# Minutes of the Board of Trustees

## July 16, 2026

The Board of Trustees of the Teacher Retirement System of Texas met on Thursday, July 16, 2026, in the boardroom located on the Second Floor of TRS offices located at 4655 Mueller Blvd., Austin, Texas 78723.

**Board members present:**

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

**Others who participated:**

Brian Guthrie, TRS
Caasi Lamb, TRS
Heather Traeger, TRS
Amanda Jenami, TRS
Eric Lang, TRS
Barbie Pearson, TRS
Katrina Daniel, TRS
Don Green, TRS
Katherine Farrell, TRS
Suzanne Dugan, Cohen Milstein
Dr. Keith C. Brown, Board Investment Advisor
Colin Bebee, Meketa
Mika Malone, Meketa
Dianne Hastings, (virtual)
Cristie Aguirre, (virtual)
Charlotte Mitchell
Tandi Mitchell
Jeff Batas
Herman Martina
Brock Gregg, TRTA
Tam McCall, UHC
Damian Equivel, UHC
Carlos Telles, CBRE
Victoria Redfern, Express Scripts
Steve Alexander, BCBSTX
Karen Haywood, BCBSTX
Peter Jansen, CBRE
Mary Lynn Moliter, CBRE
Maggie Norman, CBRE
Rebecca Russakow, CBRE
Mohan Balachandra, NISA
Troy Dearing, Kudelski Security

Chair Robert H. Walls, Jr. called the meeting to order at 9:00 a.m. welcoming the two new trustees Mr. Dan West and Dr. Pete Pape.

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

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

2. **Consent Agenda: Consider the following items that may be taken up by consent without discussion:**
   **A. Approval of the April 2026 proposed meeting minutes (Agenda Item 3C);**

**B. Excusing Board member absences from the April 2026 meeting (Agenda Item 3D); and**
**C. Acceptance of the Procurement and Contracting Report (Agenda Item 7B).**

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

**3. Consider administrative matters.**
**A. Chair appointments of committee members and announcement of committee chairs.**

On a motion by Mr. Williams, seconded by Mr. Elliott, the Board approved the Chair's committee appointments.

| Committees | Chair; Members |
|---|---|
| Audit, Compliance and Ethics | Rutherford; Graf, Pape, West, Williams |
| Benefits | Graf; Allred, Pape, Rutherford, West |
| Budget | Williams; Pape, Elliott, Walls, West |
| Investment Management | Allred; Rutherford, Graf, Walls, Williams |
| Governance | Elliott; Pape, Walls, West, Williams |

**B. Election of the Board Vice Chair.**

Chair Walls nominated Mr. Williams to serve as Vice Chair, seconded by Mr. Elliott, and the Board unanimously voted in favor.

**C. April 2026 proposed meeting minutes and Board member absences (Proposed consent agenda item 2A; and**
**D. Excusing Board Member absences from the April 2026 meeting (Proposed consent agenda item 2B).**

These matters were approved as part of the consent agenda under Agenda Item 2.

**4. Provide an opportunity for public comment – Robert H. Walls, Jr.**

Ms. Cristie Aguirre, representing herself expressed concern regarding the application of TRS Rule 25.31 and requested the Board to consider amending it to prevent pension spiking without also unintentionally penalizing educators in a manner that is inconsistent with its intended purpose. Mr. Guthrie stated that staff intended to review the issue for future consideration.

Ms. Dianne Hastings, representing herself, expressed concerns with UnitedHealthcare, including coverage denials and access to cancer treatment and rehabilitation services. She asked the Board to find a health care insurance that they deserve and worked for many years.

Ms. Charlotte Mitchell, representing herself, expressed concern regarding provider access and reimbursement involving UnitedHealthcare, particularly in rural areas. She asked TRS to consider accountability measures, other carrier options, and whether a Medicare supplement option could be made available.

Mr. Batas, representing himself, expressed concern regarding his former employment with TRS, use of intermittent leave, separation from employment, and a disputed performance pay plan payment.

**5. Resolution recognizing the service of Dr. Keith C. Brown – Robert H. Walls, Jr..**

Chair Walls read the following resolution:

> **Whereas**, Dr. Keith C. Brown is an accomplished finance expert; Distinguished Teaching Professor and Fayez Sarofim Fellow at The University of Texas at Austin; CFA charterholder; and published author who has contributed his extensive academic and professional experience in investment management, capital markets and portfolio analysis to the board's investment-related deliberations for decades; and
>
> **Whereas**, since 1999, his counsel has supported TRS' mission to deliver retirement benefits while maintaining a disciplined and forward-looking approach to investment management; and
>
> **Whereas**, Dr. Brown served TRS across centuries, with five board chairs, five chief investment officers and three executive directors; and
>
> **Whereas**, Dr. Brown's knowledge of investment principles and commitment to best practices has further strengthened the board's ability to navigate evolving market conditions and oversee the modernization and continuing evolution of the Investment Manage-ment Division — including innovation in delegated authority, external management, hedge funds, private markets, and derivatives; and
>
> **Whereas**, through his service, he has demonstrated a steadfast dedication to excellence, professionalism and public service in support of one of the largest public retirement systems in the nation; and
>
> **Whereas**, his contributions through well-reasoned memoranda, educational presentations and inquisitive discourse have complemented the work of the board and staff in advancing the integrity and long-term sustainability of the trust; and
>
> **Whereas**, Dr. Brown's advisory role has provided continuity, insight and an external perspective that has strengthened governance practices and supported the board in carrying out its responsibilities; now, therefore, be it
>
> **Resolved**, that the board extends its profound gratitude for Dr. Brown's commitment to supporting the mission of TRS and the financial security of its members and offers its best wishes for his continued success in all future endeavors;
>
> **And be it further resolved**, that a copy of this resolution be presented to Dr. Keith C. Brown and entered into the record of the board for July 16, 2026.

**6. 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, trustee elections, personnel matters and notification of contract renewals.**

**B. Board operational matters, including a review of draft agendas for upcoming meetings.**

**C. Event notices or reminders; holiday and other schedules of interest; board member, employee or other individual recognitions; and expressions of thanks, congratulations, or condolences.**

Mr. Brian Guthrie reviewed recent and upcoming public retirement system conferences and trustee education opportunities. He recognized Jennifer Whitman and Rachel Hill for leadership roles with the Public Retirement Information Systems Management organization and congratulated Shunne Powell on receiving a 2026 Outstanding Women in Texas Government leadership award.

Mr. Guthrie provided notice that he intended to renew the Focus Consulting contract for one year under delegated authority.

Mr. Guthrie reviewed anticipated topics and scheduling for the September and December 2026 Board meetings.

**7. Receive the Deputy Director's update – Caasi Lamb.**
**A. Funding Policy.**

Ms. Caasi Lamb reviewed the statutory requirement for a written pension funding policy and the contribution increases enacted beginning in 2019. She explained that the policy requires consideration of a contribution increase when the projected unfunded actuarial accrued liability is not expected to begin declining within five years after scheduled contribution increases are fully phased in.

Ms. Lamb reported that current projections would trigger the policy and that staff planned to include a preliminary cumulative contribution rate request of 1.0 to 1.5 percent in the Legislative Appropriations Request. Mr. Guthrie explained that the request would be preliminary because the 2026 actuarial valuation would not be available before the submission deadline and could be revised after later actuarial updates. He stated that TRS would not recommend how the Legislature should allocate the increase among the State, employers, or members.

**B. Procurement and Contracting Report.**

The Procurement and Contracting Report was accepted as part of the consent agenda under Agenda Item 2.

**C. Quarterly AI Governance and Technology Update.**

Ms. Lamb reported that the TRS AI Center of Enablement received a Best of Texas award at the 2026 Texas Digital Government Summit.

**8. Receive an update and consider leases for a TRS regional office in the Rio Grande Valley area - Caasi Lamb .**

Ms. Lamb reported that the property previously selected for the regional office was no longer available. She said staff has identified new location and seeks Board approval for the new location and authority for the Executive Director to negotiate a lease. She stated that, based on current estimates, the regional office could open near the beginning of calendar year 2028.

On a motion by Mr. Williams, seconded by Mr. West, the Board unanimously found that deliberating or conferring in open meeting regarding Agenda Item 8 would have a detrimental effect on the position of the retirement system in negotiations with a third person.

On a motion by Mr. West, seconded by Mr. Elliott, the Board unanimously found that deliberating or conferring in open meeting regarding Agenda Item 16 would have a detrimental effect on the position of the retirement system in negotiations with a third person.

At 10:05 a.m., Chair Walls announced the Board would recess into executive session for agenda item 8 under Sections 551.071 and 825.115(e) of the Texas Government Code to discuss leases for the second regional office lease in the Rio Grande Valley area and to consult with legal counsel as needed; item 16 under Section 551.071 to consult with legal counsel as needed.

**16. Review the report of the General Counsel on pending and contemplated litigation.**

At 10:49 a.m. Chair Walls reconvened the Board in open meeting.

On a motion by Mr. Elliott, seconded by Dr. Pape, the Board approved the following resolution regarding the regional office in the Rio Grande Valley area:

**Resolution of the Board of Trustees**
**Authorizing Actions Relating to Leasing Commercial Office Space**
**for the TRS Regional Office in the Rio Grande Valley**

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

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

**Whereas,** In Fiscal Year 2023, TRS opened its first regional office in El Paso, Texas, to offer member services in an underserved part of the state;

**Whereas,** TRS conducted a search for properties for a new regional office in the Rio Grande Valley, and after evaluation of the potential properties, the TRS regional office workgroup (Workgroup) identified a potential location, and brought that recommendation to the Board for consideration;

**Whereas,** the Board, in the September 18, 2025 Resolution (September Resolution) authorized the Executive Director to negotiate with the assistance and advice of legal counsel, a lease for a new regional office at the recommended location, on such terms and conditions and for such period as the Executive Director in his discretion deemed to be advisable and in the best interest of TRS;

**Whereas,** the Executive Director, as authorized in the September Resolution, concluded that TRS was not reasonably likely to successfully negotiate a lease for the selected location that would be in the best interest of TRS and, as authorized in said Resolution, the Executive Director resumed the search for a new suitable location;

**Whereas,** the Workgroup worked with a broker to identify new potential locations for a real property lease for TRS' new regional office in the Rio Grande Valley that would best meet the needs of TRS members, and identified three potential locations;

**Whereas,** The Board delegated authority to the Executive Director to negotiate lease space at one of the top three locations in priority order if deemed, in his or her discretion, to be in the best interest of TRS;

**Whereas,** The Board's top selection became unavailable and upon reconsideration of the other two locations selected by the Board, the Executive Director determined that neither one was deemed, in his or her discretion, to be in the best interest of TRS at this time;

**Whereas,** the Workgroup conducted a new search to identify potential locations that would best meet the needs of TRS members and has identified the following lease spaces to bring to the Board for consideration: (i) 3324 North McColl Road, Mission, Texas; and (ii) newly available office space at 200 S 10th Street, McAllen Texas; now, therefore be it

***Resolved,*** That the Board considered the evaluation and recommendation made by TRS staff related to the selection of a location for TRS' new regional office in the Rio Grande Valley;

***Resolved***, That the Board finds that the lease space at 3324 North McColl Road, Mission, Texas represents the best overall value for TRS based on its location, proposed lease terms and conditions, and other relevant factors;

***Resolved,*** That the Board hereby selects the lease space at 3324 North McColl Road, Mission, Texas for the TRS' new regional office in the Rio Grande Valley, with the newly available lease space at 200 S 10th Street, McAllen Texas selected as an alternate;

***Resolved***, That the Board hereby authorizes the Executive Director or his designee to negotiate, with the assistance of legal counsel, a lease space at 3324 North McColl Road, Mission, Texas for a term that is in the best interest of TRS to include an initial term of no more than 10 years and any optional renewal period(s) also deemed to be in the best interest of TRS; and, if negotiations are deemed in his or her discretion to be successful, then the Executive Director or his designee is hereby authorized to execute such lease, including future amendments, on such terms and conditions as such officer may deem, in his or her discretion, to be in the best interest of TRS, and further to execute and deliver all such other documents, including all future extensions or amendments to the contracts, that such officer may deem reasonably necessary or appropriate to effectuate this resolution, as conclusively evidenced by the taking of the action or the execution and delivery of the documents, and to expend funds and take all actions reasonably necessary or advisable with respect to such contracts or amendments on financial terms and conditions deemed by the Executive Director to be in the best interest of TRS.

***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 for lease space at 3324 North McColl Road, Mission, Texas then the Board hereby selects the newly available office space at 200 S 10th Street, McAllen, Texas and authorizes the Executive Director or his designee to negotiate, to the extent still available, with the assistance of legal counsel, a lease for a term that is in the best interest of TRS to include an initial term of no more than 10 years and any optional renewal period(s) also deemed to be in the best interest of TRS; and, if negotiations for the newly available lease space at 200 S 10th Street, McAllen, Texas are deemed successful, then the Executive Director or his designee is hereby authorized to execute such lease, including future amendments, on such terms and conditions as such officer may deem, in his or her discretion, to be in the best interest of TRS, and further to execute and deliver all such other documents, including all future extensions or amendments to the contracts, that such officer may deem reasonably necessary or appropriate to effectuate this resolution, as conclusively evidenced by the taking of the action or the execution and delivery of the documents, and to expend funds and take all actions reasonably necessary or advisable with respect to such contracts or amendments on financial terms and conditions deemed by the Executive Director to be in the best interest of TRS.

***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 for lease space at either location, the Executive Director or his designee is authorized to conduct a new search, including a preliminary search in other locations in Texas. To the extent a search outside of the Rio Grande Valley is deemed necessary, the Executive Director will bring back to the Board at the next meeting the requisite regional office location research conducted to propose a new regional office.

***Resolved,*** That the Executive Director is authorized to (a) contract and pay for brokerage services and commissions for leases, (b) consider, negotiate, and agree to lease terms that the Executive Director deems reasonable and in the best interest of TRS, and (c) expend such budgeted and available TRS funds and enter any agreements and related documents as the Executive Director deems in his discretion to be reasonably necessary and advisable to achieve the objectives of this resolution;

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

***Resolved,*** That nothing in these resolutions may be construed as a contract, an offer to contract with a power of acceptance that would form a contract, or an acceptance of an offer to contract and the retirement system is not and will not be legally bound to any agreement unless and until the Executive Director has executed and delivered definitive agreements relating to the subject matter, as applicable.

Chair Walls announced, without objection, taking up agenda 4 to hear further public comments.

**4. Provide an opportunity for public comment – Robert H. Walls, Jr.**

Mr. Herman Martina , representing himself, expressed concern regarding delayed annuity payments, his request for earnings associated with the delayed amounts, and his experience seeking assistance from TRS.

At 11:00 a.m., Chair Walls announced the meeting would recess to reconvene the same day after taking up the scheduled committee meetings.

At 3:14 p.m., Chair Walls reconvened the Board in open meeting.

**9. Resolution recognizing the service of Katrina Daniel – Robert H. Walls, Jr.**

Chair Walls read the following resolution recognizing Katrina Daniel for her service to TRS:

**Resolution**

**Whereas**, Katrina Daniel joined the Teacher Retirement System of Texas (TRS) on June 15, 2015, bringing extensive experience as a registered nurse since 1990 and a distinguished career in public service; and

**Whereas**, at TRS, Ms. Daniel provided exceptional leadership of TRS-Care and TRS-ActiveCare, serving more than 620,000 participants and overseeing nearly $6 billion in annual claims; and

**Whereas**, under her leadership, TRS conducted major procurements, implemented cost containment strategies, and maintained high-quality coverage while achieving significant savings and cost growth below peer organizations; and

**Whereas**, under her guidance, TRS-ActiveCare was re-engineered to improve competitiveness by transitioning TRS-ActiveCare from required employer participation to an option for employers in the broader health insurance market ; and

**Whereas**, she led transformative improvements to TRS-ActiveCare by implementing regional rating in 2023 to ensure TRS-ActiveCare offered employers competitively priced plans in all regions of the state and created additional flexibility for employers to join TRS-ActiveCare through transitional plans; and

**Whereas**, she played a pivotal role in redesigning and stabilizing TRS-Care, enhancing affordability, expanding benefits, and improving satisfaction; and

**Whereas**, under her management she introduced dental and vision coverage in 2025 with over 106,000 enrollments in the first year;

**Whereas**, she also advanced innovation and operational excellence by modernizing enrollment systems, expanding digital services, implementing data-driven strategies and insourcing actuarial capabilities; and

**Whereas**, her leadership extends beyond TRS through service on numerous boards, including the Public Sector Healthcare Roundtable, the National Institute for Public

> Employee Health Care Policy (as chair), and the St. David's Foundation, and she has been recognized as the 2025 Benefits Manager of the Year by the State and Local Government Benefits Association; and
>
> **Whereas**, Ms. Daniel built relationships and engaged directly with school districts, employees and retirees keeping her team grounded in the mission to serve members;
>
> **Now, therefore, be it resolved**, that the board of trustees and staff of the Teacher Retirement System of Texas recognize and commend Katrina Daniel for her outstanding leadership, dedication and service 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 Katrina Daniel and entered into the record of the board for July 16, 2026.

Ms. Daniel thanked the trustees, executive team, TRS staff, and the Health Division team. Mr. Guthrie expressed appreciation for her leadership, professionalism, commitment to members, and service to TRS.

**10. Receive the report of the Governance Committee on its July 16, 2026 meeting – Committee Chair.**

Mr. Elliott provided the following Governance Committee report:

> The Committee met on 1 July 16, 2026. By consent, the Committee approved the proposed minutes for its April 2026 meeting and recommended that the Board adopt the proposed amendments to TRS rules in Title 34, Part 3, Chapter 41 of the Texas Administrative Code.
>
> The Committee discussed and reviewed the proposed modifications to the Executive Director's areas of focus for fiscal year 2026 and as proposed for fiscal year 2027. The Committee discussed and reviewed the proposed modifications to the Executive Director's performance pay plan for the 2026/2027 performance period.
>
> The Committee recommended to the Board adoption of the proposed amendments to the Member and Employer Outreach Plan. The Committee recommended to the Board adoption of the notice of completed rule review for TRS rules in Title 34, Part 3, of Chapters 21 through 51, Texas Administrative Code.

On motion by Mr. Elliott, the Board voted to adopt the amendments to the Member and Employer Outreach Plan as recommended by the Governance Committee.

On motion by Mr. Elliott, the Board voted to adopt the notice of completed rule review for TRS rules in Title 34, Part 3, Chapters 21 through 51, Texas Administrative Code as recommended by the Governance Committee.

On motion by Mr. Elliott, the Board voted to adopt the proposed amendments to TRS Rules 41.17 and 41.38, related to the limited-time enrollment opportunity for Medicare-eligible retirees and the termination date of coverage, as recommended by the Governance Committee.

**11. Receive the report of the Benefits Committee on its July 16, 2026 meeting – Committee Chair.**

Ms. Graf provided the following Benefits Committee report:

The Benefits Committee met on July 16, 2026. The committee approved the proposed minutes of the Benefits Committee for the May 1, 2026, meeting.

Ms. Barbie Pearson, Chief Benefit Officer, provided an overview of the Medical Board, including the staff recommendation to appoint Dr. Tiffany Dugas to a two-year term beginning September 1, 2026, and ending August 31, 2028.

Next, Ms. Pearson provided an update on Pension Services operations for the period of September 1, 2025, through May 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 Inactive Account activities for FY 2026.

Mr. Adam Fambrough, Deputy Chief Benefit Officer for Member Services, and Mr. Scott Murphey, Senior Director of the Contact Center, provided an overview of the Contact Center

Next, Ms. Sunitha Downing and Dr. Rene Paulson of Elite Research presented the results of the 2026 Reporting Employer Survey. The findings highlighted the Reporting Employer Coaches continued strong performance and identified areas for further improvement to strengthen employer satisfaction.

Next Ms. Katrina Daniel, Chief Healthcare Officer and Meaghan Bludau (Blu'-da), Health Division Chief of Staff presented a reduction in TRS-Care Medicare Advantage premiums for the 2027 Plan Year, and highlighted the limited-time enrollment opportunity for Medicare eligible retirees. The TRS-Care Standard rates will remain the same.

Ms. Daniel and Ms. Bludau provided an overview of risk-based rating for new employers entering TRS-ActiveCare, a method to stabilize the financial risk new employers bring in their first two years in the plan.

On motion by Ms. Graf, the Board voted to accept the Medical Board Meeting minutes for March 2026, as recommended by the Benefits Committee.

On motion by Ms. Graf, the Board voted to approve the Benefit Payments for March – May 2026, as recommended by the Benefits Committee.

On motion by Ms. Graf, the Board voted to adopt the following resolution appointing members to the Medical Board, as recommended by the Benefits Committee:

**RESOLUTION TO APPOINT TRS MEDICAL BOARD MEMBER**

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

**Whereas**, The term of one of the current three members will expire August 31, 2026;

**Whereas**, The Board of Trustees designated Dr. Tiffany Dugas as an alternate Medical Board member in July 2025;

**Whereas**, TRS staff recommends that the Board of Trustees appoint Dr. Tiffany Dugas as a member of the TRS Medical Board effective September 1, 2026, for a two-year term that ends on August 31, 2028; now therefore, be it

**Resolved**, That the Board of Trustees appoints Dr. Tiffany Dugas to the TRS Medical Board for a two-year term beginning on September 1, 2026 and expiring on August 31, 2028;

**Resolved**, That the Executive Director, or his designee, is hereby authorized to negotiate, with the assistance and advice of legal counsel, contracts for Medical Board services with Dr. Tiffany Dugas and, if negotiations are deemed by the Executive Director in his discretion to be successful, then the Executive Director or his designee is hereby authorized to execute a contract with Dr. Tiffany Dugas for two years coinciding with the term of her appointment and according to such terms, conditions, and fees as the Executive Director may deem in his discretion to be appropriate and to provide the best overall value for TRS, and to execute and deliver all such other documents that the Executive Director may deem necessary or appropriate to effect this resolution, as conclusively evidenced by the taking of the action or the execution and delivery of the documents, and to incur, approve, and pay any budgeted expenses or costs associated with such contract and deemed in the discretion of the Executive Director to be reasonably necessary or advisable with respect to such contract. Additionally, the Executive Director or his designee is hereby authorized to take any contract actions he may deem appropriate during the contract term, including but not limited to, amending or terminating the contract.

On motion by Ms. Graf, the Board voted to adopt the following resolution setting the premiums for the TRS-Care Medicare Advantage plan including COBRA rates for plan year 2027, as recommended by the Benefits Committee:

**RESOLUTION APPROVING BENEFIT AND PREMIUM RATES**
**FOR THE TRS-CARE MEDICARE ADVANTAGE PLAN PY 2027**

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

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

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

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

**Whereas**, TRS staff and the consultants assisting staff ("the Consultants") are not recommending any benefit changes for the TRS-Care MA Plan for the plan year that starts on January 1, 2027, thus recommending the continuation of the benefits adopted by the Board for the previous 2026 plan year;

**Whereas,** TRS staff and the Consultants are recommending premium changes for the TRS-Care Medicare Advantage Plan, including the COBRA premiums, for the plan year that starts on January 1, 2027, as listed in Exhibit A, attached to this resolution and incorporated herein by reference;

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

***Resolved***, That the Board hereby authorizes the continuation for the plan year that starts on January 1, 2027, of the benefits adopted by the Board for the TRS-Care Medicare Advantage Plan in the previous 2026 plan;

***Resolved***, That the Board hereby adopts and authorizes, beginning on the plan year that starts on January 1, 2027, the changes to the premium rates to the TRS-Care Medicare Advantage Plan, including the COBRA premiums, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

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

**EXHIBIT A**

**TO THE RESOLUTION APPROVING PREMIUM CHANGES FOR THE TRS-CARE MEDICARE ADVANTAGE PLAN, INCLUDING COBRA**

| TRS-Care Medicare Advantage Plan | | |
|---|---|---|
| **Plan Tier** | **2025-2026 Plan Year Rates** | **Proposed 2027 Plan Year Rates** |
| Retiree only | $75 | $50 |
| Retiree and Spouse | $280 | $230 |
| Retiree and Child(ren) | $408 | $383 |
| Retiree and Family | $613 | $563 |

| TRS-Care Medicare Advantage COBRA Rates | | |
|---|---|---|
| **Coverage Tier** | **2025-2026 Plan Year Rates** | **Proposed 2027 Plan Year Rates** |
| COBRA Spouse - Medicare | $349 | $326 |
| COBRA Child | $284 | $341 |

On motion by Ms. Graf, the Board voted to adopt the following resolution setting the premiums and benefits for the TRS-Care Standard plan including COBRA rates for plan year 2027, as recommended by the Benefits Committee:

**RESOLUTION APPROVING BENEFIT CHANGES AND COBRA PREMIUM RATES FOR THE TRS-CARE STANDARD PLAN PY2027**

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

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

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

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

**Whereas,** in May 2026, the Internal Revenue Service (IRS) released inflation adjustments to the minimum deductibles that high deductible health plans must have for the 2027 tax year to be qualified to work together with health savings accounts (HSAs), so that the funds that participants deposit in those HSAs enjoy a tax-favored status;

**Whereas,** TRS desires to make adjustments to the current deductibles of the TRS-Care Standard Plan according to the 2027 IRS guidelines, by increasing the deductibles so that the plan continues to be a qualified high deductible health plan under such IRS guidelines;

**Whereas,** accordingly, TRS staff and consultants assisting TRS staff (the "Consultants") have recommended the benefit changes to be made to the TRS-Care Standard Plan beginning on the plan year that starts on January 1, 2027, as listed in Exhibit A, attached to this resolution and incorporated herein by reference; -2-

**Whereas,** TRS staff and the Consultants are recommending changes to the TRS-Care Standard Plan COBRA premiums for the plan year that starts on January 1, 2027, as listed in Exhibit B, attached to this resolution and incorporated herein by reference;

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

**Resolved,** that the Board hereby adopts and authorizes the benefit changes to the TRS-Care Standard Plan beginning on the plan year that starts on January 1, 2027, as listed in Exhibit A attached to this resolution and incorporated herein by reference, until further action by the Board; and

**Resolved,** That the Board hereby adopts and authorizes, beginning on the plan year that starts on January 1, 2027, the changes to the TRS-Care Standard Plan COBRA premium rates, as listed in Exhibit B attached to this resolution and incorporated herein by reference, until further action by the Board; and

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

## EXHIBIT A

TO THE RESOLUTION APPROVING BENEFIT CHANGES FOR THE TRS-CARE STANDARD PLAN **TRS-Care Standard**

| **Plan Feature** | **Current 2026 Plan Year** | **Proposed 2027 Plan Year** |
|---|---|---|

| | | |
|---|---|---|
| Individual In-Network Deductible | $1,700 | $1,750 |
| Family In-Network Deductible | $3,400 | $3,500 |
| Individual Out-of-Network Deductible | $3,400 | $3,500 |
| Family Out-of-Network Deductible | $6,800 | $7,000 |

**EXHIBIT B**

| TO THE RESOLUTION APPROVING COBRA PREMIUM CHANGES FOR THE TRS-CARE STANDARD PLAN | | |
|---|---|---|
| **TRS-Care Standard COBRA Rates** | | |
| **Coverage Tier** | **Current 2026 Plan Year Rates** | **Proposed 2027 Plan Year Rates** |
| COBRA Spouse - Non-Medicare | $864 | $1,037 |
| COBRA Child - Non-Medicare | $284 | $341 |

On motion by Ms. Graf, the Board voted to adopt the following resolution setting premiums and benefits for the TRS-Care Optional Dental plan for plan year 2027, as recommended by the Benefits Committee:

**RESOLUTION APPROVING BENEFITS AND PREMIUM RATES FOR THE TRS-CARE OPTIONAL DENTAL PLAN PY2027**

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

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

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

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

**Whereas,** TRS staff and the consultants assisting staff ("the Consultants") are not recommending any benefit or premium changes for the TRS-Care Optional Dental Plan for the plan year that starts on January 1, 2027, thus recommending the continuation of the benefits and premiums adopted by the Board for the previous 2026 plan year;

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

**Resolved,** That the Board hereby adopts and authorizes, beginning on the plan year that starts on January 1, 2027, the continuation of the benefits and premium rates to the

TRS-Care Optional Dental Plan adopted by the Board for the previous 2026 plan year until further action by the Board; and

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

On motion by Ms. Graf, the Board voted to adopt the following resolution setting premiums and benefits for the TRS-Care Optional Vision plan for plan year 2027, as recommended by the Benefits Committee:

**RESOLUTION APPROVING BENEFITS ANDPREMIUM RATES FOR**
**THE TRS-CARE OPTIONAL VISION PLAN PY2027**

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

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

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

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

**Whereas,** TRS staff and the consultants assisting staff ("the Consultants") are not recommending any benefit or premium changes for the TRS-Care Optional Vision Plan for the plan year that starts on January 1, 2027, thus recommending the continuation of the benefits and premiums adopted by the Board for the previous 2026 plan year;

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

***Resolved,*** That the Board hereby adopts and authorizes, beginning on the plan year that starts on January 1, 2027, the continuation of the benefits and premium rates to the TRS-Care Optional Vision Plan adopted by the Board for the previous 2026 plan year until further action by the Board; and

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

On motion by Ms. Graf, the Board voted to adopt the following resolution reducing rates for the TRS-Care surcharge for return-to-work retirees, as recommended by the Benefits Committee

**RESOLUTION RELATED TO THE TRS-CARE SURCHARGE RATE**

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

**Whereas,** Under Sections 1575.204(b), Insurance Code, 825.4092(c), Government Code, and 34 Texas Administrative Code § 41.4, employers who report the employment of a retiree who is enrolled in and receiving coverage under the TRS-Care Program are required to pay a contribution to the TRS-Care Program to be established by TRS (the "surcharge");

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

**Whereas,** TRS staff and the consultants assisting staff ("the Consultants") are recommending reducing the surcharge to align with TRS-Care Medicare Advantage premium reductions that reflect the cost of covering retirees under the plan, thus recommending reducing the surcharge from $535 to $450, effective September 1, 2027;

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

**Resolved,** That the Board hereby adopts and authorizes, beginning on September 1, 2027, and thereafter, the reduction of the TRS-Care surcharge rate from $535 to $450 until further action by the Board; and

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

**12. Receive the report of the Budget Committee on its July 16, 2026 meeting – Committee Chair.**

Mr. Williams provided the following Budget Committee report:

The Budget Committee met Thursday, July 16th. The first item of business was approval of the minutes of the April 2026 Budget Committee meeting.

Mr. Don Green presented a high-level overview of the proposed administrative operating budget of $412.6 million for FY27and the associated general provisions. The FY27 budget includes 24 new FTEs and $5.6 million held in contingency to address unforeseen issues. The FY27 budget remains flat year over year and is within the appropriated levels and FTE flexibility provided by the general appropriations act.

Mr. Green then presented the state contribution certifications for TRS-Care and Pension Trust Fund.

Mr. Green concluded by presenting the preliminary Legislative Appropriations Request (LAR) for the 2028-29 biennium.

On motion by Mr. Williams the Board adopted the fiscal year 2027 pension trust fund administrative operations budget, general provisions, and resolution authorizing the transfer of pension trust funds to the TRS expense account to cover the expenses approved under the fiscal year 2027 budget, as recommended by the Budget Committee:

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

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

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

**Whereas**, Rider 15, “Contingent Appropriation of Pension Trust Funds for GASB Statement Implementation,” of the TRS bill pattern in the State General Appropriations Act, 89th Legislature provides that upon a finding of fact by the TRS board that additional resources are necessary to implement accounting guidelines related to Governmental Accounting Standards Board statements and pronouncements;

***Resolved,*** That the board approves the amendments to the General Provisions for the Pension Trust Fund Administrative Operations, including a change to the perfomance pay plans maximum award of $61.1 million.

***Resolved***, That the board finds the expenditure of pension trust funds for operating expenses in Fiscal Year 2027 including the changes listed below are required to perform the fiduciary duties of the board in administering the retirement system in the amount of $372,026,800, as approved today in the Fiscal Year 2027 Budget and General Provisions for the Pension Trust Fund Administrative Operations, as amended, plus such additional amounts as may be necessary for the following expenditures and changes to the General Provisions:

- To pay the actual amount of performance incentive compensation payable up to $61.1 million in Fiscal Year 2027, if any;
- To reimburse reasonable and necessary employee transportation and other expenditures necessary for employees to attend orientation, training and staff development activities conducted at TRS headquarters; and
- To achieve recovery of operational capabilities in the event of a catastrophic occurrence as contemplated by such General Provisions adopted by the board; and to implement GASB statements; and

***Resolved***, That the staff is authorized to transfer from the interest account to the expense account an amount necessary to cover the expenses of the retirement system under the approved budget for Fiscal Year 2027, but not to exceed the amount of $372,026,800 plus, any additional amounts necessary to pay performance incentive compensation payable in Fiscal Year 2027 and, as applicable, to achieve recovery of operational capabilities in the event of a catastrophic occurrence as contemplated by the General Provisions adopted by the board.

On motion by Mr. Williams the Board adopted fiscal year 2027 administrative operations budgets and general provisions for the TRS health benefits funds (retired and active plans), as recommended by the Budget Committee.

On motion by Mr. Williams the Board adopted the state contribution certifications for TRS-Care for fiscal years 2027, 2028, and 2029, and the state contribution certifications for the Pension Trust Fund for fiscal years 2028 and 2029 as recommended by the Budget Committee.

**13. Receive the report of the Investment Management Committee on its July 16, 2026 meeting – Committee Chair.**

Ms. Allred provided the following Investment Management Committee report:

> The Committee met on July 16, 2026. The committee approved the proposed minutes for its April 2026 meeting.
>
> Eric Lang began by presenting the CIO Update. Next, the First Quarter 2026 Performance Review was provided by Colin Bebee and Mika Malone of Meketa.
>
> Following, a review of Private Markets was presented by Eric Lang, Carolyn Hansard, Neil Randall and Grant Walker.
>
> Mr. Chairman, this concludes the report of the Investment Management Committee.

**14. Receive the report of the Audit, Compliance and Ethics Committee on its July 16, 2026 meeting – Committee Chair.**

Mr. Williams, as the Acting Chair, 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 its April 30, 2026, meeting.
>
> The Committee received State Auditor's Office's (SAO) presentations on:
>
> A. Results of the Audit of TRS' Fiscal Year 2026 Pension Liability; and
> B. Other Post-Employment Benefits (OPEB) Liability Schedules
>
> The Committee received routine compliance and enterprise risk reports from General Counsel and Chief Compliance Officer and staff.
>
> The Committee received the Chief Audit Executive (CAE) Update, including the status of prior audit recommendations, key performance indicators (KPIs), and FY2026 Audit Plan.
>
> Internal Audit staff presented the results of the review of Real Estate Portfolio Operations.
>
> The Committee then went into executive session to discuss the results of the Audit of Data Loss Prevention and the Review of Cyber Controls.
>
> The Committee reconvened in open session.

**15. Receive Quarterly TRS Data Governance and Information Security update – Frank Williams.**

There was no discussion on this item.

**Adjournment**

There being no further business, Chair Walls adjourned the meeting at 3:38 p.m.

APPROVED BY THE BOARD OF TRUSTEES OF THE TEACHER RETIREMENT SYSTEM OF TEXAS ON THE 17th DAY OF SEPTEMBER 2026.

Katherine H Farrell
Katherine H. Farrell
Secretary to the TRS Board of Trustees

Sept 18, 2026
Date