

October 2026

TRUSTEES

## TRS Board of Trustees Meeting



**Teacher Retirement System of  
Texas**

4655 Mueller Blvd.  
Austin, Texas 78723

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

**AGENDA**

**October 9, 2026 – 8:00 a.m.**

*All or part of the October 9, 2026 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 physically present at the following location, which will be open to the public during the open portions of the meeting: **4655 Mueller Blvd, 2<sup>nd</sup> 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](mailto:publiccomment@trs.texas.gov) identifying the name of the speaker and topic, no later than 5:00 pm on October 8, 2026.***

*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](http://www.trs.texas.gov). A recording of the meeting will be available at [www.trs.texas.gov](http://www.trs.texas.gov).*

*NOTE: The Board may take up any item posted on the agenda during its meeting on October 9, 2026 beginning at the time and place specified on this agenda.*

1. Call roll of Board members.
2. Consider the approval of the September 2026 proposed meeting minutes – Dan West.
3. Provide an opportunity for public comment – Dan West.
4. Consider approval of the Special Transitional Plan Rates for San Felipe ISD entering the TRS-ActiveCare Program on Jan. 1, 2027 – Meaghan Bludau, Matt Pasyk and Kirsten Schatten, The Segal Group.
5. Consider selection of a special committee of the board to participate in the selection of the Chief Investment Officer. - Shunne Powell

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 and Ombudsman.
- d.* Texas Government Code, Section 551.076: Deliberation Regarding Security Devices or Security Audits;
- e.* Texas Government Code, Section 551.0761: Deliberation Regarding Critical Infrastructure Facility
- f.* Texas Government Code, Section 551.089: Deliberation Regarding Security Devices or Security Audits; or
- g.* Texas Government Code, Section 825.115: Applicability of Certain Laws;
- h.* Texas Government Code, Section 825.3011: Certain Consultations Concerning Investments.

## **Minutes of the Board of Trustees**

**September 17, 2026**

The Board of Trustees of the Teacher Retirement System of Texas met on Thursday, September 17, 2026, in the boardroom located on the Second Floor of TRS' offices located at 4655 Mueller Blvd, Austin, Texas, 78723.

### **The following Board members were present:**

Mr. Robert H. Walls, Jr., Chair  
Mr. Elvis Williams, Vice Chair  
Mr. John Elliott  
Ms. Laronda Graf  
Dr. Pete Pape  
Mr. John Rutherford  
Mr. Dan West

### **Others who participated:**

|                             |                                       |
|-----------------------------|---------------------------------------|
| Brian Guthrie, TRS          | Jean Young, Plante Moran              |
| Caasi Lamb, TRS             | Amanda Cronk, Plante Moran            |
| Heather Traeger, TRS        | Mika Malone, Meketa                   |
| Amanda Jenami, TRS          | Colin Bebee, Meketa                   |
| Jase Auby, TRS              | Liz Severyns, Focus Consulting        |
| James Nield, TRS            | Kevin Smith, Crowe LLP                |
| Meaghan Bludau, TRS         | Jennifer Aras, Crowe LLP              |
| Yimei Zhao, TRS             | Marcella Tuntos, Tandem Diabetic Care |
| Elizabeth Hallmark, TRS     | Victoria Redfern, Express Scripts     |
| Shunne Powell, TRS          | Susan Lemke, Marsh                    |
| Katherine Farrell, TRS      | Josh Wilson, Marsh                    |
| Susan Dugan, Cohen Milstein | Kirsten Vicire, Segal Consulting      |
|                             | Abby Shimon, NNI                      |
|                             | David Corpus, former trustee          |

Chair Robert H. Walls, Jr. called the meeting to order at 9:00 a.m. on September 17, 2026.

#### **1. Call roll of Board members.**

Ms. Farrell called the roll. A quorum was present, with all Board members in attendance.

#### **2. Consent Agenda: Consider the following items that may be taken up by consent without discussion - Robert H. Walls, Jr.**

- A. Approval of the July 2026 proposed meeting minutes (Agenda Item 3A);**
- B. Excusing Board member absences from the July 2026 meeting (Agenda Item 3B);**
- C. Setting, rescheduling, or canceling future Board meetings, including dates for October 2026 and calendar year 2027 (Agenda Item 3C); and**
- D. Acceptance of the Procurement and Contracting Report (Agenda Item 17).**

On a motion by Mr. Williams, seconded by Ms. Allred, the Board unanimously approved the consent agenda as presented.

3. Consider the following administrative matters - Robert H. Walls, Jr.
- A. Approval of the July 2026 proposed meeting minutes (*Proposed Consent Agenda 2A*);
  - B. Excusing Board member absences from the July 2026 meeting (*Proposed Consent Agenda 2B*); and
  - C. Setting, rescheduling, or canceling future Board meetings, including dates for October 2026 and calendar year 2027 (*Proposed Consent Agenda 2C*).

The items were all approved through the consent agenda.

4. Resolutions recognizing the service of Trustees Michael Ball and David Corpus - Robert H. Walls, Jr.

Chair Walls read the following resolutions recognizing the service and contributions of former trustees Michael Ball and David Corpus into the record.

#### **Resolution**

**Whereas**, Michael Ball was appointed to the TRS Board of Trustees by Gov. Greg Abbott in October 2019 as an active public education representative with 35 years of service and was later voted unanimously as vice chairman of the board in Feb. 2025; and

**Whereas**, he provided leadership during a time when the retirement system grew from approximately 1.6 to more than 2 million members and annuitants and the net position of the fund increased from \$158 to over \$225 billion; and

**Whereas**, Michael chaired the Benefits and Budget Committees and also served as a member of the Strategic Planning, Compensation, and Audit, Compliance and Ethics committees; and

**Whereas**, he proudly served when TRS implemented the Digital Business Transformation (DBT) program and transitioned almost 90% of TRS staff from on-site to remote work in response to the COVID 19 pandemic; launched the new MyTRS member self-service portal; and annually received the "Certificate of Achievement for Excellence in Financial Reporting" from the Government Finance Officers Association for the Annual Comprehensive Financial Report; and

**Whereas**, Michael also oversaw the agency as TRS developed an outreach plan to assist members and employers with effectively planning for retirement; launched a new monthly digital newsletter, called Fresh Picks; created an ombuds position; made comprehensive changes to employment after retirement (EAR); guided the implementation and responsible use of artificial intelligence tools for staff to enhance member services and improve operational efficiency; and implemented new dental and vision benefits for retirees; and

**Whereas**, Michael played a pivotal role in the due diligence process that led to the board of trustees' historic decision in 2021 to relocate TRS after nearly 50 years at its Red River headquarters. His leadership contributed to the acquisition of a two-building campus in the Mueller development, which TRS fully occupied in the spring of 2025. The new headquarters now houses the entire agency and is positioned to support TRS' growing membership for generations to come; and

**Whereas**, he helped lead the successful launch of TRS' first regional office in El Paso in 2022, advancing TRS' commitment to engaging directly with members and expanding access to services in their communities; and his leadership helped lay the groundwork for planning a second regional office to serve members in the Rio Grande Valley, further strengthening TRS' statewide presence; and

**Whereas**, under his leadership, the board directed staff to issue legislatively approved supplemental payments to retirees in 2019 and 2021. In 2023, additional authorized supplements and a cost-of-living adjustment were made to retirees; and

**Whereas**, through his steadfast and fiscally responsible leadership as Budget Chair, he ensured that TRS had the resources to meet or exceed its key performance indicators in serving TRS members while remaining one of the lowest-cost pension systems among its peers; and

**Whereas**, he proudly proclaimed himself as “just a country boy” and entertained staff and many others with his colorful country sayings, fondly known as “Ball-isms.” We know we are just preachin’ to the choir by singing his praises, as Mike has already made tracks and high-tailed it out of here, no doubt headed down the road to his next act of service to his fellow man;

**Now, therefore, be it resolved**, that the board of trustees and staff of the Teacher Retirement System of Texas recognize the accomplishments and contributions of Michael Ball and express appreciation on behalf of TRS members both present and future,

**And be it further resolved**, that a copy of this resolution be presented to Michael Ball and entered into the record of the board for Sept.17, 2026.

Mr. Walls announced Mr. Ball could not attend the meeting today. He noted they started on the same day as trustees with Mr. Ball setting a high bar.

### **Resolution**

**Whereas**, David Corpus was appointed to the TRS Board of Trustees by Governor Rick Perry in October 2013 and reappointed by Governor Greg Abbott in October 2019, providing leadership during a period when membership grew from approximately 1.3 to more than 2 million and the fund’s net position increased from \$117.4 to over \$225 billion; and

**Whereas**, he served as chair of the Investment Management and Policy Committees and was a member of the Audit, Compliance and Ethics, Budget, Risk, and Strategic Planning Committees; and

**Whereas**, he proudly served his term as TRS advanced the TEAM Program; promoted financial awareness and member education through a series of videos; opened an investment office in London; completed an updated Compact with Texans and the 2018 Pension Benefit Design Study; consistently received the GFOA’s Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report; hosted the nation’s largest Emerging Managers Conference; and supported legislative outcomes from the 86th and 88th Texas Legislatures that provided a 13th check, supplements, and a cost-of-living adjustment for retirees; and

**Whereas**, under his leadership, TRS implemented the Digital Business Transformation program; transitioned nearly 90% of staff to remote work during the COVID-19 pandemic; launched the MyTRS member self-service portal; completed the largest health care procurement in TRS history; established a Fellowship Program; and continued to be recognized as a Top Workplace in the Austin region during his tenure; and

**Whereas**, David also oversaw the agency as TRS developed an outreach plan to help members and employers plan for retirement; created an ombuds position; made comprehensive changes to employment after retirement; implemented a multi-year customer service initiative; guided the responsible use of artificial intelligence to enhance service and efficiency; and implemented dental and vision benefits; and

**Whereas**, David played a pivotal role in the due diligence process that led to the board of trustees' historic decision in 2021 to relocate TRS after nearly 50 years at its Red River headquarters. His leadership contributed to the acquisition of a two-building campus in the Mueller development, which TRS fully occupied in the spring of 2025. The new headquarters now houses the entire agency and is positioned to support TRS' growing membership for generations to come, including through the debut of a new and improved member-focused website and a uniquely designed Member Center that enriched the customer service experience; and

**Whereas**, he helped lead the launch of TRS' first regional office in El Paso in 2022, expanding member access to services; and laid the groundwork for a second office in the Rio Grande Valley, strengthening TRS' statewide presence; and

**Whereas**, he steadfastly supported the TRS Emerging Manager Program and oversaw steady growth to \$3.4 billion in assets under management (AUM) today with further AUM of \$5.4 billion invested with graduates of the program; and

**Whereas**, David devoted more than a decade of distinguished service as a TRS board member, faithfully serving as a steward of the trust placed in him by those who teach and support Texas children. His commitment to TRS and its members as a servant leader has earned him well deserved time with his family, especially in Cabo. During the 13 years he has served, his son Lucas has grown from a kindergarten student into a young man nearing his high school graduation, underscoring the remarkable span of David's dedicated service to TRS;

**Now, therefore, be it resolved**, that the board of trustees and staff of the Teacher Retirement System of Texas recognize the accomplishments and contributions of David Corpus and express appreciation on behalf of TRS members both present and future,

**And be it further resolved**, that a copy of this resolution be presented to David Corpus and entered into the record of the board for Sept. 17, 2026.

Mr. Corpus thanked the Board and TRS staff and reflected on his 13 years of service. Mr. Elliott stated he appreciated not only their friendship but the contributions he made to the Board and consistency for his entire tenure.

**5. 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 notifications of contract renewals.**
- B. **Board operational matters, including a review of draft agendas for upcoming meetings.**
- C. **Event notices or reminders; holiday and other schedules of interest; board member, employee or other individual recognitions; and expressions of thanks, congratulations, or condolences.**

Mr. Brian Guthrie reviewed recent and upcoming conferences, legislative and budget hearings, and trustee education opportunities. He discussed the October 9, 2026 special meeting, the December 2026 quarterly meeting, and the January 2027 educational meeting. He recognized Ms. Barbie Pearson for 40 years of service. Mr. Walls thanked Barbie for her service on behalf of the Board.

Mr. Walls announced, without objection to take up Agenda Item 7 since Agenda Item 6 had no prepared public presentation.

**7. Consider selecting a qualified public accounting firm to provide independent financial statement auditing services to the Board of Trustees, 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 party - Amanda Jenami and Aundre Petty.**

Ms. Amanda Jenami reviewed the purpose and scope of the independent audit services procurement. Jen Aras and Kevin Smith presented on behalf of Crowe, LLP. Jean Young and Amanda Cronk presented on behalf of Plante Moran. Each of the finalist presented their qualifications, public employee retirement system experience, proposed audit approaches, quality controls, communication practices, technology capabilities, and anticipated senior-level involvement.

Mr. Walls announced the Board would recess into executive session for Agenda Items 6 and 7.

**6. Consider the administrative appeal of Herman Martina - Heather Traeger and Tracey Guerra.**

Mr. Walls announced the Board would now consider the appeal of Herman Martina in Herman J. Martina vs. Teacher Retirement System of Texas, SOAH Docket No. 323-26-06200. Mr. Martina appeals the decision of TRS Executive Director Guthrie. Mr. Guthrie's decision denied Mr. Martina's appeal and adopted without changes the findings of fact and conclusions of law from the proposal for decision issued by the administrative law judge for the State Office of Administrative Hearings. The Board had reviewed the administrative record in this case and there will be no oral argument.

On a motion by Mr. Elliott, seconded by Mr. West, the Board unanimously found that deliberating or conferring in open meeting regarding Agenda Item 7 would have a detrimental effect on the position of the retirement system in negotiations with a third person and recessed into executive session.

At 10:35 a.m., Mr. Walls announced the Board would go into executive session under the following agenda items and sections of the Government Code: item 6 under Section 551.071, to consult with legal counsel as needed; item 7 under Sections 825.115(e) and 551.071, to consider selecting a qualified public accounting firm to provide independent financial statement auditing services to the Board of Trustees and to consult with legal counsel as needed.

At 11:33 a.m., Mr. Walls announced the Board was reconvened in open meeting.

On a motion by Mr. Elliott, seconded by Dr. Pape, the Board voted to adopt the proposed order denying the administrative appeal of Herman J. Martina vs. Teacher Retirement System of Texas, SOAH Docket No. 323-26-06200, and affirming the executive director's decision adopting the findings of facts and conclusions of law of the SOAH administrative law judge, without changes, and authorizing the chair to sign the order reflecting the action of the Board.

On a motion by Ms. Graf, seconded by Mr. Rutherford, the Board unanimously adopted a resolution selecting Crowe LLP to provide independent financial statement auditing services and, if negotiations could not be concluded in TRS's best interests, selecting Plante Moran as the alternate firm.

**Resolution of Board of Trustees  
Relating to the Selection of Professional Audit Services**

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

**WHEREAS**, Section 825.214 of the Texas Government Code requires the Board to engage a financial auditor to perform a financial audit of the retirement system;

**WHEREAS**, TRS Bylaws subsections 1.7(c) and 3.1.1(e)(2) authorize the Board to independently or upon recommendation of the Audit, Compliance, and Ethics Committee select an external auditor for TRS;

**WHEREAS**, TRS issued a Request for Proposals ("RFP") to interested entities for Professional Audit Services, which was posted on April 28, 2026 (Solicitation No. TRS000679);

**WHEREAS**, The purpose of the RFP is to procure independent external audit services to support TRS' financial reporting obligations, compliance with governmental accounting standards, and inclusion in the State of Texas Annual Financial Report;

**WHEREAS**, TRS received, and the evaluation committee for this RFP evaluated, the submitted proposals;

**WHEREAS**, TRS staff provided relevant information related to the RFP to the Board, and TRS staff presented an evaluation to the Board concerning the selection of the two top-ranking respondents;

**WHEREAS**, TRS staff recommended Crowe, LLP for Board consideration and selection as the contractor to provide professional audit services to TRS as representing the best overall value for TRS;

**WHEREAS**, on September 17, 2026, the two top-ranking respondents gave presentations to the Board in open session and the Board convened in closed session to deliberate;

**WHEREAS**, The Board has considered the evaluation, presentations, and recommendations made by TRS staff related to selecting the candidates for professional audit services;

Now, therefore be it

**RESOLVED**, That the Board hereby selects Crowe, LLP to provide professional audit services for an initial term of two years with three one-year renewal options, subject to successful negotiation and execution of a final agreement for the implementation and provision of professional audit services on the same or better terms as presented to the Board;

**RESOLVED**, That the Board authorizes the Executive Director of the Teacher Retirement System of Texas ("TRS") to negotiate, with the assistance and advice of legal counsel, an agreement for professional audit services with Crowe, LLP and, if negotiations are deemed in his discretion to be successful, then the Executive Director is hereby authorized to execute an agreement on such terms and conditions as such officer may deem, in his discretion, to be in the best interest of TRS, and further to execute and deliver all such other documents, including all future extensions or amendments to the contract, that such officer may deem necessary or appropriate to effect this resolution, as conclusively evidenced by the taking of the action or the execution and delivery of documents, and to incur, approve, and pay any budgeted expenses or costs reasonably necessary or advisable with respect to such contract or amendments.

**RESOLVED**, That if, for any reason, the Executive Director concludes in his sole judgment that TRS is not reasonably likely to successfully negotiate a contract with Plante Moran, then the Board hereby selects Plante Moran to provide professional audit services for an initial term of two years with three one-year renewal options, and authorizes the Executive Director or his designee to negotiate, with the assistance of legal counsel, and execute an agreement on such terms and conditions as such officer may deem, in his discretion, to be in the best interest of TRS, and further to execute and deliver all such other documents, including all future extensions or amendments to the contract, that such officer may deem necessary or appropriate to effect this resolution, as conclusively evidenced by the taking of the action or the execution and delivery of documents, and to incur, approve, and pay any budgeted expenses or costs reasonably necessary or advisable with respect to such contract or amendments.

**RESOLVED**, That nothing in this resolution creates or forms a contract, an offer to contract, or a power of acceptance to form a contract, it being the intention for the Board that TRS shall not be legally bound unless and until the Executive Director executes and delivers a definitive agreement for the services to be provided by the entity named above.

Mr. Walls announced, without objection, taking up Agenda Item 9 next.

**9. Receive an overview of the compensation and evaluation process for Board direct reports - Shunne Powell; Josh Wilson and Susan Lemke, Marsh; and Liz Severyns, Focus Consulting.**

Ms. Liz Severyns reviewed the annual performance assessment process for the Executive Director, Chief Investment Officer, and Chief Audit Executive. Ms. Susan Lemke reviewed the compensation benchmarking process, market data sources, and the information prepared for the Board's consideration.

**10. Consider personnel matters, including the appointment, employment, evaluation, compensation, performance, duties, discipline, or dismissal of the following – Robert H. Walls, Jr.:**

**A. Chief Audit Executive;**

**B. Chief Investment Officer, including succession planning and considering the salary limits listed in the schedule of exempt positions in the General Appropriations Act for the 2026 and 2027 Biennium; and**

**C. Executive Director, including succession planning and considering the salary limits listed in the schedule of exempt positions in the General Appropriations Act for the 2026 and 2027 Biennium.**

At 11:39 a.m., Mr. Walls announced the Board would recess into executive session under the following agenda items and sections of the Government Code: item 10(a), 10(b) and 10(c) under Sections 551.074 and 551.071, to discuss personnel matters and consult with legal counsel as needed; and item 11 under Section 551.071, to consult with legal counsel as needed.

At 3:00 p.m., Ms. Allred, Mr. Williams and Dr. Pape left the meeting.

At 4:08 p.m., Mr. Walls reconvened the Board in open meeting.

On a motion by Ms. Allred, seconded by Mr. Elliott, the Board voted to adopt the following resolution regarding the chief audit executive's compensation as follows: increase the base salary amount by 10 percent, effective October 1, 2026.

## **Resolution Increasing the Base Salary of the Chief Audit Executive**

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

**Whereas**, Subsection 1.7(g)(2) of the Board's bylaws provides that the Board shall be responsible for the selection, replacement, dismissal, performance evaluation, and compensation of the Chief Audit Executive in consultation with the Audit, Compliance, and Ethics Committee and the Executive Director;

**Whereas**, Subsection 1.7(c) of the Board's bylaws provides that the Board may consider or take any action otherwise specified to be taken or considered by a committee; and

**Whereas**, The Board wishes to increase the base salary of the Chief Audit Executive; now, therefore be it

**Resolved**, That the Board hereby increases the base salary of the Chief Audit Executive as follows:

*Chief Audit Executive's base salary (the incumbent is Amanda Jenami):*

Increase the base salary amount effective October 1, 2026, by 10.0%;

and

**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 Chief Audit Executive or any other employee.

On a motion by Mr. West, seconded by Mr. Elliott, the Board voted to adopt the following resolution regarding the chief investment officer's compensation as follows: increase the not-to-exceed amount listed in the GAA to \$911,000, effective October 1, 2026, and award a one-time payment to the chief investment officer in the amount of \$60,000, effective October 1, 2026..

## **Resolution Awarding a One-Time Payment to the Chief Investment Officer**

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

**Whereas**, Subsection 1.7(g)(4) of the Board's bylaws provides that the Board shall be responsible for the compensation of the Chief Investment Officer in consultation with the Executive Director;

**Whereas**, Subsection 1.7(i) of the Board's bylaws provides that the Board shall set the not-to-exceed amounts in the exempt salary schedule in consultation with the executive director;

**Whereas**, The General Provisions of TRS' annual administrative operations budget adopted by the Board provide that the Board will set the salary rate for the Chief Investment Officer;

**Whereas**, The upper limit of the Chief Investment Officer's annual compensation is set out as a not-to-exceed amount in the Schedule of Exempt Positions in TRS' bill pattern in the current General Appropriations Act ("GAA"), and Rider 8 of TRS' GAA bill pattern provides that, notwithstanding the limitations on exempt positions contained in Article IX of the GAA, the Board may determine the salaries of the positions listed in TRS' Schedule of Exempt Positions without limitation; and

**Whereas**, The GAA not-to-exceed amount for the Chief Investment Officer is not sufficient for the Board to exercise its discretion in setting the compensation for that position, and the Board wishes to increase the Chief Investment Officer's base salary above the not-to-exceed amount and award the Chief Investment Officer a one-time payment; now, therefore be it

**Resolved**, That effective October 1, 2026, the Board hereby adopts the following GAA not-to-exceed amount for the Chief Investment Officer:

Chief Investment Officer: Increase the not-to-exceed amount listed in the GAA to \$911,000;

**Resolved**, That the Board hereby authorizes a one-time payment as follows:

*One-time payment to the Chief Investment Officer (the incumbent is Jase Auby):*

Award a one-time payment effective October 1, 2026, in the amount of \$60,000.00; and

**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 Chief Investment Officer or any other employee holding a position in the Schedule of Exempt Positions.

On a motion by Mr. Elliott, seconded by Ms. Allred, the Board voted to adopt the following resolution regarding the executive director's compensation as follows: increase the not-to-exceed amount listed in the GAA to \$676,000, effective October 1, 2026, which is commensurate with the base salary increase of 8 percent, effective October 1, 2026, and award a leadership performance payment score of 45 percent, effective January 1, 2027.

#### **Resolution Increasing the Base Salary of and Awarding a Leadership Performance Payment to the Executive Director**

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

**Whereas**, Subsection 1.7(g)(1) of the Board's bylaws provides that the Board shall be responsible for the selection, job description, assignment of duties, performance evaluation, compensation and discipline, including dismissal, of the Executive Director;

**Whereas**, Subsection 1.7(i) of the Board's bylaws provides that the Board shall set the not-to-exceed amounts in the exempt salary schedule in consultation with the executive director;

**Whereas**, The General Provisions of TRS' annual administrative operations budget adopted by the Board provide that the Board will set the salary rate for the Executive Director;

**Whereas**, The upper limit of the Executive Director's annual compensation is set out as a not-to-exceed amount in the Schedule of Exempt Positions in TRS' bill pattern in the current General Appropriations Act ("GAA"), and Rider 8 of TRS' GAA bill pattern provides that, notwithstanding the limitations on exempt positions contained in Article IX of the GAA, the Board may determine the salaries of the positions listed in TRS' Schedule of Exempt Positions without limitation;

**Whereas**, The Executive Director Performance Pay Plan provides that the Board may award a Leadership Performance Payment based on the Board's assessment of key accountabilities tied to the areas of focus for the Executive Director; and

**Whereas**, The GAA not-to-exceed amount for the Executive Director is not sufficient for the Board to exercise its discretion in setting the compensation for that position, and the Board wishes to increase the Executive Director's base salary above the not-to-exceed amount and award the Executive Director a Leadership Performance Payment; now, therefore be it

**Resolved**, That effective October 1, 2026, the Board hereby adopts the following GAA not-to-exceed amount for the Executive Director:

Executive Director: Increase the not-to-exceed amount listed in the GAA to \$676,000.00;

**Resolved**, That the Board hereby increases the base salary of the Executive Director and authorizes a one-time payment and a Leadership Performance Payment as follows:

*Executive Director's salary (the incumbent is Brian K. Guthrie):*

Increase the base salary amount effective October 1, 2026, by 8.0%;

and

*Leadership Performance Payment to the Executive Director (the incumbent is Brian K. Guthrie):*

The Board has determined that the Executive Director's Leadership Performance score is 45%, and therefore awards a Leadership Performance Payment effective January 1, 2027, in the amount of \$281,270.61; and

**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.

**11. Review the report of the General Counsel on pending and contemplated litigation - Heather Traeger.**

This item had no public presentation.

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

**8. Receive an overview of Health Insurance Programs investment proposals including – Meaghan Bludau, Yimei Zhao; Kirsten Schatten, Segal; Heather Traeger, Jase Auby, James Nield; Colin Bebee and Mika Malone, Meketa:  
A. Review of Reserve Policies for TRS-ActiveCare and TRS-Care;**

Ms. Meaghan Bludau provided an overview of a broader initiative staff is proposing for Board consideration, the potential to invest a significant portion of the TRS-Care fund balance. She reviewed the financial position of TRS-Care and the proposed reserve-policy framework for TRS-Care and TRS-ActiveCare. Ms. Schatten discussed claims-fluctuation reserves, operating capital, projected reserve needs, and using guidelines based on risk-based capital. For a self-insured plan such as TRS-Care, she recommended using a conservative 400% of the risk based capital. Ms. Bludau reviewed the annual process for determining and communicating reserve targets. She stated that the policies would return to the Board for consideration in December 2026.

**B. Review of Strategic Asset Allocation educational session and review of TRS-Care Fund strategy.**

Mr. Jase Auby provided an overview for the TRS-Care long-term objectives for the fund, looking at the asset liability match, effectively when those cash flows will be needed by the fund and a refresher on strategic asset allocation (SAA) best practices. He noted the difference between the pension fund and this one is the time horizon for investment. He reviewed the possible investment strategies and identified risk tolerance as a consideration before the Board.

Mr. Colin Bebee stated TRS-Care is in a unique position as a pay-as-you-go structure with a large portion of assets sitting at over \$6 billion. He provided their perspective on SAA best practices, discussed capital market assumptions and what this portfolio of asset classes may be expected to produce over the next ten years.

Mr. James Nield presented the three objectives of the fund. He said the first being the goal is to earn excess returns above cash; second is to minimize the risk of a large drawdown; and third was to make sure there is liquidity to pay the bills, to make the benefit payments. He provided the time horizon as to when outflows were expected, noting in the next five years, only 4 percent will need to be available for outflows. He reviewed the assets they examined, initially starting with 19 and filtered it down to five assets: cash, shorter duration, TIPs and Treasuries, IG credit, and global equity. He shared a range of outcomes taking the allocation framework described and sampled history back to 1973 pulling random one-year draws. He said they landed at a prudent drawdown limit of 15 percent drawdown noting equities would be the key dial to adjusting risk tolerance. In response to trustee inquiries, Mr. Nield stated in worst case scenarios, a negative drawdown, the fund would be 25 percent equities allowing nine years prior to touching it, allowing time to adjust if needed.

**C. Consider delegating authority to the Executive Director to amend and modify contracts impacted by the programs' changes.**

Ms. Traeger explained that implementation of the health insurance investment program could require amendments to the custodian, investment advisor, and other Board contracts. She noted the Executive Director was already given authority to negotiate and amend these contracts but

recommend making explicit the authority to make amendments related to the investment of the health insurance program assets.

On a motion by Mr. Elliott, seconded by Ms. Graf, the Board delegated authority to the Executive Director to amend and modify the custodian contract, investment advisor contract, and other Board contracts that may be impacted by the health insurance programs' investment changes.

At 5:25 p.m., Chair Walls recessed the Board meeting to reconvene on September 18, 2026, following the scheduled committee meetings.

## **Minutes of the Board of Trustees**

**September 18, 2026**

The Board of Trustees of the Teacher Retirement System of Texas met on Thursday, September 18, 2026, in the boardroom located on the Second Floor of TRS' offices located at 4655 Mueller Blvd, Austin, Texas, 78723.

### **The following Board members were present:**

Mr. Robert H. Walls, Jr., Chair  
Mr. Elvis Williams, Vice Chair  
Mr. John Elliott  
Ms. Laronda Graf  
Dr. Pete Pape  
Mr. John Rutherford  
Mr. Dan West

### **Others who participated:**

|                             |                                          |
|-----------------------------|------------------------------------------|
| Brian Guthrie, TRS          | Yvonne Landin, TX AFT Retiree Plus, TARA |
| Caasi Lamb, TRS             | Mika Malone, Meketa                      |
| Jase Auby, TRS              | Colin Bebee, Meketa                      |
| Heather Traeger, TRS        | Steve Voss, Meketa                       |
| Amanda Jenami, TRS          | Rita Rummels, TX AFT Retiree Plus        |
| Meaghan Bludau, TRS         | Silver Davis, TX AFT Retiree Plus        |
| Yimei Zhao, TRS             | Amanda Garria, TX AFT                    |
| Elizabeth Hallmark, TRS     | Angelica Heard, TRS Member               |
| Katherine Farrell, TRS      |                                          |
| Susan Dugan, Cohen Milstein |                                          |

At 10:38 a.m., Mr. Walls reconvened the Board meeting.

### **12. Provide an opportunity for public comment - Robert H. Walls, Jr.**

Ms. Angelica Heard provided public comment regarding her former employment in Pension Services, requesting an independent review of management practices and data governance concerns.

### **13. Receive the report of the Benefits Committee on its September 17, 2026 meeting - Committee Chair.**

Ms. Graf provided the following the Benefits Committee report:

The Benefits Committee met on September 17, 2026. Through the consent agenda the committee approved the proposed minutes of the Benefits Committee for the July 2026, meeting; and recommended to the board acceptance of the Medical Board meeting minutes of May and July 2026; and approved Benefit Payments for June – August 2026.

Ms. Barbie Pearson, Chief Benefit Officer, provided an update on Pension Services operations for the period of September 1, 2025, through July 2026, highlighting key performance metrics and major operational initiatives. Pension Services reported strong service volumes and met 11 of its 12 performance measures, while maintaining a low

number of complaints relative to transaction volume. The report also included an update on Retirements processed fiscal year to date.

Ms. Deanna DeGraw, Senior Director of Benefit Operations Support, provided an overview of Quality Assurance, Training, Workforce Management and administrative support provided to Pension Services and various other departments within TRS.

Next Ms. Meaghan Bludau, Chief Health Care Officer shared an overview of Health Division activities since the July Board of Trustees meeting, including TRS-Care and TRS-ActiveCare outreach, customer service enhancements, and data efficiencies.

Chris Herrick, Chief Deputy of Health Operations, offered an update on Health Operations excellence. He shared efforts to improve member experience through process efficiencies and MyTRS enhancements.

Mr. Herrick noted that Health staff thoroughly evaluated candidates who applied and ultimately recommended Dr. Wayne Guidry as the newest appointee to the TRS-Care Retirees Advisory Committee.

On a motion by Ms. Graf, the Board accepted the Medical Board meeting minutes for May and July 2026, as recommended by the Benefits Committee.

On a motion by Ms. Graf, the Board approved benefit payments for June through August 2026, as recommended by the Benefits Committee.

On a motion by Ms. Graf, the Board adopted the following resolution appointing the active school administrator position to the Retirees Advisory Committee, as recommended by the Benefits Committee:

#### **RESOLUTION APPROVING THE APPOINTMENT OF A MEMBER TO FILL A VACANCY ON THE TRS-CARE RETIREES ADVISORY COMMITTEE**

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

**Whereas**, Subchapter I of Chapter 1575 (Sections 1575.401 through 1575.408) of the Insurance Code creates the Retirees Advisory Committee (“RAC”), whose duties include holding public hearings on group coverage, and recommending to the Board minimum standards and features for TRS-Care and desirable changes in rules and legislation affecting TRS-Care;

**Whereas**, Section 1575.402 of the Insurance Code mandates the RAC be composed of seven members appointed by the trustee: one member who is an active school administrator, one member who is a retired school administrator, two members who are active teachers, and three members who are retired teachers;

**Whereas**, Section 1575.403 of the Insurance Code establishes that RAC members serve staggered four-year terms. The terms of the active school administrator, active teacher, and two retired teachers expire on February 1, 2002, and every fourth year after that date; and the remaining three members’ terms expire February 1, 2004, and every fourth year after that date;

**Whereas**, Section 1575.404 of the Insurance Code requires the trustee to fill vacancies on the RAC by appointing a person who meets the qualifications applicable to the vacated position;

**Whereas**, Dr. Pete Pape, who filled the role of an active school administrator RAC member, was appointed to serve on the TRS Board of Trustees and is therefore no longer eligible to serve in the role;

**Whereas**, Dr. Pete Pape's term was set to end on Jan. 31, 2030; it is now necessary for the Board to appoint a new RAC member to fill this vacancy and serve the remainder of this term;

**Whereas**, the Board acknowledges the service provided by RAC member Dr. Pete Pape and releases him from her duties, with sincere gratitude for her dedication and service;

**Whereas**, the Board desires to nominate a new active school administrator member to the RAC effective immediately upon approval of this resolution; now, therefore, be it

**Resolved**, That the Board appoints Dr. Wayne Guidry as an active school administrator RAC member, whose appointment will take effect immediately upon approval of this resolution and who will serve the remainder of the term until Jan. 31, 2030.

**14. Receive the report of the Investment Management Committee on its September 18, 2026 meeting - Committee Chair.**

Ms. Allred provided the following the Investment Management Committee report:

The Committee met on September 18, 2026. The Committee approved the proposed minutes for its July 2026 meeting.

Jase Auby began by presenting the CIO update, and next, the second quarter 2026 performance review was provided by Colin Bebee and Mika Malone of Meketa. Following, a review of the semiannual risk report was presented by James Nield and Christopher Pan.

**15. Receive the report of the Governance Committee on its September 18, 2026 meeting - Committee Chair.**

Mr. Elliott provided the following Governance Committee report:

The Committee met on September 18, 2026.

By consent, the committee approved the proposed minutes for its July 2026 meeting, approved amendments to the Policy Review Schedule, and recommended to the Board adoption of proposed amendments to the Pension Funding Policy.

The Committee recommended to the Board adoption of the amended Executive Director's Performance Pay Plan for the 2026 – 2027 performance period, including the Areas of Focus.

The Committee recommended to the Board adoption of the amended IMD and TRICOT Performance Pay Plans for the 2026 – 2027 performance period.

The Committee received an update that the review of the Bylaws of the Board of Trustees has begun, and any recommended changes will be brought to the Board in December.

The Committee authorized for publication in the Texas Register notice of proposed new Rule 51.16, in Title 34, Part 3, Chapter 51 of the Texas Administrative Code, related to Tuition Reimbursement.

The Committee authorized for publication in the Texas Register notice of proposed repeal and amendments to specified sections in Chapters 21, 25-31, 39, 43, and 47 in Title 34, Part 3, of the Texas Administrative Code.

On a motion by Mr. Elliott, Board adopted the proposed amendments to the Pension Funding Policy, as recommended by the Governance Committee.

On a motion by Mr. Elliott, the Board adopted the amended Executive Director's Performance Pay Plan for the 2026-2027 performance period, including the Areas of Focus, as recommended by the Governance Committee.

On a motion by Mr. Elliott, the Board adopted the amended Investment Management Division and TRICOT Performance Pay Plans for the 2026-2027 performance period, as recommended by the Governance Committee.

**16. Receive the report of the Audit, Compliance, and Ethics Committee on its September 18, 2026 meeting - Committee Chair.**

Mr. Rutherford provided the following Audit, Compliance and Ethics Committee report:

The Audit, Compliance and Ethics Committee met earlier this morning.

The Committee approved the minutes of July 16, 2026, Audit, Compliance and Ethics Committee meeting.

Crowe LLP auditors presented their plan for the TRS Investment Company (TRICOT) audit.

The Committee received routine compliance and enterprise risk reports from General Counsel and Chief Compliance Officer and staff.

The Committee considered Internal Audit's Proposed Performance Objectives and the Proposed Audit Plan for Fiscal Year 2027.

The Committee received the Chief Audit Executive (CAE) Update, including the status of prior audit recommendations, key performance indicators (KPIs), and the Annual Internal Audit Quality Assurance Review.

The Committee then went into executive session to receive a report on the Audit of TRS Reporting Entity Portal.

The Committee then reconvened in open session.

On a motion by Mr. Rutherford, the Board adopted Internal Audit's proposed Performance Objectives and Audit Plan for fiscal year 2027, as recommended by the committee.

**17. Receive the Deputy Director's Report, including an update regarding TRS Regional Offices and considering the Procurement and Contracting Report - Caasi Lamb.**

Ms. Caasi Lamb reported that TRS had signed a lease for the new El Paso regional office location and were making meaningful progress with the lease negotiations for the Rio Grande Valley location. The Procurement and Contracting Report was accepted as part of the consent agenda.

**18. Receive an annual update on the Member and Employer Outreach Plan activities - Elizabeth Hallmark.**

Ms. Beth Hallmark reviewed fiscal year 2026 Member and Employer Outreach Plan activities, including digital communications, social media, employer resources, life-planning resources, educational videos, and the TRS Afterschool Special podcast. Mr. Rob Maxwell reviewed the "Ask AI" video feature TRS rolled out on select educational videos allowing for more efficient search options of videos for TRS members. Ms. Hallmark previewed fiscal year 2027 outreach priorities.

**19. Receive Quarterly Data Governance and Information Security Update - Frank Williams.**

There was no discussion on this item.

With no further business before the Board, Chair Walls adjourned the meeting at 11:10 a.m. on September 18, 2026.

Approved by the Board of Trustees of the Teacher Retirement System of Texas on October \_\_\_\_\_, 2026.

\_\_\_\_\_  
Katherine H. Farrell  
Secretary of the TRS Board of Trustees

\_\_\_\_\_  
Date

**TAB 4**



# TRS Health

Presentation Date

**Oct. 9, 2026**

Presented By

**Meaghan Bludau, Chief Health Care  
Officer**

**Matt Pasyk, Sr. Health Actuary  
Kirsten R. Schatten, Sr. Vice President,  
The Segal Group**

# Special Transitional Plan Rates



**6**

Employers were interested in a TRS-ActiveCare Special Transitional Plan

**1**

Elected to join with a Special Transitional Plan

**San Felipe Del Rio CISD**

ESC Region 15 • 1,643 employees

## Special Transitional Plan Rates

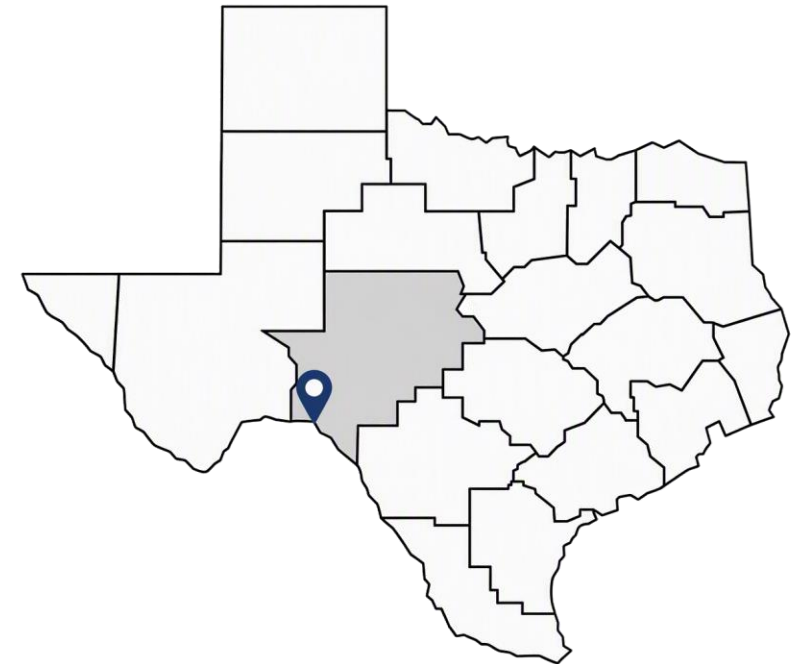
Special Transitional Plan rates reflect the employer's own claims experience.

## Timing

An 8-month transitional plan (1/1/27–8/31/27) bridges the gap until Sept. 1, 2027.

## Beginning Sept. 1, 2027

New TRS-ActiveCare employers receive risk-based rates for the first two full plan years that reflect their risk, experience, and reserve needs. These will not exceed the region's rate by more than 15% per year.



# San Felipe Del Rio CISD Proposed Special Transitional Plan Rates

## January 1, 2027 – August 31, 2027



|                                | TRS-ActiveCare Primary                                                                                                                                                                                                                                                                         | TRS-ActiveCare Primary+                                                                                                                                                                                                                                                                                                                                                                             | TRS-ActiveCare HD                                                                                                                                                                                                                                                                                   |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PLAN SUMMARY</b>            | <ul style="list-style-type: none"> <li>•Lowest premium of all three plans</li> <li>•Copays for doctor visits before you meet your deductible</li> <li>•Statewide network</li> <li>•Primary Care Provider referrals required to see specialists</li> <li>•No out-of-network coverage</li> </ul> | <ul style="list-style-type: none"> <li>•Highest premium of the three available plans</li> <li>•Copays for many services and drugs</li> <li>•Lower deductible than the HD and Primary plans</li> <li>•Statewide network</li> <li>•Primary Care Provider referrals required to see specialists</li> <li>•Not compatible with a Health Savings Account</li> <li>•No out-of-network coverage</li> </ul> | <ul style="list-style-type: none"> <li>•Must meet your deductible before plan pays for non-preventive care</li> <li>•Nationwide network with out-of-network coverage</li> <li>•No requirement for Primary Care Providers or referrals</li> <li>•Compatible with a Health Savings Account</li> </ul> |
| <b>Employee Only</b>           | \$617                                                                                                                                                                                                                                                                                          | \$726                                                                                                                                                                                                                                                                                                                                                                                               | \$639                                                                                                                                                                                                                                                                                               |
| <b>Employee &amp; Spouse</b>   | \$1,665                                                                                                                                                                                                                                                                                        | \$1,887                                                                                                                                                                                                                                                                                                                                                                                             | \$1,725                                                                                                                                                                                                                                                                                             |
| <b>Employee &amp; Children</b> | \$1,049                                                                                                                                                                                                                                                                                        | \$1,235                                                                                                                                                                                                                                                                                                                                                                                             | \$1,087                                                                                                                                                                                                                                                                                             |
| <b>Employee &amp; Family</b>   | \$2,097                                                                                                                                                                                                                                                                                        | \$2,395                                                                                                                                                                                                                                                                                                                                                                                             | \$2,173                                                                                                                                                                                                                                                                                             |
| <b>Deductible</b>              | \$2,500 Ind. / \$5,000 Fam.                                                                                                                                                                                                                                                                    | \$1,200 Ind. / \$2,400 Fam.                                                                                                                                                                                                                                                                                                                                                                         | \$3,400 Ind. / \$6,800 Fam. In-Network<br>\$6,800 Ind. / \$13,600 Fam. Out-of-Network                                                                                                                                                                                                               |
| <b>Maximum Out-of-Pocket</b>   | \$8,050 Ind. / \$16,100 Fam.                                                                                                                                                                                                                                                                   | \$6,900 Ind. / \$13,800 Fam.                                                                                                                                                                                                                                                                                                                                                                        | \$8,300 Ind. / \$16,600 Fam. In-Network<br>\$20,500 Ind. / \$41,000 Fam. Out-of-Network                                                                                                                                                                                                             |

# Current Timeline and Support for Onboarding



**July 5, 2026**

Employer submits claims data to TRS

**Aug. 5, 2026**

TRS provides employer Special Transitional Plan rate quote

**Oct. 3, 2026**

Employer submits Notice of Election & school board resolution

**Fall 2026**

Outreach and engagement begins to onboard employer



**Jan. 1, 2027**

Coverage begins under Special Transitional Plan

**Summer 2027**

Board adopts regional & risk-based rates for regular plan year

**Sept. 1, 2027**

Employer joins regular TRS-ActiveCare plan year

## Onboarding Support for New Employer



Welcome Call



Employer Training



Employee Benefit  
Webinars



Communication Tools &  
Resources



Dedicated Support Team

# Next Year's Timeline for Transitional Rate Adoption



**July 5, 2027**

Employer submits claims data to TRS

**Aug. 5, 2027**

TRS provides employer Special Transitional Plan rate quote

**Sept. 16-17, 2027**

TRS Board adopts Special Transitional Plan rates

**Oct. 3, 2027**

Employer submits Notice of Election & school board resolution

Interested employers requiring a Special Transitional Plan will be provided advance notice that their rates will be adopted at the regularly scheduled September Board meeting, avoiding the need for a special meeting.



**DATE:** Oct. 9, 2026

**TO:** *TRS Board of Trustees*

**THROUGH:** Brian Guthrie, Executive Director

**FROM:** *Meaghan Bludau, Chief Health Care Officer*

**RE:** *Board Considerations: Special Transitional Plan Rates*

**Item Type:** *Action*

---

## **Executive Summary**

### **TRS-ActiveCare Special Transitional Plan Rates**

TRS proposes the Board adopt individually underwritten rates for employers that enter TRS-ActiveCare through a Special Transitional Plan. Adopting transitional rates allows interested employers with calendar-year plans to align with the TRS-ActiveCare plan year while appropriately accounting for their individual risk during the transition.

- Six employers initially expressed interest in joining with an eight-month transitional plan from Jan. 1 through Aug. 31, 2027, and were required to notify TRS of their intent to participate by Oct. 3, 2026.
- San Felipe Del Rio CISD has elected to join TRS-ActiveCare and enter with a Special Transitional Plan.
- This employer will be rated separately during the Special Transitional Plan period because their claims experience was not included in the previously adopted 2026–27 plan-year rates.
- Beginning Sept. 1, 2027, the participating employer would move to risk-based rates for the first two full TRS-ActiveCare plan years, with rates not exceeding their region’s rates by more than 15% each year.

## **Background**

### **TRS-ActiveCare Special Transitional Plan Rates**

TRS-ActiveCare is the statewide health benefits program that provides health coverage to participating Texas public school employees and their

dependents. In September 2023, the Board adopted rules<sup>1</sup> allowing employers with plan years that do not align with the TRS-ActiveCare plan year to request a Special Transitional Plan as a bridge to join the regular TRS-ActiveCare plan year, which runs from September through August.

Because rates for the 2026–27 plan year have already been adopted and do not reflect the experience of prospective entrants, separate transitional rates are being proposed for the interim eight-month period from Jan. 1 through Aug. 31, 2027 before joining the regular plan year.

As discussed at the July 2026 TRS Board meeting, employers joining TRS-ActiveCare will receive risk-based rates that reflect employers' risk profile, claims experience and reserve requirements for the first two full plan years in TRS-ActiveCare. This approach supports the stability of TRS-ActiveCare while providing a structured pathway for additional employers to participate in the program.

**PowerPoint Presentation:** Yes

**Attachments:**

Actuarial Memo, prepared by The Segal Group

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<sup>1</sup> [Rule 41.53 of Title 34 of the Texas Administrative Code](#)



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October 9, 2026

Mr. Brian Guthrie  
Executive Director  
Teacher Retirement System of Texas  
1000 Red River Street  
Austin, TX 78701

**Re: FY 2027 Rates for TRS-ActiveCare**

Dear Mr. Guthrie:

This letter provides a summary of TRS-ActiveCare proposed rates for San Felipe Del Rio Consolidated Independent School District (CISD) for the Special Transitional Plan period January 1, 2027 through August 31, 2027. These rates are proposed as part of the Special Transition Plan established under rule 41.53 to Title 34 of the Texas Administrative Code. This rule was established to accommodate entry into the TRS-ActiveCare for eligible entities that may find it challenging to enter the program because they have plan years which do not align with TRS-ActiveCare's plan year, which runs from September 1<sup>st</sup> to August 31<sup>st</sup> of each year. The rates are included for the 3 open self-insured statewide benefit plans currently offered to TRS-ActiveCare participants. Upon completion of this Special Transitional Plan period, San Felipe Del Rio CISD will be rated as part of the newly established two-year transitional risk rating policy, which caps their rates at no more than +15% of the rates provided to districts in Educational Service Center (ESC) 15 effective on September 1, 2027.

Rates for the San Felipe Del Rio CISD self-funded plans were developed internally, based on San Felipe Del Rio CISD specific plan experience, in collaboration between Segal and TRS' internal actuaries. These rates are expected to fully cover the claims costs specific to these groups during the Special Transitional Plan year. The proposed monthly premiums are summarized below for the TRS-ActiveCare Plans.

**Self-Insured Plan Rates for San Felipe Del Rio CISD**

***Proposed Premium Rates for Special Transitional Plan Year January 1, 2027 through August 31, 2027:***

|          |        | San Felipe Del Rio<br>Transitional |
|----------|--------|------------------------------------|
|          |        | ESC 15                             |
| HD       | Single | \$639.00                           |
|          | EE/SP  | \$1,725.00                         |
|          | EE/CH  | \$1,087.00                         |
|          | Family | \$2,173.00                         |
| Primary  | Single | \$617.00                           |
|          | EE/SP  | \$1,665.00                         |
|          | EE/CH  | \$1,049.00                         |
|          | Family | \$2,097.00                         |
| Primary+ | Single | \$726.00                           |
|          | EE/SP  | \$1,887.00                         |
|          | EE/CH  | \$1,235.00                         |
|          | Family | \$2,395.00                         |

**SUMMARY**

The self-funded rates for San Felipe Del Rio CISD were developed to cover estimates of future costs and are based on unaudited information available to TRS and Segal at the time the rates were developed. Projected rates are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility.

By signing below, I certify that I am a qualified actuary by education and experience to evaluate health rates. I am a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries and certify that all analysis was conducted in accordance with all applicable Actuarial Standards of Practice.

Mr. Brian Guthrie  
October 9, 2026  
Page 3

Please let us know if you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew Kersting', with a large, stylized loop at the end.

Matthew Kersting, FSA, MAAA, FCA  
Vice President, Consulting Actuary

**TAB 5**



# **Chief Investment Officer Talent Search**

Presentation Date  
**October 9, 2026**

Presented By  
**Shunne Powell**

**Chief Organizational Excellence  
Officer**

# Proposed Review Committee



| Proposed Composition | Select Executive Leaders                                                                                                                                                                                                                                             | Board Chair, Vice Chair and IMC Chair                                                                                                                                                                                                                                           | All Trustees                                                                                                                                               |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Responsibility       | <ul style="list-style-type: none"><li>Conduct initial review of candidates who have met minimum qualifications</li><li>Identify approximately 20-25 candidates (depending on applicant pool) to refer to Board Special Committee for further consideration</li></ul> | <ul style="list-style-type: none"><li><b>Review recommended candidates and determine whether first-round interviews are needed</b></li><li><b>Refer candidates to meet with select IMD leadership</b></li><li><b>Identify finalists to refer for Board interviews</b></li></ul> | <ul style="list-style-type: none"><li>Interview finalists. Finalist names posted 21 days in advance per statute</li><li>Make the CIO appointment</li></ul> |

*Board action requested Oct. 9: Appoint the Board Special Committee*

# Timeline: Milestones to Appointment



| Month    | Estimated date      | Activity                          | Detail                                                                                                                                                                                                           |
|----------|---------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| October  | October 1, 2026     | Search launch                     | Launch nationwide search for CIO position for 30 days                                                                                                                                                            |
|          | October 9, 2026     | Board meeting                     | Request to appoint Board Special Committee                                                                                                                                                                       |
|          | Late October        | Executive Pre-Screening Committee | Review and advance pre-screened applicants to Board Special Committee                                                                                                                                            |
| November | Early November      | Top candidate meetings            | <ul style="list-style-type: none"> <li>Board Special Committee begins review of applications</li> <li>Virtual interviews or meetings conducted</li> <li>Determine finalists for full board interviews</li> </ul> |
| December | December 10-11      | Board meeting                     | Talent search status update                                                                                                                                                                                      |
| January  | January 6, 2027     | Public Board posting              | Names of finalists posted 21 days before the board meeting, in accordance with statute                                                                                                                           |
|          | January 28-29, 2027 | Board meeting; final interviews   | <ul style="list-style-type: none"> <li>Board interviews finalists</li> <li>Board makes appointment decision</li> </ul>                                                                                           |

*Estimated timeframes may change based on availability and schedules.*



**DATE:** October 9, 2026

**TO:** Board of Trustees

**THROUGH:** Brian Guthrie, Executive Director

**FROM:** Shunne Powell, Chief Organizational Excellence Officer

**RE:** Chief Investment Officer Selection Process and Recommendation to Create a Special Committee

**Item Type:** Action Item

---

## **PURPOSE**

This memorandum outlines the authority, process, and timeline for selecting the Chief Investment Officer (CIO). As part of the process, staff recommend that the Board create a special committee. It is further recommended that the special committee be comprised of the Board Chair, Vice Chair, and the Investment Management Committee Chair.

## **AUTHORITIES**

The Board may take action to create a special committee under section 3.1 of the TRS Bylaws. "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 will exist."

Additionally, the names of the three finalists being considered for the CIO position must be posted at least 21 days prior to the Board meeting at which a final candidate will be selected. Tex. Gov't Code 552.154.

## **PROPOSED TALENT SEARCH APPROACH**

The recruitment and selection process is designed to be executed in three stages, culminating with the selection of the CIO by the Board at the January 2027 Board meeting. To ensure a robust pool of qualified candidates, the talent search will include a 30-day posting period and nationwide sourcing through multiple recruitment channels, including targeted outreach.

### **Stage One: Initial review**

Organizational Excellence will conduct an initial review of the applicant pool to determine

October 2026 Board Meeting

whether candidates meet the minimum qualifications identified in the job description. An executive pre-screening committee will then conduct a second review of qualifying candidates to narrow the candidate pool (tentatively top 20-25 candidates) to move on to Stage Two.

### **Stage Two: Special Committee review**

A special committee of the Board, consisting of the Board Chair, Vice Chair, and Investment Management Committee Chair, will review the recommended candidates and identify the top finalists, including whether first-round interviews are needed or whether finalists (tentatively top 3-5 candidates) should be identified directly for interviews with the full Board. Specified Investment Management Division leaders will be invited to meet with the finalists and provide aggregated feedback to the Special Committee.

### **Stage Three: Board Selection**

Based on the recommendation from the special committee, OE will extend invitations to interview with the Board to the top-ranked finalists. Final interviews with the full Board will take place during the January 2027 Board meeting. As required by statute, the names of the finalists will be published 21 days prior to the Board meeting. Following the interviews at the Board meeting, the Board will consider and select the CIO. Prior to the Board meeting, the Trustees will be provided information on all candidates submitted to the special committee.

The process may be adjusted at the Board's discretion, including deciding to invite additional finalists to interview or extending the search process, if needed. The special committee is advisory only and has no power, delegated or otherwise, to supervise or control the public business of TRS. Their role is to make recommendations. The final determination will be made by the Board based on the Board's independent judgment and review.

## **CONSIDERATION**

At its October 2026 meeting, the Board will receive a recommendation to create a special committee to participate, as noted above, in the selection of the Chief Investment Officer.