



Teacher Retirement System
of Texas



OPERATING BUDGET

FISCAL YEAR 2026



Submitted to the Office of
the Governor, Budget and
Policy Division and the
Legislative Budget Board
on December 1, 2025



FY 2026 Operating Budget

Submitted to the
Office of the Governor, Budget and Policy Division
and the Legislative Budget Board

by

Teacher Retirement System

December 1, 2025



CERTIFICATE

Agency Name: Teacher Retirement System

This is to certify that the information contained in the agency operating budget filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget and Policy Division, is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Office of the Governor will be notified in writing in accordance with Senate Bill 1, Article IX, Section 7.01, Eighty-ninth Legislature, Regular Session, 2025.

Chief Executive

A handwritten signature in dark ink, appearing to read "Brian Guthrie", written over a horizontal line.

Signature

Brian Guthrie

Printed Name

Executive Director

Title

December 1, 2025

Date

Board Chair

A handwritten signature in dark ink, appearing to read "Robert H. Walls, Jr.", written over a horizontal line.

Signature

Robert H. Walls, Jr.

Printed Name

Chair, Board of Trustees

Title

December 1, 2025

Date

Chief Financial Officer

A handwritten signature in dark ink, appearing to read "Don Green", written over a horizontal line.

Signature

Don Green

Printed Name

Chief Financial Officer

Title

December 1, 2025

Date

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Budget Overview
89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

323 Teacher Retirement System

	GENERAL REVENUE FUNDS		GR DEDICATED				OTHER FUNDS		ALL FUNDS	
	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
Goal: 1. To Administer the System as an Employee Benefit Trust										
1.1.1. Trs - Public Education Retirement	2,564,554,383	2,762,739,282							2,564,554,383	2,762,739,282
1.1.2. Trs - Higher Education Retirement	350,186,120	370,055,272	48,535,281	47,680,322			7,261,393		405,982,794	417,735,594
1.1.3. Administrative Operations							285,235,379	296,673,800	285,235,379	296,673,800
1.1.4. Trs Retirement-Additional Payment										
1.2.1. Retiree Health - Statutory Funds	526,551,253	596,431,827							526,551,253	596,431,827
1.4.1. Active Employee Healthcare	369,224,574								369,224,574	
Total, Goal	3,810,516,330	3,729,226,381	48,535,281	47,680,322			292,496,772	296,673,800	4,151,548,383	4,073,580,503
Total, Agency	3,810,516,330	3,729,226,381	48,535,281	47,680,322			292,496,772	296,673,800	4,151,548,383	4,073,580,503
Total FTEs									1,079.4	1,158.3

2.A. Summary of Budget By Strategy

DATE : 11/19/2025

TIME : 10:10:07AM

89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 323 Agency name: Teacher Retirement System

Goal/Objective/STRATEGY	EXP 2024	EXP 2025	BUD 2026
1 To Administer the System as an Employee Benefit Trust			
1 Sound Retirement System			
1 TRS - PUBLIC EDUCATION RETIREMENT	\$2,483,580,868	\$2,564,554,383	\$2,762,739,282
2 TRS - HIGHER EDUCATION RETIREMENT	\$376,656,675	\$405,982,794	\$417,735,594
3 ADMINISTRATIVE OPERATIONS	\$244,650,462	\$285,235,379	\$296,673,800
4 TRS RETIREMENT-ADDITIONAL PAYMENT	\$5,000,000,000	\$0	\$0
2 Health Care Program for Public Education Retirees Funded by Statute			
1 RETIREE HEALTH - STATUTORY FUNDS	\$505,172,755	\$526,551,253	\$596,431,827
4 Healthcare for Public Ed Active Employees			
1 ACTIVE EMPLOYEE HEALTHCARE	\$588,518,000	\$369,224,574	\$0
TOTAL, GOAL 1	\$9,198,578,760	\$4,151,548,383	\$4,073,580,503

2.A. Summary of Budget By Strategy

DATE : 11/17/2025

TIME : 4:42:11PM

89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 323 Agency name: Teacher Retirement System

Goal/Objective/STRATEGY	EXP 2024	EXP 2025	BUD 2026
General Revenue Funds:			
1 General Revenue Fund	\$8,895,236,515	\$3,810,516,330	\$3,729,226,381
	\$8,895,236,515	\$3,810,516,330	\$3,729,226,381
General Revenue Dedicated Funds:			
770 Est. Other Educational & General	\$51,776,170	\$48,535,281	\$47,680,322
	\$51,776,170	\$48,535,281	\$47,680,322
Other Funds:			
960 TRS Trust Account Fund	\$251,566,075	\$292,496,772	\$296,673,800
	\$251,566,075	\$292,496,772	\$296,673,800
TOTAL, METHOD OF FINANCING	\$9,198,578,760	\$4,151,548,383	\$4,073,580,503
FULL TIME EQUIVALENT POSITIONS	1,025.0	1,079.4	1,158.3

2.B. Summary of Budget By Method of Finance
89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/12/2025**
TIME: **4:11:14PM**

Agency code: **323** Agency name: **Teacher Retirement System**

METHOD OF FINANCING	Exp 2024	Exp 2025	Bud 2026
<u>GENERAL REVENUE</u>			
<u>1</u> General Revenue Fund			
REGULAR APPROPRIATIONS			
Regular Appropriations from MOF Table (2024-25 GAA)	\$3,803,278,494	\$3,448,459,510	\$0
Regular Appropriations from MOF Table (2026-27 GAA)	\$0	\$0	\$3,692,446,093
RIDER APPROPRIATION			
Article IX, Sec 18.37 (2024-25 GAA), Contingency for SB 10	\$1,645,000,000	\$0	\$0
Comments: 900.1 TRS Retirement Additional Annuity Payment			
Article IX, Sec 18.37 (2024-25 GAA), Contingency for HJR 2	\$3,355,000,000	\$0	\$0
Comments: Voter approved constitutional ammendment for TRS to provide a cost-of-living adjustment to certain TRS retirees			
Article IX, Sec 18.86 Contingency for Public Education	\$0	\$0	\$36,780,288
Comments: Additional contributions to TRS-Care and Public Education to implement the provisions of HB 2			
SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS			
HB 500, 89th Legislature, Regular Session, 2025	\$0	\$369,224,574	\$0
Comments: TRS-ActiveCare			
LAPSED APPROPRIATIONS			
LAPSED APPROPRIATIONS	\$(164,737)	\$0	\$0
BASE ADJUSTMENT			
Adjustment per Section 1575.201(b), Insurance Code	\$30,982,306	\$40,506,043	\$0
Adjustment per Section 403.093(c), Government Code	\$61,140,452	\$(47,673,797)	\$0

2.B. Summary of Budget By Method of Finance
89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/12/2025**
TIME: **4:11:14PM**

Agency code: **323** Agency name: **Teacher Retirement System**

METHOD OF FINANCING		Exp 2024	Exp 2025	Bud 2026
TOTAL,	General Revenue Fund			
		\$8,895,236,515	\$3,810,516,330	\$3,729,226,381
TOTAL, ALL	GENERAL REVENUE			
		\$8,895,236,515	\$3,810,516,330	\$3,729,226,381
<u>GENERAL REVENUE FUND - DEDICATED</u>				
770	GR Dedicated - Estimated Other Educational and General Income Account No. 770			
	<i>REGULAR APPROPRIATIONS</i>			
	Regular Appropriations from MOF Table (2024-25 GAA)	\$36,196,028	\$37,535,281	\$0
	Regular Appropriations from MOF Table (2026-27 GAA)	\$0	\$0	\$40,680,322
	<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>			
	Rider 7 - Transfer of Other Educ & Gen Income (2024-25 GAA)	\$15,580,142	\$11,000,000	\$0
	Comments: Transfer of authorized appropriations for TRS Higher-Education Retirement from Other Educational and General Income to institutions of higher education to meet their obligations and comply with the Benefits Paid Proportional by Method of Finance.			
	Rider 7 - Transfer of Other Educ & Gen Income (2026-27 GAA)	\$0	\$0	\$7,000,000
	Comments: Transfer of authorized appropriations for TRS Higher-Education Retirement from Other Educational and General Income to institutions of higher education to meet their obligations and comply with the Benefits Paid Proportional by Method of Finance.			
TOTAL,	GR Dedicated - Estimated Other Educational and General Income Account No. 770			
		\$51,776,170	\$48,535,281	\$47,680,322
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED			
		\$51,776,170	\$48,535,281	\$47,680,322

OTHER FUNDS

2.B. Summary of Budget By Method of Finance
89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/13/2025**
TIME: **7:51:34AM**

Agency code: **323** Agency name: **Teacher Retirement System**

METHOD OF FINANCING	Exp 2024	Exp 2025	Bud 2026
960 Teacher Retirement System Trust Account Fund No. 960			
<i>REGULAR APPROPRIATIONS</i>			
Regular Appropriations from MOF Table (2024-25 GAA)	\$230,582,400	\$219,096,500	\$0
Comments: Administrative Operations of the Pension Trust Fund			
Regular Appropriations from MOF Table (2024-25 GAA)	\$6,915,613	\$7,261,393	\$0
Comments: Employer Contributions for TRS Employees			
Regular Appropriations from MOF Table (2024-25 GAA)	\$5,336,391	\$10,899,746	\$0
Comments: SB 30, 88th Legislature, Regular Session, 2023, 5% Salary Adjustments. Article IX, Sec 17.16 (2024-25 GAA)			
Regular Appropriations from MOF Table (2026-27 GAA)	\$0	\$0	\$291,612,800
Comments: Administrative Operations of the Pension Trust Fund			
<i>RIDER APPROPRIATION</i>			
Rider 12, Performance Incentive Compensation (2024-25 GAA)	\$55,427,651	\$39,742,057	\$0
<i>LAPSED APPROPRIATIONS</i>			
Administrative Operations of the Pension Trust Fund	\$(11,940,888)	\$(27,990,616)	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>			
Art IX, Sec 14.03(i), Capital Budget UB (2024-25 GAA)	\$(34,755,092)	\$34,755,092	\$0
Comments: UB within biennium			
<i>BASE ADJUSTMENT</i>			
Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$8,732,600	\$0

DATE: 11/17/2025
TIME: 4:42:47PM

2.B. Summary of Budget By Method of Finance
89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/13/2025**
TIME: **7:51:34AM**

Agency code: **323** Agency name: **Teacher Retirement System**

METHOD OF FINANCING	Exp 2024	Exp 2025	Bud 2026
FULL-TIME-EQUIVALENT POSITIONS			
REGULAR APPROPRIATIONS			
Regular Appropriations from MOF Table (2024-25 GAA)	1,047.3	1,047.3	0.0
Comments: Administrative Operations of the Pension Trust Fund			
Regular Appropriations from MOF Table (2026-27 GAA)	0.0	0.0	1,139.3
Comments: Administrative Operations of the Pension Trust Fund			
RIDER APPROPRIATION			
Rider 10, Full-Time Equivalent Positions Intern Exemption (2024-25 GAA)	27.8	33.2	0.0
Comments: Rider 10 excludes interns from the FTE cap			
Rider 10, Full-Time Equivalent Positions Intern Exemption (2024-25 GAA)	(27.8)	(33.2)	0.0
Comments: Rider 10 excludes interns from the FTE cap			
Rider 19, Exception to FTE Limitation for Board Fiduciary Finding (2024-25 GAA)	0.0	92.0	0.0
Comments: Pursuant to Rider 19 Exception to FTE limitation pending Board approval for additional resources for customer service to keep pace with membership growth, the implementation of pension and investment data modernization systems, and cybersecurity/artificial intelligence.			
Rider 20 (2026-27 GAA), Contingent Appropriation for Teacher Retirement System (TRS) Additional Regional Office	0.0	0.0	19.0
Comments: Pursuant to a fiduciary finding by the Board to add resources to existing administrative operations appropriations and capital authority budget for an additional regional office in McAllen, TX to effectively support the needs of TRS members.			
LAPSED APPROPRIATIONS			
Regular Appropriations from MOF Table (2024-25 GAA)	(22.3)	(59.9)	0.0
Comments: Administrative Operations of the Pension Trust Fund			

2.B. Summary of Budget By Method of Finance
89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/12/2025**
TIME: **4:11:14PM**

Agency code: **323** Agency name: **Teacher Retirement System**

METHOD OF FINANCING	Exp 2024	Exp 2025	Bud 2026
TOTAL, ADJUSTED FTES	1,025.0	1,079.4	1,158.3

NUMBER OF 100% FEDERALLY FUNDED FTEs

2.C. Summary of Budget By Object of Expense
89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/17/2025

TIME: 4:43:18PM

Agency code: 323

Agency name: Teacher Retirement System

OBJECT OF EXPENSE		EXP 2024	EXP 2025	BUD 2026
1001	SALARIES AND WAGES	\$182,789,316	\$184,522,895	\$169,201,400
1002	OTHER PERSONNEL COSTS	\$8,956,400,881	\$3,870,005,963	\$3,779,549,253
2001	PROFESSIONAL FEES AND SERVICES	\$29,175,097	\$50,819,215	\$65,335,050
2002	FUELS AND LUBRICANTS	\$3,040	\$4,383	\$4,000
2003	CONSUMABLE SUPPLIES	\$514,220	\$648,336	\$645,000
2004	UTILITIES	\$1,124,338	\$1,299,969	\$1,778,500
2005	TRAVEL	\$1,404,341	\$1,526,398	\$2,443,300
2006	RENT - BUILDING	\$627,220	\$517,523	\$824,800
2007	RENT - MACHINE AND OTHER	\$587,162	\$869,350	\$942,700
2009	OTHER OPERATING EXPENSE	\$25,558,842	\$39,349,685	\$47,756,500
5000	CAPITAL EXPENDITURES	\$394,303	\$1,984,666	\$5,100,000
Agency Total		\$9,198,578,760	\$4,151,548,383	\$4,073,580,503

2.D. Summary of Budget By Objective Outcomes
89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation system of Texas (ABEST)

Date : 11/19/2025
Time: 11:01:12AM

Agency code: 323 Agency name: Teacher Retirement System

Goal/ Objective / OUTCOME		Exp 2024	Exp 2025	Bud2026
1	To Administer the System as an Employee Benefit Trust			
1	Sound Retirement System			
	1 # of Years-Amortize TRS Retirement. Fund Unfunded Actuarial Accrued Liab	28.00	35.00	35.00
	2 TRS Retirement. Fund 5-yr Avg Time-weighted Rate of ROI Performance	7.94 %	8.44 %	7.00 %
	3 TRS Retirement. Fund 20-yr Avg Time-weighted Rate of ROI Performance	6.90 %	7.23 %	7.00 %
	4 Investment Performance Relative to Board Approved Benchmark	355.00	145.00	100.00
KEY	5 TRS Retirement. Fund Ann. Op. Exp. Per Member	41.17	50.84	74.41
KEY	6 TRS Retirement Fund Investment Expense as Basis Points of Net Assets	60.60	60.00	48.56
KEY	7 Service Level Percentage of Calls Answered in Specified Time Interval	94.62 %	97.00 %	90.00 %
2	Health Care Program for Public Education Retirees Funded by Statute			
	1 Participation Rate in Disease Mgmt Program by Non-Medicare Enrollees	28.00 %	32.00 %	5.00 %
	2 Generic Substitution Rate for TRS-Care Prescription Drug Benefits	99.00 %	99.80 %	98.00 %

3.A. Strategy Level Detail

DATE: 11/12/2025

TIME: 4:12:19PM

89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 323 Agency name: Teacher Retirement System

GOAL: 1 To Administer the System as an Employee Benefit Trust

OBJECTIVE: 1 Sound Retirement System

STRATEGY: 1 Retirement Contributions for Public Education Employees. Estimated

Service Categories:

Service: 06 Income: A.2 Age: B.2

CODE	DESCRIPTION	EXP 2024	EXP 2025	BUD 2026
Objects of Expense:				
1002	OTHER PERSONNEL COSTS	\$2,483,580,868	\$2,564,554,383	\$2,762,739,282
TOTAL, OBJECT OF EXPENSE		\$2,483,580,868	\$2,564,554,383	\$2,762,739,282
Method of Financing:				
1	General Revenue Fund	\$2,483,580,868	\$2,564,554,383	\$2,762,739,282
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,483,580,868	\$2,564,554,383	\$2,762,739,282
TOTAL, METHOD OF FINANCE :		\$2,483,580,868	\$2,564,554,383	\$2,762,739,282
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 11/12/2025

TIME: 4:12:19PM

89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)Agency code: **323** Agency name: **Teacher Retirement System**

GOAL: 1 To Administer the System as an Employee Benefit Trust

OBJECTIVE: 1 Sound Retirement System

Service Categories:

STRATEGY: 2 Retirement Contributions for Higher Education Employees. Estimated

Service: 06 Income: A.2 Age: B.2

CODE	DESCRIPTION	EXP 2024	EXP 2025	BUD 2026
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Objects of Expense:

1002 OTHER PERSONNEL COSTS	\$376,656,675	\$405,982,794	\$417,735,594
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TOTAL, OBJECT OF EXPENSE	\$376,656,675	\$405,982,794	\$417,735,594
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Method of Financing:

1 General Revenue Fund	\$317,964,892	\$350,186,120	\$370,055,272
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS)	\$317,964,892	\$350,186,120	\$370,055,272
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Method of Financing:

770 Est. Other Educational & General	\$51,776,170	\$48,535,281	\$47,680,322
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SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)	\$51,776,170	\$48,535,281	\$47,680,322
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Method of Financing:

960 TRS Trust Account Fund	\$6,915,613	\$7,261,393	\$0
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SUBTOTAL, MOF (OTHER FUNDS)	\$6,915,613	\$7,261,393	\$0
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TOTAL, METHOD OF FINANCE :	\$376,656,675	\$405,982,794	\$417,735,594
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FULL TIME EQUIVALENT POSITIONS:

3.A. Strategy Level Detail

DATE: 11/17/2025

TIME: 5:43:42PM

89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **323** Agency name: **Teacher Retirement System**

GOAL: 1 To Administer the System as an Employee Benefit Trust

OBJECTIVE: 1 Sound Retirement System

STRATEGY: 3 Administrative Operations

Service Categories:

Service: 09 Income: A.2 Age: B.2

CODE	DESCRIPTION	EXP 2024	EXP 2025	BUD 2026
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Output Measures:

KEY 1	Number of TRS Benefit Applications Processed	112,691.00	113,333.00	100,000.00
2	Number of TRS Retirement Fund Member Accounts Serviced	15,278,662.00	15,491,320.00	15,539,664.00
3	Percent of Retirees Whose First Annuity is Paid When It is First Due	90.00 %	99.00 %	98.00 %

Objects of Expense:

1001	SALARIES AND WAGES	\$182,789,316	\$184,522,895	\$169,201,400
1002	OTHER PERSONNEL COSTS	\$2,472,583	\$3,692,959	\$2,642,550
2001	PROFESSIONAL FEES AND SERVICES	\$29,175,097	\$50,819,215	\$65,335,050
2002	FUELS AND LUBRICANTS	\$3,040	\$4,383	\$4,000
2003	CONSUMABLE SUPPLIES	\$514,220	\$648,336	\$645,000
2004	UTILITIES	\$1,124,338	\$1,299,969	\$1,778,500
2005	TRAVEL	\$1,404,341	\$1,526,398	\$2,443,300
2006	RENT - BUILDING	\$627,220	\$517,523	\$824,800
2007	RENT - MACHINE AND OTHER	\$587,162	\$869,350	\$942,700
2009	OTHER OPERATING EXPENSE	\$25,558,842	\$39,349,685	\$47,756,500
5000	CAPITAL EXPENDITURES	\$394,303	\$1,984,666	\$5,100,000
TOTAL, OBJECT OF EXPENSE		\$244,650,462	\$285,235,379	\$296,673,800

Method of Financing:

960	TRS Trust Account Fund	\$244,650,462	\$285,235,379	\$296,673,800
SUBTOTAL, MOF (OTHER FUNDS)		\$244,650,462	\$285,235,379	\$296,673,800

TOTAL, METHOD OF FINANCE :	\$244,650,462	\$285,235,379	\$296,673,800
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FULL TIME EQUIVALENT POSITIONS:	1,025.0	1,079.4	1,158.3
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3.A. Strategy Level Detail

89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/12/2025

TIME: 4:12:19PM

Agency code: **323** Agency name: **Teacher Retirement System**

GOAL: 1 To Administer the System as an Employee Benefit Trust

OBJECTIVE: 1 Sound Retirement System

STRATEGY: 4 TRS Retirement Additional Annuity Payment

Service Categories:

Service: 09 Income: A.2 Age: B.2

CODE	DESCRIPTION	EXP 2024	EXP 2025	BUD 2026
Objects of Expense:				
1002	OTHER PERSONNEL COSTS	\$5,000,000,000	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$5,000,000,000	\$0	\$0
Method of Financing:				
1	General Revenue Fund	\$5,000,000,000	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$5,000,000,000	\$0	\$0
TOTAL, METHOD OF FINANCE :		\$5,000,000,000	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 11/12/2025

TIME: 4:12:19PM

89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 323 Agency name: Teacher Retirement System

GOAL: 1 To Administer the System as an Employee Benefit Trust

OBJECTIVE: 2 Health Care Program for Public Education Retirees Funded by Statute

STRATEGY: 1 Healthcare for Public Ed Retirees Funded by Statute. Estimated

Service Categories:

Service: 06 Income: A.2 Age: B.2

CODE	DESCRIPTION	EXP 2024	EXP 2025	BUD 2026
Objects of Expense:				
1002	OTHER PERSONNEL COSTS	\$505,172,755	\$526,551,253	\$596,431,827
TOTAL, OBJECT OF EXPENSE		\$505,172,755	\$526,551,253	\$596,431,827
Method of Financing:				
1	General Revenue Fund	\$505,172,755	\$526,551,253	\$596,431,827
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$505,172,755	\$526,551,253	\$596,431,827
TOTAL, METHOD OF FINANCE :		\$505,172,755	\$526,551,253	\$596,431,827
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 11/12/2025

TIME: 4:12:19PM

89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 323 Agency name: Teacher Retirement System

GOAL: 1 To Administer the System as an Employee Benefit Trust

OBJECTIVE: 4 Healthcare for Public Ed Active Employees

STRATEGY: 1 Healthcare for Public Ed Active Employees

Service Categories:

Service: 22 Income: A.2 Age: B.3

CODE	DESCRIPTION	EXP 2024	EXP 2025	BUD 2026
Objects of Expense:				
1002	OTHER PERSONNEL COSTS	\$588,518,000	\$369,224,574	\$0
TOTAL, OBJECT OF EXPENSE		\$588,518,000	\$369,224,574	\$0
Method of Financing:				
1	General Revenue Fund	\$588,518,000	\$369,224,574	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$588,518,000	\$369,224,574	\$0
TOTAL, METHOD OF FINANCE :		\$588,518,000	\$369,224,574	\$0
FULL TIME EQUIVALENT POSITIONS:				

3.A. Strategy Level Detail

DATE: 11/17/2025

TIME: 5:43:42PM

89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$9,198,578,760	\$4,151,548,383	\$4,073,580,503
METHODS OF FINANCE :	\$9,198,578,760	\$4,151,548,383	\$4,073,580,503
FULL TIME EQUIVALENT POSITIONS:	1,025.0	1,079.4	1,158.3

Agency code: 323

Agency name: Teacher Retirement System

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

EXP 2024

EXP 2025

BUD 2026

5003 Repair or Rehabilitation of Buildings and Facilities

1/1 Building Renovations

OBJECTS OF EXPENSE

Capital

2001 PROFESSIONAL FEES AND SERVICES		\$1,713,255	\$500,000	\$2,000,000
2009 OTHER OPERATING EXPENSE		\$1,031,038	\$499,610	\$4,090,000
Capital Subtotal OOE, Project	1	\$2,744,293	\$999,610	\$6,090,000
Subtotal OOE, Project	1	\$2,744,293	\$999,610	\$6,090,000

TYPE OF FINANCING

Capital

CA 960 TRS Trust Account Fund		\$2,744,293	\$999,610	\$6,090,000
Capital Subtotal TOF, Project	1	\$2,744,293	\$999,610	\$6,090,000
Subtotal TOF, Project	1	\$2,744,293	\$999,610	\$6,090,000

2/2 Security Renovations

OBJECTS OF EXPENSE

Capital

2009 OTHER OPERATING EXPENSE		\$68,291	\$181,300	\$0
Capital Subtotal OOE, Project	2	\$68,291	\$181,300	\$0
Subtotal OOE, Project	2	\$68,291	\$181,300	\$0

TYPE OF FINANCING

Capital

CA 960 TRS Trust Account Fund		\$68,291	\$181,300	\$0
Capital Subtotal TOF, Project	2	\$68,291	\$181,300	\$0
Subtotal TOF, Project	2	\$68,291	\$181,300	\$0

4.A. Capital Budget Project Schedule
89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/12/2025
TIME : 4:12:34PM

Agency code: 323

Agency name: Teacher Retirement System

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

EXP 2024

EXP 2025

BUD 2026

Capital Subtotal, Category 5003

\$2,812,584

\$1,180,910

\$6,090,000

Informational Subtotal, Category 5003

Total, Category 5003

\$2,812,584

\$1,180,910

\$6,090,000

5005 Acquisition of Information Resource Technologies

3/3 IT Infrastructure Upgrades

OBJECTS OF EXPENSE

Capital

2001 PROFESSIONAL FEES AND SERVICES

\$94,619

\$0

\$0

2004 UTILITIES

\$1,449

\$0

\$110,000

2009 OTHER OPERATING EXPENSE

\$592,791

\$1,296,203

\$2,090,000

5000 CAPITAL EXPENDITURES

\$327,006

\$1,525,816

\$5,100,000

Capital Subtotal OOE, Project 3

\$1,015,865

\$2,822,019

\$7,300,000

Subtotal OOE, Project 3

\$1,015,865

\$2,822,019

\$7,300,000

TYPE OF FINANCING

Capital

CA 960 TRS Trust Account Fund

\$1,015,865

\$2,822,019

\$7,300,000

Capital Subtotal TOF, Project 3

\$1,015,865

\$2,822,019

\$7,300,000

Subtotal TOF, Project 3

\$1,015,865

\$2,822,019

\$7,300,000

4/4 Investment Data Modernization

OBJECTS OF EXPENSE

Capital

2001 PROFESSIONAL FEES AND SERVICES

\$2,715,187

\$18,027,283

\$27,410,000

2009 OTHER OPERATING EXPENSE

\$0

\$7,205,651

\$4,690,000

Capital Subtotal OOE, Project 4

\$2,715,187

\$25,232,934

\$32,100,000

Subtotal OOE, Project 4

\$2,715,187

\$25,232,934

\$32,100,000

4.A. Capital Budget Project Schedule
89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/12/2025**
TIME : **4:12:34PM**

Agency code: **323**

Agency name: **Teacher Retirement System**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		EXP 2024	EXP 2025	BUD 2026
TYPE OF FINANCING				
<u>Capital</u>				
CA	960 TRS Trust Account Fund	\$2,715,187	\$25,232,934	\$32,100,000
Capital Subtotal TOF, Project	4	\$2,715,187	\$25,232,934	\$32,100,000
Subtotal TOF, Project	4	\$2,715,187	\$25,232,934	\$32,100,000
Capital Subtotal, Category	5005	\$3,731,052	\$28,054,953	\$39,400,000
Informational Subtotal, Category	5005			
Total, Category	5005	\$3,731,052	\$28,054,953	\$39,400,000

7000 Data Center/Shared Technology Services

5/5 Data Center Services

OBJECTS OF EXPENSE

Capital

2001	PROFESSIONAL FEES AND SERVICES	\$1,166,578	\$706,845	\$2,180,000
Capital Subtotal OOE, Project	5	\$1,166,578	\$706,845	\$2,180,000
Subtotal OOE, Project	5	\$1,166,578	\$706,845	\$2,180,000

TYPE OF FINANCING

Capital

CA	960 TRS Trust Account Fund	\$1,166,578	\$706,845	\$2,180,000
Capital Subtotal TOF, Project	5	\$1,166,578	\$706,845	\$2,180,000
Subtotal TOF, Project	5	\$1,166,578	\$706,845	\$2,180,000
Capital Subtotal, Category	7000	\$1,166,578	\$706,845	\$2,180,000
Informational Subtotal, Category	7000			
Total, Category	7000	\$1,166,578	\$706,845	\$2,180,000

Agency code: 323 Agency name: Teacher Retirement System

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE	EXP 2024	EXP 2025	BUD 2026
AGENCY TOTAL -CAPITAL	\$7,710,214	\$29,942,708	\$47,670,000
AGENCY TOTAL -INFORMATIONAL			
AGENCY TOTAL	\$7,710,214	\$29,942,708	\$47,670,000
METHOD OF FINANCING:			
Capital			
960 TRS Trust Account Fund	\$7,710,214	\$29,942,708	\$47,670,000
Total, Method of Financing-Capital	\$7,710,214	\$29,942,708	\$47,670,000
Total, Method of Financing	\$7,710,214	\$29,942,708	\$47,670,000
TYPE OF FINANCING:			
Capital			
CA CURRENT APPROPRIATIONS	\$7,710,214	\$29,942,708	\$47,670,000
Total, Type of Financing-Capital	\$7,710,214	\$29,942,708	\$47,670,000
Total,Type of Financing	\$7,710,214	\$29,942,708	\$47,670,000

Agency code: 323 Agency name: Teacher Retirement System

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str			Strategy Name	EXP 2024	EXP 2025	BUD 2026
5003 Repair or Rehabilitation of Buildings and Facilities						
1/1			Building Renovations			
Capital	1-1-3	ADMINISTRATIVE OPERATIONS		2,744,293	999,610	\$6,090,000
TOTAL, PROJECT				\$2,744,293	\$999,610	\$6,090,000
2/2			Security Renovations			
Capital	1-1-3	ADMINISTRATIVE OPERATIONS		68,291	181,300	0
TOTAL, PROJECT				\$68,291	\$181,300	\$0
5005 Acquisition of Information Resource Technologies						
3/3			IT Infrastructure Upgrades			
Capital	1-1-3	ADMINISTRATIVE OPERATIONS		1,015,865	2,822,019	7,300,000
TOTAL, PROJECT				\$1,015,865	\$2,822,019	\$7,300,000
4/4			Investment Data Modernization			
Capital	1-1-3	ADMINISTRATIVE OPERATIONS		2,715,187	25,232,934	32,100,000
TOTAL, PROJECT				\$2,715,187	\$25,232,934	\$32,100,000
7000 Data Center/Shared Technology Services						
5/5			Data Center Services			

Capital Budget Allocation to Strategies
89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/12/2025**
TIME: **4:12:48PM**

Agency code: **323** Agency name: **Teacher Retirement System**

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str		Strategy Name	EXP 2024	EXP 2025	BUD 2026
Capital	1-1-3	ADMINISTRATIVE OPERATIONS	1,166,578	706,845	\$2,180,000
		TOTAL, PROJECT	\$1,166,578	\$706,845	\$2,180,000
		TOTAL CAPITAL, ALL PROJECTS	\$7,710,214	\$29,942,708	\$47,670,000
		TOTAL INFORMATIONAL, ALL PROJECTS			
		TOTAL, ALL PROJECTS	\$7,710,214	\$29,942,708	\$47,670,000

4.F. Part A Budgetary Impacts Related to Recently Enacted State Legislation Schedule
89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/12/2025
TIME: 4:13:08PM

Agency code: 323

Agency name: Teacher Retirement System

		Exp 2025	Bud 2026	Est 2027	Est 2028	Est 2029
Expanded or New Initiative:	1. Healthcare for Public Ed Active Employees					
Legal Authority for Item:	Chapter 1579 of the Texas Insurance Code designates the Teacher Retirement System as trustee to administer the Texas School Employees Group Insurance (TRS-ActiveCare), 89th Legislature, Regular Session, 2025.					
Description/Key Assumptions (including start up/implementation costs and ongoing costs):	Funding to keep TRS-ActiveCare average annual premiums below ~10%. Estimates based on medical trend indicators, current enrollment, health costs expected to grow 5% each year, premiums/funding amounts may need to increase depending on actual costs and enrollment experience. As employer interest in ActiveCare continues to rise, TRS anticipates a significant increase to enrollment during the 2026-27 biennium.					
State Budget by Program:	TRS-ActiveCare					
IT Component:	No					
Involve Contracts > \$50,000:	No					
Objects of Expense						
Strategy: 1-4-1 ACTIVE EMPLOYEE HEALTHCARE						
1002 OTHER PERSONNEL COSTS		\$369,224,574	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-4-1		\$369,224,574	\$0	\$0	\$0	\$0
TOTAL, Objects of Expense		\$369,224,574	\$0	\$0	\$0	\$0
Method of Financing						
GENERAL REVENUE FUNDS						
Strategy: 1-4-1 ACTIVE EMPLOYEE HEALTHCARE						
1 General Revenue Fund		\$369,224,574	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-4-1		\$369,224,574	\$0	\$0	\$0	\$0
SUBTOTAL, GENERAL REVENUE FUNDS		\$369,224,574	\$0	\$0	\$0	\$0
TOTAL, Method of Financing		\$369,224,574	\$0	\$0	\$0	\$0

4.F. Part A Budgetary Impacts Related to Recently Enacted State Legislation Schedule89th Regular Session, Fiscal Year 2026 Operating Budget
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 11/12/2025

TIME: 4:13:08PM

Agency code: 323

Agency name: Teacher Retirement System

		Exp 2025	Bud 2026	Est 2027	Est 2028	Est 2029
Expanded or New Initiative: 2. Public Education and Public School Finance						
Legal Authority for Item: 89th Regular Session, General Appropriations Act (GAA), Conference Committee (CC), Article IX, Section 18.86						
Description/Key Assumptions (including start up/implementation costs and ongoing costs): Additional contributions for the TRS-Care Program and TRS Retirement program to implement the provision related to the enactment of House Bill 2.						
State Budget by Program:	TRS-Care and TRS Retirement Program					
IT Component:	No					
Involve Contracts > \$50,000:	No					
Objects of Expense						
Strategy: 1-1-1 TRS - PUBLIC EDUCATION RETIREMENT						
1002 OTHER PERSONNEL COSTS		\$0	\$16,336,091	\$16,336,091	\$0	\$0
SUBTOTAL, Strategy 1-1-1		\$0	\$16,336,091	\$16,336,091	\$0	\$0
Strategy: 1-2-1 RETIREE HEALTH - STATUTORY FUNDS						
1002 OTHER PERSONNEL COSTS		\$0	\$20,444,197	\$24,689,576	\$0	\$0
SUBTOTAL, Strategy 1-2-1		\$0	\$20,444,197	\$24,689,576	\$0	\$0
TOTAL, Objects of Expense		\$0	\$36,780,288	\$41,025,667	\$0	\$0
Method of Financing						
GENERAL REVENUE FUNDS						
Strategy: 1-1-1 TRS - PUBLIC EDUCATION RETIREMENT						
1 General Revenue Fund		\$0	\$16,336,091	\$16,336,091	\$0	\$0
SUBTOTAL, Strategy 1-1-1		\$0	\$16,336,091	\$16,336,091	\$0	\$0
Strategy: 1-2-1 RETIREE HEALTH - STATUTORY FUNDS						
1 General Revenue Fund		\$0	\$20,444,197	\$24,689,576	\$0	\$0
SUBTOTAL, Strategy 1-2-1		\$0	\$20,444,197	\$24,689,576	\$0	\$0
SUBTOTAL, GENERAL REVENUE FUNDS		\$0	\$36,780,288	\$41,025,667	\$0	\$0
TOTAL, Method of Financing		\$0	\$36,780,288	\$41,025,667	\$0	\$0

4.F. Part B Summary of Costs Related to Recently Enacted State Legislation Schedule

89th Regular Session, Fiscal Year 2026 Operating Budget

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **11/12/2025**TIME: **4:13:32PM**Agency code: **323**Agency name: **Teacher Retirement System**

ITEM	EXPANDED OR NEW INITIATIVE	Exp 2025	Bud 2026	Est 2027	Est 2028	Est 2029
1	Healthcare for Public Ed Active Employees	\$369,224,574	\$0	\$0	\$0	\$0
2	Public Education and Public School Finance	\$0	\$36,780,288	\$41,025,667	\$0	\$0
Total, Cost Related to Expanded or New Initiatives		\$369,224,574	\$36,780,288	\$41,025,667	\$0	\$0
METHOD OF FINANCING						
	GENERAL REVENUE FUNDS	\$369,224,574	\$36,780,288	\$41,025,667	\$0	\$0
Total, Method of Financing		\$369,224,574	\$36,780,288	\$41,025,667	\$0	\$0

FULL-TIME-EQUIVALENTS (FTES):