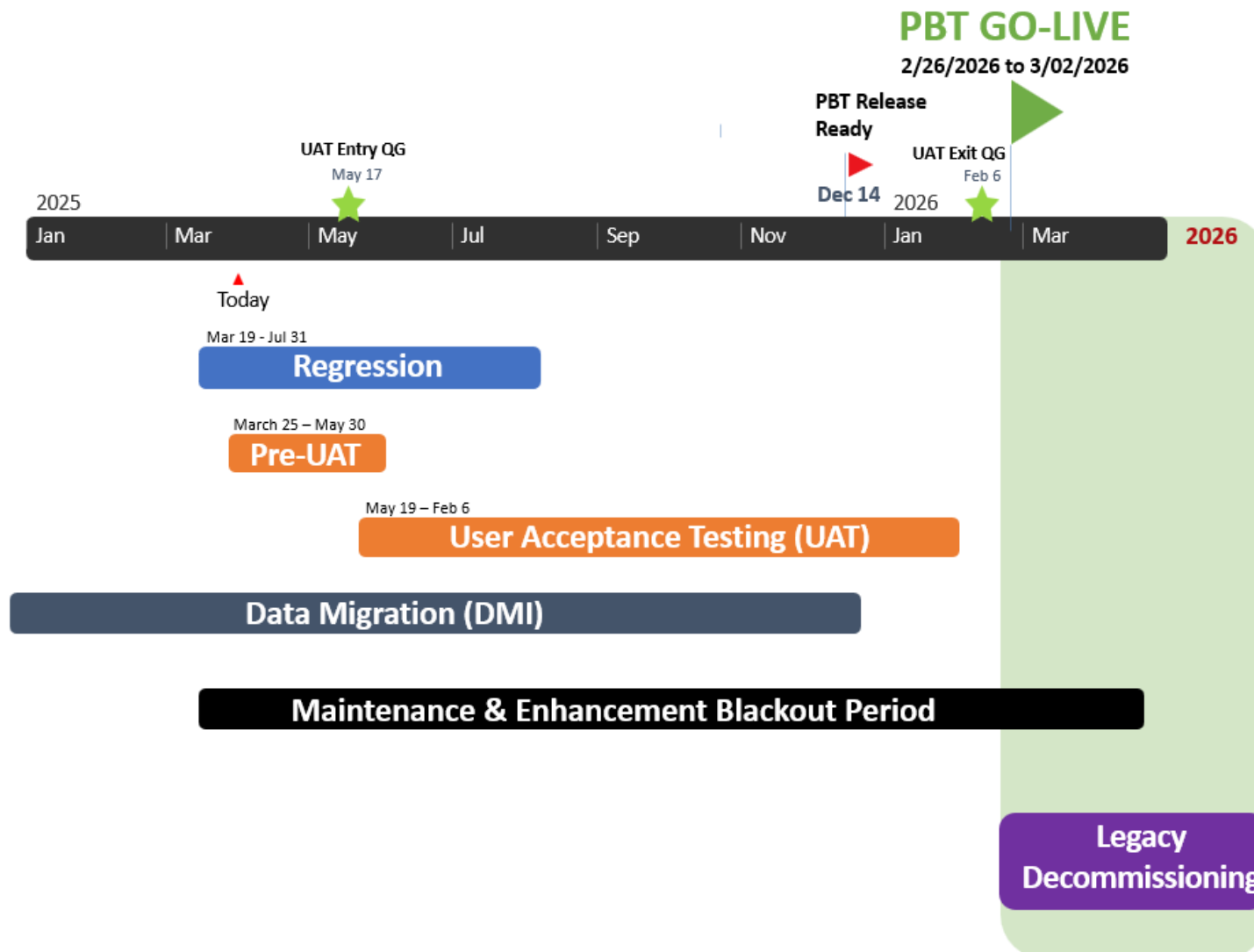
- 3/19/2025 – Began Regression Testing by IT
- 3/25/2025 – Began Pre-User Acceptance Testing activities with Business

Key Goals Upcoming

- 5/19/2025 – Begin User Acceptance Testing

KEY RISKS

- **Legislative Changes** – any changes that require work to be done on the Pension Line of Business system could impact the PBT timeline.
- **Business Changes** – any critical changes requested by the business to the Pension Line of Business system could impact the PBT timeline.





Efficiency Initiative



- Efficiencies always a part of TRS culture and strategies
- TRS has evolved in complexity to meet a growing member base
- Renewed efficiency focus in 2024 with employee input
- Recognized additional opportunities to:
 - Further leverage emerging technologies (e.g., AI)
 - Revisit and streamline enterprise processes and governance
 - Improve productivity
 - Save time and resources
 - Remove unnecessary bureaucracy



Innovation

We explore and embrace new ideas to create *efficiencies* and optimize business outcomes.



Strategic Plan & ED AOF for FY 25

Identify opportunities for improved productivity, *process efficiencies* and performance monitoring. (G4.O8.S2)

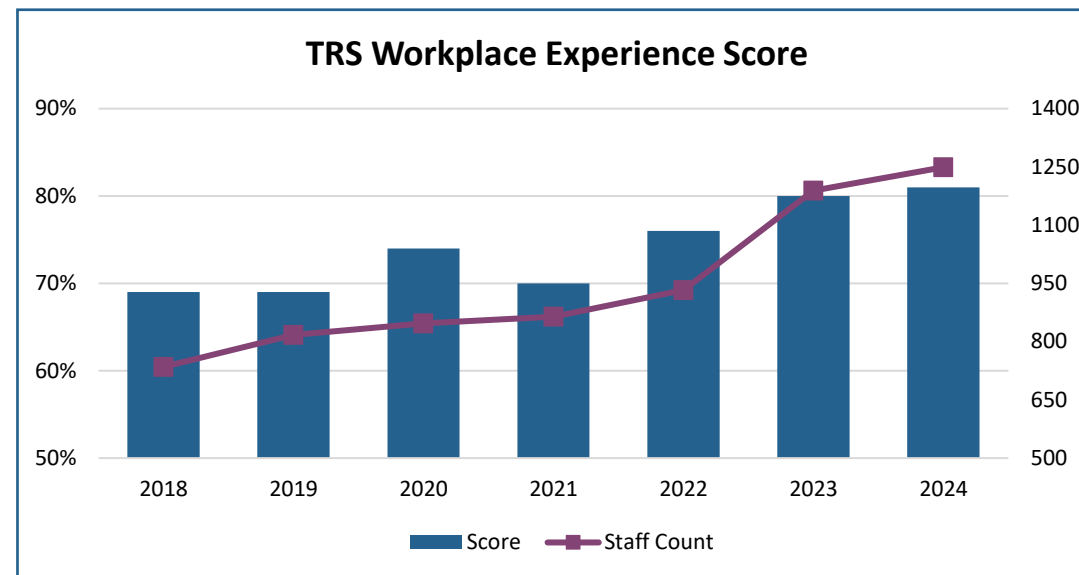
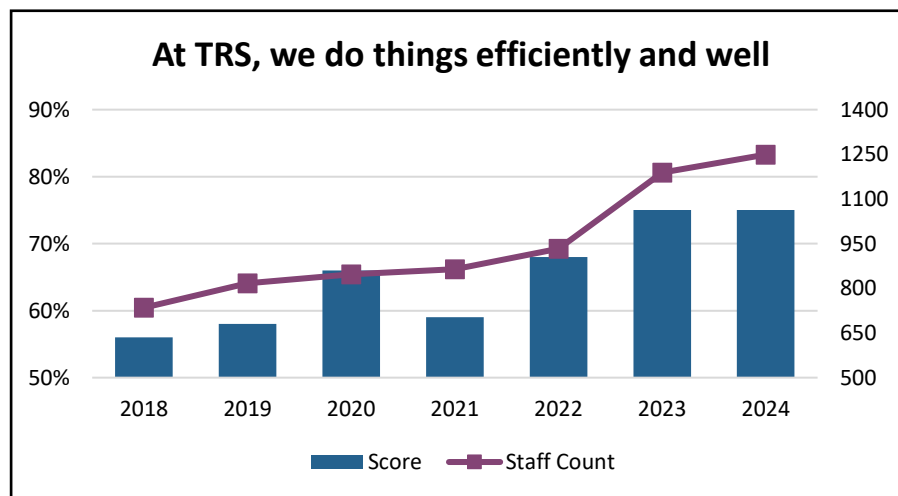


Efficiency Initiative



Annual employee survey (Engage):

- Helps TRS understand and improve workplace culture, make data-driven decisions, retain top talent
- Determines qualifications for Top Workplace awards
 - TRS is a 13-time Austin top workplace and a 4-time USA top workplace



While TRS scores well overall, the results offer opportunities to identify areas for improvement (scores and comments to specific statements)



Efficiency Initiative



CONTINUOUS
Improvement





Efficiency Initiative – Pension Services



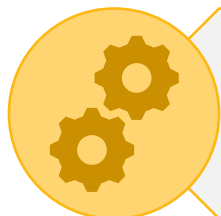
MyTRS Secure Messages



Re-initiation of the Retirement
Electronic Certification



Creating, Recording, and Publishing
of Electronic Certification Training
for Employers



Automating Vouchers





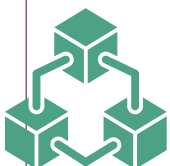
Efficiency Initiative - Health



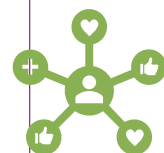
Eliminated over 500 manual data entry tasks by automating workflows for 105 health care bills, boosting review efficiency.



Streamlined data exchange with bswift, reducing monthly record transfers from 40M to 50K, ensuring faster data availability and improved auditability.



Automated prescription drug rebate reconciliation to achieve **100% accuracy validation of \$200m in revenue every quarter** across three programs.



Reduced claims data delivery time for employers to under three days by implementing automated quality checks, improving accuracy.



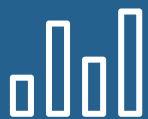
Performed market research on 16 weight-loss program vendors, analyzing their program details and pricing structures. **Leveraged AI to consolidate insights from 192 unique responses.**



Initiated move to **automate data in the health annual report**, saving hundreds of staff hours and manual steps.



Efficiency Initiative – Budget Development Process



Analyze Current Spending

Provide a baseline understanding of where and how resources are being applied.



Identify Opportunities for Improved Efficiency

Target areas with lapsed budgets and redundancies.



Improve Budget Precision

Utilize multi-model budgeting by mapping models to operating attributes.



Create Contingency Account

Unlock resources to pursue in-year opportunities and mitigate risks.



Efficiency Initiative – All Board Contracts



Consulting

Investment Advisory Services

Fiduciary

Pension Fund Actuarial

Executive Support

Coaching
Assessment

Compensation

Core Services

Benefits

Medical Board Members

Health

Health Plan Administrators
Pharmacy Benefit Managers
Dental & Vision Insurance Providers
Healthcare Actuarial

Investments

Master Custodian and Lending Services
Securities Lending Agent
Proxy Voting Consultant

Standard

**TEAM Independent Program
Assessment**

Real Estate Services

D&O Insurance



Efficiency Initiative – Board Contracts



Executive Coaching

**Executive
Assessment**

**Pension Fund
Actuarial
Consultant**

**Compensation
Consultant**

**Healthcare
Actuarial
Consultants**

**TEAM Independent
Program
Assessment Vendor**



Quarterly Contract Report – Q2 FY 25



Solicitations and Contracts with a Value of \$1 Million or More per Year

Type	Q1	Q2	Q3	Q4	Total
New Executed Contracts	2	0			2
New Executed Health Contracts	2	0			2
New FY 25 Solicitations	0	0			0
New FY 25 Health Solicitations	2	0			2

BOARD PROCUREMENT POLICY

*For those contracts that are to be brought to the Board for approval solely because they exceed an estimated value of \$1 million or more per year, **TRS staff will present a report to the Board at each quarterly meeting** summarizing the key information for the proposed procurement. The Board may **accept** the report in its entirety or identify specific procurements for additional discussion or direct selection or approval by the Board.*

TAB 7



Regional Office Update

Presentation Date: April 10, 2025

Presented By: Barbie Pearson



Regional Office Update



Location

- Focused on Rio Grande Valley which is approximately five hours away from Austin
- Looking at commercial real estate options to lease
- No available space at Region 1 ESC
- No state-owned buildings in the area
- Limited commercial office space in the area

Completed

- Conducted visits to four available site spaces
- Evaluated site spaces using specified criteria and narrowed to top three options
- Met with CBRE for follow up
- Completed a process to receive and review proposals from top three sites

Next Steps

- Status update of toured properties to Board of Trustees at the April board meeting
- Top selections and staff recommendation presented to trustees at June board meeting
- Trustee approval of regional office budget and positions at July board meeting
- Initiate design, construction, budgeting, and hiring
- Hire director for the Rio Grande Valley office



Brokerage RFP Posted

May 2024

CBRE Selected

Sept. 2024

Valley Tour & Member
Survey

Jan. 2025

Status Update

April 2025

Board selection of
Property

June 2025

Board Approval of
Budget/Resources

July 2025

Tentative Opening Date

Sept. 2026

TAB 8

Board Advisor Request for Proposal

Steven Wilson, Director

LaTresa Stroud, Director

Aundre Petty, Senior Contract Specialist

April 2025



Introduction

- The Board Advisor **reports directly to the Board** and operates independently of TRS Staff. The advisor provides education, advice, commentary and reporting on a wide range of investment topics relevant to the operation of the pension fund
- Aon's contract is set to expire at the **end of September 2025**
- A **competitive Request for Proposal (RFP) process** was initiated following the September 2024 Board Meeting

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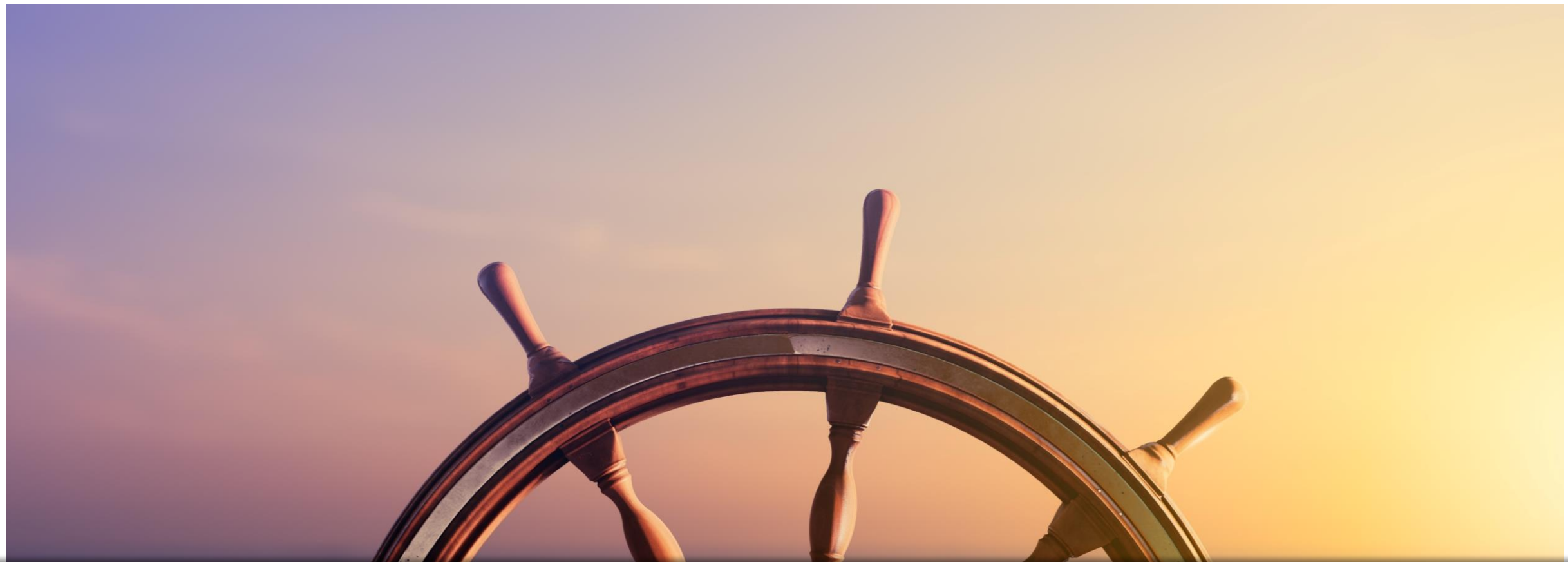
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Board Investment Advisor

Presentation Date: April 10, 2025

Presented By:
Brian Guthrie





History and Background

- Fiduciary duty and Board Bylaws charge the Board with obtaining expert advice and assistance with respect to its investment functions.
- In 1993, the Board decided to engage an investment advisor in addition to the investment consultants retained at that time.
- Previous advisors were:
 - John Peavy who resigned to become the TRS Chief Investment Officer; and
 - Craig Hester who resigned to become the Chairman of the ERS Board
- Current advisor, Dr. Keith Brown, has served since 2002.



Scope of Work and Contract Status

- Dr. Brown's scope of work includes:
 - Attending Board and Committee meetings when investment reports are presented.
 - Offering independent advice to the Board regarding staff and investment counsel recommendations, including providing a written opinion on such matters in Board materials.
 - Providing advice to the Board regarding TRS investment matters, including advice on investment policies, asset allocation, and cash flow.
 - Being available to Board members for questions or consultation regarding TRS investment matters. Including office hours prior to board meetings.
 - Bringing to the Board's attention any IMD actions that Dr. Brown thinks necessitate Board discussion.
- Contract Status:
 - September 2024, Dr. Brown and TRS entered into a one-year contract.
 - Dr. Brown's contract **expires August 31, 2025.**