

Minutes of the Board of Trustees

September 19, 2019

The Board of Trustees of the Teacher Retirement System of Texas met on September 19, 2019 in the boardroom located on the fifth floor of the TRS East Building offices at 1000 Red River, Austin, Texas. The following Board members were present:

Jarvis V. Hollingsworth, Chair
Joe Colonna
David Corpus
John Elliott
Greg Gibson
Christopher Moss
James Nance
Dolores Ramirez
Nanette Sissney

Others present:

| | |
|---|------------------|
| Brian Guthrie, TRS | Ann Fickel, TCTA |
| Andrew Roth, TRS | |
| Amanda Jenami, TRS | |
| Don Green, TRS | |
| Carolina de Onís, TRS | |
| Jerry Albright, TRS | |
| Jase Auby, TRS | |
| Barbie Pearson, TRS | |
| Katrina Daniel, TRS | |
| Janet Bray, TRS | |
| Chet Henry, TRS | |
| Katherine Farrell, TRS | |
| Michael Johnson, Bridgepoint | |
| Steve Voss, Aon Hewitt | |
| Michael McCormick, Aon Hewitt | |
| Keith Brown, Investment Advisor | |
| Tiffany Reeves, Reinhart Boerner Van Deuren | |

Mr. Hollingsworth called the meeting to order at 8:00 a.m.

1. Call roll of Board members.

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

Mr. Hollingsworth immediately announced that the Board would then recess in order to take up the committee meetings.

At 10:32 am Mr. Hollingsworth reconvened the Board meeting. He announced with no objections to take up agenda items 17 and 18.

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

- A. Review administrative operational matters, including updates on legislative, financial, audit, legal, staff services, special projects, investment matters, strategic planning and personnel matters.**
- B. Sunset Review Update.**
- C. Board operational matters, including a review of draft agendas for upcoming meetings.**
- D. 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 of meetings and conferences attended and announced upcoming conferences and meetings. He reviewed the Sunset schedule and noted the staff was in attendance. Mr. Guthrie concluded by reviewing the December agenda items and asked for recommendations from Trustees for the February educational board meeting.

18. Receive an update from the COAO – Andrew Roth.

Mr. Andrew Roth started his remarks by introducing the new Diversity, Equity and Inclusion director, Kellie Sauls. He provided an update on organizational changes such as moving training and quality assurance out of Organizational Excellence into the Benefits area. He announced the change of calling reporting entities to reporting employers but still maintaining the RE acronym. He said Project Aim which stands for align, innovate and manage is underway to enhance TRS understanding of State Street Bank and determine what additional record keeping and documentation needs to be on TRS side. Mr. Roth provided an update on IT's data management. He concluded by reviewing the huddles he and Brian Guthrie conducted across the organization. He noted since the beginning in 2013, over 100 huddles have been conducted.

At 11:00 am, Mr. Hollingsworth announced the Board would recess in order to continue with the committee meetings.

At 2:48 pm, Mr. Hollingsworth reconvened the Board meeting. He announced, without objection, taking up agenda item 4.

4. Receive an update regarding long term space planning activities including considering a finding that to deliberate or confer in open meeting would have a detrimental effect on the position of the retirement system in negotiations with a third person – Brian Guthrie and Andrew Roth.

Mr. Guthrie provided background on how Texas has grown precipitously over the past decade and so has TRS' membership and the overall size of the TRS trust fund. With this growth he said there is space planning needs that continue to grow. He noted a decade ago there were space planning issues that were addressed with the investment team moving out of Red River and into 816 Congress. He said the investment team has now outgrown that space and is moving to Indeed Tower where TRS was able to negotiate rates early in the construction process and will have comparable rates to 816.

Mr. Hollingsworth announced the Board would adjourn into executive session for agenda items 2, 3 and 4. On a motion by Dr. Gibson, seconded by Mr. Elliott, the board determined discussion agenda items 2 and 4 in open session would have a detrimental effect on the position of the Retirement System in negotiations with third parties.

At 2:57 pm Mr. Hollingsworth announced the Boards adjournment into executive session under the following agenda items and sections of the Government Code: item number 2 under Sections 825.115(e) and 552.071 to discuss Board procurement matters and consult with legal counsel; item number 3 under Section 551.074 to receive an update regarding executive succession planning, including executive director, chief investment officer and executive audit officer; and under item number 4 under sections 825.115(e), 552.071 and 552.072 to discuss Board procurement matters, real property and consult with legal counsel as needed.

- 2. Consider the engagement of a provider of fiduciary counsel and related services including considering a finding that to deliberate or confer on the selection of the fiduciary counsel in open meeting would have a detrimental effect on the position of the retirement system in negotiations with a third person.– Carolina de Onis.**
- 3. Receive an update regarding Executive Succession Planning including the Executive Director, Chief Investment Officer and the Executive Council – Brian Guthrie and Janet Bray.**

At 5:51 pm, the Board reconvened in open meeting. Mr. Hollingsworth announced the Board would recess until tomorrow morning at 9:00 am.

September 19, 2019

The Board of Trustees of the Teacher Retirement System of Texas met on September 19, 2019 in the boardroom located on the fifth floor of the TRS East Building offices at 1000 Red River, Austin, Texas. The following Board members were present:

Jarvis V. Hollingsworth, Chair
Joe Colonna
David Corpus
John Elliott
James Nance
Dolores Ramirez
Nanette Sissney

Others present:

| | |
|---|----------------------------|
| Brian Guthrie, TRS | Pat Macias, TRTA |
| Andrew Roth, TRS | Brock Gregg, TRTA |
| Amanda Jenami, TRS | Joni Lozano, CVS |
| Don Green, TRS | Sean Donovan, CVS |
| Carolina de Onís, TRS | Nick Arnold, Humana |
| Jerry Albright, TRS | Lauren Ames, Sunset |
| Jase Auby, TRS | Ashley Thomas, Sunset |
| Barbie Pearson, TRS | Tamara Aronstein, Sunset |
| Katrina Daniel, TRS | Judy King, Sunset |
| Chet Henry, TRS | Ann Fickel, TCTA |
| Katherine Farrell, TRS | Mike Bentrout, Aetna |
| Caasi Lamb, TRS | Tim Lee, TRTA |
| Michael Johnson, Bridgepoint | Brenda Pollard, JPMorgan |
| Steve Voss, Aon Hewitt | Pam Forthman, JPMorgan |
| Michael McCormick, Aon Hewitt | Blake Morris, JPMorgan |
| Keith Brown, Investment Advisor | Mina Zorkis, JPMorgan |
| Tiffany Reeves, Reinhart Boerner Van Deuren | Amy Schmubem, JPMorgan |
| Joe Newton, GRS | Kimberly Gallane, JPMorgan |
| | Anna Forting, JPMorgan |
| | Jamie Dimon, JPMorgan |

Mr. Hollingsworth called the meeting to order at 9:25 a.m.

5. Provide an opportunity for public comment – Jarvis V. Hollingsworth.

Mr. Tim Lee, president of the Texas Retired Teachers Association, expressed concern over the expenses of space planning when retirees are continuing to do without.

6. Consider the following administrative matters – Jarvis V. Hollingsworth:

A. Approval of the July 2019 proposed meeting minutes;

On a motion by Mr. Corpus, seconded by Ms. Ramirez, the Board approved the minutes as presented with Ms. Sissney and Mr. Elliott abstaining.

B. Excusing Board member absences from the July 2019 meeting;

On a motion by Mr. Corpus, seconded by Ms. Ramirez, the Board approved excusing the absences of Mr. Elliott and Ms. Sissney from the July 2019 meeting.

C. Setting, rescheduling, or canceling future Board meetings including considering dates for the calendar year 2020.

On a motion by Mr. Nance, seconded by Mr. Elliott, the Board approved the Calendar Year 2020 proposed meeting dates as presented.

Mr. Hollingsworth announced without objection taking up the committee reports next.

8. Receive the report of the Strategic Planning Committee on its September 19, 2019 meeting – Committee Chair.

Mr. Elliott provided the following report of the Strategic Planning Committee:

The Strategic Planning Committee met on September 19, 2019. The chief strategy officer provided an overview of the final fiscal year 2019 results forum and information on the recent Executive Council's strategic planning retreat.

The Chief Strategy Officer, along with the objective owners, discussed and reviewed the results forum information for the 2019-2023 TRS strategic plan objectives. Those objectives included: increasing identification of underpayments and collection of future contributions to TRS; attracting, retaining and developing highly competent staff; implementing modern pension benefit and health information systems; and modernizing TRS facilities and exploring future space options and requirements.

The Chief Strategy Officer provided information on the process to update the Executive Director's cascading areas of focus. She also provided an overview of the spotlight report and related risk reports.

- 9. Receive the report of the Compensation Committee on its September 19, 2019 meeting and consider personnel matters, including the following: – Committee Chair:**
- A. Consider continuation and adoption of the Executive Director's Performance Incentive Pay Plan for the 2019 – 2020 Performance Period;**
 - B. Consider continuation and adoption of the Investment Management Division's Performance Incentive Pay Plan for the 2019 – 2020 Performance Period.**

Mr. Nance provided the following report of the Compensation Committee:

The Compensation Committee met on September 19, 2019. The committee approved the proposed minutes of its September 2018 meeting.

The committee discussed and recommended to the Board continuation and adoption of the Executive Director's performance incentive pay plan for the 2019-2020 performance period. The committee discussed and recommended to the Board continuation and adoption of the Investment Management Division performance incentive pay plan for the 2019-2020 performance period as well.

The committee received a presentation and update on the status of the classification compensation review from Gregory Stoskopf, Chad Atwell, and Christine Robovsky of Deloitte Consulting.

Mr. Nance concluded his report with the following two motions:

Mr. Nance on behalf of the Compensation Committee moved that the Board adopt the proposed resolution adopting the Executive Director's performance incentive pay plan for the 2019-2020 performance period, as recommended by the Compensation Committee.

The Board unanimously voted in favor of adopting the following resolution:

**TEACHER RETIREMENT SYSTEM OF TEXAS
BOARD RESOLUTION
September 20, 2019
RESOLUTION READOPTING EXECUTIVE PERFORMANCE INCENTIVE PAY PLAN**

Whereas, Section 825.208 of the Texas Government Code provides that, notwithstanding any other law, the Board of Trustees ("Board") shall approve the rate of compensation of all persons it employs;

Whereas, Subsection 1.7(i) of the Board's bylaws provides that the Board shall establish a system for the equitable and effective compensation of employees;

Whereas, To remain competitive in its efforts to attract and retain high caliber executives, the Board desires to offer a competitive compensation package that includes, not only a competitive base salary, but also an opportunity to earn additional rewards through an Executive Performance Incentive Pay Plan ("Plan");

Whereas, Consistent with that desire, the Board adopted on November 19, 2015 the Plan, which rewards select executive management for performance and:

- Focuses on key objectives tied to the overall success of TRS;
- Aligns incentive potential to the achievement of TRS' mission, goals, and objectives;
- Ties rewards to measurable success in high impact performance areas;
- Creates a quantifiable structure to calculate executive rewards; and
- Ensures TRS can attract, motivate, and retain top-performing executives; and

Whereas, The Board desires to continue the Plan and readopt performance categories, category weights, performance goals, and key performance indicators for the Plan year beginning October 1, 2019; now, therefore be it

Resolved, That effective September 20, 2019, the Board hereby readopts the Executive Performance Incentive Pay Plan, as presented by Staff, including the performance categories, category weights, performance goals, and key performance indicators;

Resolved, That nothing in the adoption of this resolution alters the at-will nature of employment that TRS has with any of its employees, creates a contract between TRS and any TRS employee, or confers on any TRS employee the right to continued employment with TRS, including the Executive Director or any other employee holding a position in the Schedule of Exempt Positions.

Mr. Nance on behalf of the Compensation Committee moved that the Board adopt the proposed resolution adopting the Investment Management Division's performance incentive pay plan for the 2019-2020 performance period, as recommended by the Compensation Committee.

When Mr. Hollingsworth opened the floor to discussion, Ms. Sissney noted a concern expressed at the time the incentive plan was in its infancy as how to prevent the expansion of the plan to other individuals. She stated adding the investment attorneys was the creep they were concerned about and objected to the inclusion of the attorneys in the plan.

The Board voted in favor of adopting the following resolution with Ms. Sissney opposing.

TEACHER RETIREMENT SYSTEM OF TEXAS BOARD RESOLUTION
September 19-20, 2019
RESOLUTION ADOPTING INVESTMENT MANAGEMENT DIVISION'S
PERFORMANCE PAY PLAN

Whereas, Section 825.208 of the Texas Government Code provides that, notwithstanding any other law, the Board of Trustees (Board) shall approve the rate of compensation of all persons it employs;

Whereas, Subsection 1.7(i) of the Board's bylaws provides that the Board shall establish a system for the equitable and effective compensation of Investment Management Division (IMD) employees;

Whereas, To remain competitive in attracting and retaining high caliber IMD employees, the Board has determined that it is in TRS's best interest to offer a compensation package that includes a competitive base salary and an opportunity to earn additional compensation through an IMD Performance Pay Plan (Plan);

Whereas, Consistent with those objectives, the Board adopted the initial version of the Plan in 2007;

Resolved, That effective for the annual performance period beginning October 1, 2019, the Board hereby adopts the amended Plan as presented by staff.

Resolved, That nothing in the adoption of this resolution alters the at-will nature of TRS employment for any employee, creates a contract between TRS and any TRS employee, or confers on any TRS employee the right to continued employment with TRS, including any employee holding a position in the Schedule of Exempt Positions.

10. Receive the report of the Policy Committee on its September 19, 2019 meeting and consider the following: – Committee Chair

A. Consider adoption of the proposed amendments to the Investment Policy Statement.

B. Consider the proposed amendment to the TRS Mission Statement.

C. Consider the adoption of the repeal of the following TRS rules in Chapter 53 of Title 34, Part 3 of the Texas Administrative Code

i. Repeal §53.1 Definitions

ii. Repeal §53.2 Applicability

iii. Repeal §53.3 Maximum Fees, Costs, and Penalties

- iv. **Repeal §53.4 Qualifications for Certification by Companies Offering Qualified Investment Products and Investment Options that are Annuity Contracts**
- v. **Repeal §53.5 Qualifications for Certification by Companies Offering Qualified Investment Products and Investment Options Other than Annuity Contracts**
- vi. **Repeal §53.6 Application and Fee for Certification**
- vii. **Repeal §53.7 Listing of Certified Companies**
- viii. **Repeal §53.8 Product and Investment Option Registration Requirements**
- ix. **Repeal §53.9 Application and Fee for Approval to Register Products and Investment Options**
- x. **Repeal §53.10 Registration and Listing of Products and Investment Options**
- xi. **Repeal §53.11 Ongoing Company Responsibilities Regarding Certification and TRS Registered Products and Investment Options**
- xii. **Repeal §53.12 TRS Actions Regarding Certification and TRS Registered Products and Investment Options**
- xiii. **Repeal §53.13 Coordination with Regulatory and Enforcement Agencies**
- xiv. **Repeal §53.14 Suspension or Revocation of Certification**
- xv. **Repeal §53.15 Notice to Potential Purchaser of Annuity Contracts**
- xvi. **Repeal §53.16 Electronic Signature**
- xvii. **Repeal §53.17 Administrative Service Providers**
- D. Consider the adoption of the following TRS rules in Chapter 51 of Title 34, Part 3 of the Texas Administrative Code:**
 - i. New § 51.14, relating to Enhanced Contract Monitoring Procedures**
 - ii. New § 51.15, relating to Contract Monitoring Roles and Responsibilities.**

Mr. Corpus provided the following report of the Policy Committee:

The Policy Committee met on September 19, 2019. The committee approved the proposed minutes of the July 2019 meeting.

The committee conducted the required review of the Board's investment policy statement. The committee recommended to the Board adoption of the proposed amendments to the statement.

The committee conducted a review of the Board's policy review schedule and adopted proposed updates to the schedule.

The committee conducted a review of the TRS mission statement.

The committee recommended to the Board adoption of proposed repeal of TRS rules as listed in the agenda in Chapter 53 of Title 34, Part 3 of the Texas Administrative Code.

The committee recommended to the Board adoption of the proposed amended TRS rules as listed in the agenda in Chapter 51 of Title 34, Part 3 of the Texas Administrative Code.

Mr. Corpus concluded his report with the following three motions. On behalf of the Policy Committee, Mr. Corpus moved the Board adopt the proposed resolution amending the investment policy statement.

The Board unanimously voted in favor of adopting the following resolution:

TEACHER RETIREMENT SYSTEM OF TEXAS BOARD RESOLUTION
September 19-20, 2019
RESOLUTION ADOPTING
THE INVESTMENT POLICY STATEMENT
Consider Proposed Changes to the Investment Policy Statement

WHEREAS, Section 825.103, Government Code, provides that the Board of Trustees ("Board") of the Teacher Retirement System of Texas ("TRS"), is the trustee of all assets of the retirement system;

WHEREAS, Section 825.301, Government Code, requires the Board to develop written investment objectives for the investment of pension trust assets to address desired rates of return, risks involved, investment time frames, and any other relevant considerations;

WHEREAS, Under Section 1.6 of the existing Investment Policy Statement (IPS) the Investment Management Division (IMD) assisted the Board in a strategic asset allocation (SAA) study to review asset classes, return-risk assumptions, and the correlation of returns with applicable benchmarks and across asset classes;

WHEREAS, The Board approved the new SAA asset class target allocations in the July 2019 Board meeting and authorized the IMD to revise the strategic asset allocation plan in the IPS to reflect the approved revisions, and to present to the Policy Committee the revised IPS for Board consideration at the its September 2019 meeting, with a targeted effective date of October 1, 2019;

Resolved, That the Board of Trustees (Board) hereby adopts the proposed revised Investment Policy Statement (IPS) to be effective as of October 1, 2019 as recommended for adoption by the Policy Committee, as presented by the IMD.

Resolved, That the IPS adopted above supersedes in all respects all prior versions of the IPS as of its effective date of October 1, 2019.

On behalf of the Policy Committee, Mr. Corpus moved that the Board adopt the repeal of TRS rules in Chapter 53 of Title 34, Part 3 of the Texas Administrative Code.

The Board unanimously voted in favor of adopting the repeal of TRS rules in Chapter 53 of Title 34, Part 3 of the Texas Administrative Code, as presented by the committee.

On behalf of the Policy Committee, Mr. Corpus moved that the Board adopt the new TRS rules in Chapter 51 of Title 34, Part 3 of the Texas Administrative Code.

The Board unanimously voted in favor of adopting the new TRS rules in Chapter 51 of Title 34, Part 3 of the Texas Administrative Code, as presented by the committee.

12. Receive the report of the Investment Management Committee on its September 19, 2019 meeting – Committee Chair.

Mr. Colonna provided the following report of the Investment Management Committee:

The Investment Management Committee met on September 19, 2019. Jerry Albright began with the CIO update.

The second quarter 2019 performance review was then reviewed by Steve Voss and Mike McCormick with Aon Hewitt.

Next, Jase Auby presented the market update, followed by Mike Pia presenting the public and private strategies partnership network review.

Concluding the Investment Management Committee meeting, James Nield and Stephen Kin presented the semiannual risk report.

13. Receive the report of the Audit Committee on its September 19 and 20, 2019 meeting and consider the adoption of the proposed Audit Plan for Fiscal Year 2020 - Committee Chair.

Ms. Sissney on Mr. Moss' behalf provided the following report for the Audit, Compliance and Ethics Committee:

The Audit, Compliance and Ethics Committee met at 1:20 pm, on Thursday, September 19, 2019 in the 5th Floor Boardroom.

Kenneth Kasper of New York Teachers Retirement System presented a report on the TRS Internal Audit Quality Assurance and Improvement program external assessment.

The State Auditor's Office staff presented the plan for the audit of TRS comprehensive annual financial report for fiscal year 2019 and reports of the audit of TRS fiscal year 2018 employer pension liability allocation schedules and other post-employment benefit allocation schedules. The State Auditor's Office also presented the results of the audit of the incentive compensation plan.

The Chief Compliance Officer presented routine compliance reports and the results of quarterly compliance testing.

The Chief Audit Executive presented the FY 2020 audit plan.

The committee approved the recommendation to the Board of Trustees to approve the proposed audit plan for fiscal year 2020.

Internal Audit staff presented the results of projects, including reports on communications, benefit payments and employer reports. Internal Audit staff also reported results of the Internal Audit quality assurance and improvement program internal assessment, follow-up on outstanding audit and consulting recommendations and various administrative reports.

The meeting ended at 2:48pm.

On behalf of the Audit, Compliance and Ethics Committee, Ms. Sissney moved that the Board of Trustees approve the proposed audit plan for fiscal year 2020.

The Board unanimously voted in favor of adopting the fiscal year 2020 audit plan as presented by the committee.

Mr. Hollingsworth then announced, without objection, taking up agenda item number 2.

2. Consider the engagement of a provider of fiduciary counsel and related services including considering a finding that to deliberate or confer on the selection of the fiduciary counsel in open meeting would have a detrimental effect on the position of the retirement system in negotiations with a third person.– Carolina de Onis.

On a motion by Mr. Colonna, seconded by Mr. Elliott, the Board after deliberations, voted to select Cohen Milstein as its fiduciary counsel.

Mr. Hollingsworth thanked the Reinhart firm who was the Board's fiduciary since 2009, ten great years of service.

Mr. Hollingsworth then announced, without objection taking up agenda item number 14.

14. Receive an update on the TEAM Program – Brian Guthrie and Chet Henry.

Mr. Brian Guthrie provided an update of the TEAM program. He said the fourth of six test evaluation summaries (TES) were due at the end of the month. It is an important milestone he said to see the product that Prospecta delivers at that time. He said in light of recent departures from Prospecta there is concern if they will be able to effectively deliver this. Mr. Guthrie reported that if there are issues with the quality of the submission in September, then the April 2020 date of going live with TRUST is at risk.

Mr. Hollingsworth announced, without objection, to take up agenda item 7.

7. Views on global markets and state of financial services industry – Jamie Dimon, JP Morgan.

Mr. Hollingsworth introduced Mr. Jamie Dimon, chairman of the board and chief executive officer of JPMorgan Chase and Company. Mr. Dimon provided comments and insight on the state of the finance industry.

After a short recess, Mr. Hollingsworth announced without objection taking up agenda item 15.

15. Receive a presentation from the TEAM Program Independent Program Assessment (IPA) Vendor – Michael Johnson, Bridgepoint Consulting.

Mr. Michael Johnson said they consider the go-live date of May 2020 is at risk, as does the executive team. He said they are monitoring closely the delivery of the last few releases.

16. Discuss development of a funding policy for the TRS pension fund –Joe Newton and Dan Sibilik, GRS.

Mr. Joe Newton presented proposed language for the funding policy. He provided the background of how the policy. Mr. Sibilik discussed how the objective is to formalize a funding policy that will systematically decrease the unfunded accrued liability over time in order to achieve a funded ratio of the system that is equal to or greater than 100 percent. Discussion was had regarding adding additional language about other options to finance benefit enhancements.

Mr. Hollingsworth announced without objection taking up agenda item 19.

19. 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, and open records – Carolina de Onis.

Ms. de Onis announced the appeal that was previously brought before the Board of Trustees was brought to the district court. TRS prevailed in district court and at the Third Court of Appeals.

Mr. Hollingsworth announced without objection taking up agenda item 11.

11. Receive the report of the Benefit Committee on its September 20, 2019 meeting and consider adoption or acceptance of the following:

- A. Consider the Benefit Payments for June – August 2019;**
- B. Consider the selection of a vendor as the TRS-ActiveCare enrollment provider, including considering a finding that deliberating or conferring on the procurement in open meeting would have a detrimental effect on the position of the retirement; and**
- C. Consider the appointment of the TRS-Care Retiree Advisory Committee Chair, Vice Chair, and member.**

Ms. Sissney provided the following report for the Benefits Committee:

The Benefits Committee met on September 20, 2019. The committee approved the proposed minutes of the Benefits Committee for July 18, 2019 meeting.

Ms. Pearson asked the committee to recommend to the Board approval of benefit payments for June through August 2019. The committee recommends to the Board the approval of the benefit payments for June through August 2019.

The Board unanimously voted to approve the June through August 2019 benefit payments unanimously.

The committee received an update on Benefit Services operations from Ms. Pearson on the fourth quarter of fiscal year 2019. And then next the committee received an update from Ms. Katrina Daniel. Ms. Daniel and Ms. Grace Mueller, the Retiree Advisory Committee chair, provided an update to the trustees on the most recent RAC meeting on July 29, 2019. In addition, the Benefits Committee adopted the RAC recommendation that Dr. Bruce Gearing serve as vice chair of the RAC committee, and the Benefits Committee accordingly recommends to the Board that Dr. Gearing serve as RAC vice chair.

Ms. Daniel and Ms. Meaghan Bludau went on to recommend the reappointment of Dr. John Fuller in the retired administrator position, Teresa Koehler in the active teacher position, Grace Mueller in the retired teacher position, currently the RAC chair. The Benefits Committee adopted the staff recommendations and recommends these appointments to the Board of Trustees. Finally, with regard to the RAC, the Benefits Committee adopted the staff recommendations that Ms. Mueller continue to serve as RAC chair, and Ms. Daniel provided a general update on the health plan administration and operations as well.

The Board unanimously voted to approve Teresa Koehler in the active teacher position, Dr. John Fuller in the retired administrator position and Grace Mueller in the retired teacher position continuing to serve as the RAC chair.

The Benefits Committee did accept the staff recommendation of BSwift as the ActiveCare enrollment administrator.

The Board unanimously voted to approve the following resolution:

**RESOLUTION SELECTING THE HEALTHCARE
ENROLLMENT ADMINISTRATION SERVICES
PROVIDER FOR THE TRS-ACTIVECARE PROGRAM**

September 19 - 20, 2019

Whereas, Chapter 1579, Texas Insurance Code, governs the Texas School Employees Uniform Group Health Coverage Program (the “TRS-ActiveCare program”) and authorizes the Teacher Retirement System of Texas (“TRS”), as trustee, to implement the group coverage program described in the statute;

Whereas, TRS issued a Request for Proposals ("RFP") to interested entities for Healthcare Enrollment Administration services (the "Services") for the TRS-ActiveCare program;

Whereas, TRS received and evaluated responsive proposals to provide the Services for the TRS-ActiveCare program;

Whereas, TRS staff has provided relevant information to the TRS Board of Trustees (the "Board"), discussed the proposals with the Board, and presented an evaluation to the Board concerning the selection of a Healthcare Enrollment Administration Services Provider for the TRS-ActiveCare program;

Whereas, The Board has considered the evaluation made by TRS staff; now, therefore, be it

Resolved, That the Board hereby selects ___bswift___ to be the Healthcare Enrollment Administration Services Provider for the TRS-ActiveCare program, subject to successful negotiation and execution of a final agreement for the implementation and provision of the Services for the TRS-ActiveCare program, for a two-year term to commence on September 1, 2020, with four optional one-year renewals;

Resolved, That the Board authorizes the Executive Director to expend funds and to take all actions deemed by him to be necessary or advisable to implement the Board's selection of ___bswift___ and to negotiate and finalize a contract with ___bswift___ on the same or better financial terms presented to the Board and on such other terms and conditions deemed by the Executive Director to be in the best interest of the TRS-ActiveCare program, and from time to time to amend, modify, or extend the contract as deemed by the Executive Director to be in the best interest of the TRS-ActiveCare program, it being understood that the Board's selection of ___bswift___ pursuant to this resolution shall not be construed as a binding agreement or obligation to contract, and there shall be no binding agreement among the parties until a full and final written contract is successfully negotiated and executed by both parties.

Without any further business to discuss, the Board adjourned at 12:02 pm.

APPROVED BY THE BOARD OF TRUSTEES OF THE TEACHER RETIREMENT SYSTEM OF TEXAS ON THE 13th DAY OF DECEMBER, 2019.

ATTESTED BY:

Katherine H Farrell

Katherine H. Farrell

Secretary to the TRS Board of Trustees

12/16/19
Date