

**OPEN MEETING**

**I. Call to Order**

*Action Items*

**A. Adopt Agenda** - Upon recognition of a quorum, a motion must be made to adopt the agenda. If any Board member wishes to add new items or make any changes to the agenda, they must do so at this time.

**B. Approval of Minutes** - Attached are the minutes from the August 1, 2025 board meeting.

**Teachers' Retirement Board**  
**Board Meeting**  
**100 North Park Avenue, Suite 110**  
**Helena, Montana**

**AGENDA**  
**Friday, October 3, 2025**

**OPEN MEETING**

*All Times Are Tentative*

- |                           |             |  |
|---------------------------|-------------|--|
| <b>8:30</b>               | <b>I.</b>   | <b>Call to Order</b>   |
| <i>Action Items</i>       |             | <ul style="list-style-type: none"> <li>A. Adopt Agenda</li> <li>B. Approval of Minutes – August 1, 2025</li> </ul>   |
| <b>8:35</b>               | <b>II.</b>  | <b>Public Comment</b>  |
| <b>8:40</b>               | <b>III.</b> | <b>Actuarial Valuation</b>   |
| <i>Discussion Items</i>   |             | <ul style="list-style-type: none"> <li>A. Actuarial Valuation – CavMac               <ul style="list-style-type: none"> <li>1. July 1, 2025 Valuation Results</li> </ul> </li> <li>B. Public Comment</li> </ul>  |
| <i>Action Item</i>        |             | <ul style="list-style-type: none"> <li>C. Adopt July 1, 2025 Actuarial Valuation Results</li> </ul>  |
| <b>9:30</b>               | <b>IV.</b>  | <b>Administrative Business</b>   |
| <i>Discussion Items</i>   |             | <ul style="list-style-type: none"> <li>A. Investment Report – Daniel Trost</li> <li>B. Financial Statements and Budget Reports – Nolan Brilz</li> <li>C. Tentative <b>2026</b> Meeting Dates – Feb 6, May 1, Aug 7, Oct 2, Dec 4</li> <li>D. Public Comment</li> </ul> |
| <i>Action Items</i>       |             | <ul style="list-style-type: none"> <li>E. Interest Credited to Member Accounts Policy</li> </ul>   |
| <i>Information Item</i>   |             | <ul style="list-style-type: none"> <li>F. Next Meeting Date – December 5, 2025</li> </ul>  |
| <b>9:50</b>               | <b>V.</b>   | <b>Executive Director's Report</b>   |
| <i>Information Items</i>  |             | <ul style="list-style-type: none"> <li>A. Executive Summary               <ul style="list-style-type: none"> <li>1. Staff/Operations Update</li> </ul> </li> <li>B. Legislative Interim Committee Update</li> <li>C. Public Comment</li> </ul>                         |
| <b><u>10:00 BREAK</u></b> |             |  |
| <b>10:15</b>              | <b>VI.</b>  | <b>TRS Internal Auditor Report</b>   |
| <i>Information Item</i>   |             | <ul style="list-style-type: none"> <li>A. TRS Internal Auditor Report</li> <li>B. Public Comment</li> </ul>  |

**Teachers' Retirement Board Meeting**  
**October 3, 2025**  
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**10:30 VII. Strategic Planning**

*Discussion Items* A. 2025-2027 Strategic Planning Summary & Commitment Worksheet  
 B. Public Comment

*Action Items* C. Adopt 2025-2027 Strategic Planning Summary & Commitment Worksheet

**11:00 VIII. Applications and Benefit Adjustments**

*Information Item* A. Regular, Survivorship, Adjustment & Corrections

**11:05 IX. Legal Counsel's Report**

*Information Item* A. Summary of Legal Issues

**11:15 X. Election of Officers**

*Action Items* A. Election of Chair and Vice-Chair  
 B. Committee Appointments  
 1. Budget & Audit Committee  
 2. Personnel & Policy Committee  
 3. Legislation & Litigation Committee

**CLOSED MEETING**

**11:20 XI. Disability Applications**

*Discussion Item* A. Executive Session to Discuss Disability Applications

**OPEN MEETING**

*Action Item* B. Applications for Disability Retirement Benefits

*Discussion Item* C. Public Comment

**11:30 XII. Adjournment**

NOTE: This will be an in-person board meeting; to join virtually, members of the public can request meeting login information by calling TRS at 406-444-0139 or by sending an email to: [TrsOutreach@mt.gov](mailto:TrsOutreach@mt.gov).

The Teachers' Retirement Board is pleased to make reasonable accommodations for any known disability that may interfere with a person's ability to participate in public meetings. If you need an accommodation you must notify the Board (call 444-3134, e-mail [Mary.Corder@mt.gov](mailto:Mary.Corder@mt.gov) or write to P.O. Box 200139, Helena, Montana 59620) no later than 5 working days prior to the meeting to advise of the nature of the accommodation you need.

## **Montana Teachers' Retirement System Board Meeting August 1, 2025**

### **BOARD MEMBERS PRESENT**

Kari Elliott, Chair  
 Daniel Chamberlin, Vice Chair  
 Dee Brown, Member (*left at 12:52*)  
 Elliott Crump, Member  
 Brian Youngren, Member

### **BOARD MEMBERS ABSENT**

Daniel Trost

### **STAFF PRESENT**

Shawn Graham, Executive Director  
 Tammy Rau, Deputy Executive Director (*virtual*)  
 Jim Malizia, Chief Legal Counsel  
 Nolan Brilz, Accounting/Fiscal Manager  
 John Noble, Information Systems Manager  
 Darla Fitzpatrick, Communications Manager  
 Lexi Newcomer, Communications Specialist

### **OTHERS PRESENT**

Jim Kerins, Consultant, Communication and Management Services, LLC  
 Marilyn Hamer, Montana Retired Educators' Association (*virtual*)  
 Nate Weinstein, Osmosis (*virtual*)  
 Merrill Bajana, Osmosis (*virtual*)

### **Call to Order**

Chair Kari Elliott called the meeting to order at 8:31 a.m. in the TRS board room.

### **Adoption of the Agenda**

Chair Elliott requested a motion to adopt the meeting agenda.

*Motion/Vote:* Member Dee Brown moved to adopt the agenda, with Vice Chair Daniel Chamberlin seconding. The motion was approved by all members present.

### **Approval of Minutes**

Chair Elliott requested a motion to adopt the May 9, 2025, minutes.

*Motion/Vote:* Member Dee Brown moved to approve the minutes, with Vice Chair Chamberlin seconding. The motion was approved by all members present.

## **Public Comment on Board Related Items**

This is an opportunity for members of the public to comment on any public matter not on the agenda and within the jurisdiction of the Board.

There was no public comment.

## **Strategic Planning**

### **2025-2027 Long Range Planning**

Jim Kerins of Communication and Management Services (CMS) explained that every two years, he works with the Board and TRS leadership team to review the organization's achievements over the previous two years and to develop an updated strategic plan for the next biennium. Board, staff, and stakeholder surveys also provide valuable input to this process.

Mr. Kerins led the group through a review of a strategic planning primer document based on the 2023-2025 strategic plan with the TRS leadership team's suggested revisions for 2025-2027. Board members reviewed the TRS mission and vision statements and made suggestions for minor wording changes, such as to emphasize the importance of effectively communicating with members.

Mr. Kerins then reviewed TRS's three overarching goals and objectives related to each of the goals. Members of the Board considered each objective and suggested some refinements to wording.

Mr. Kerins then explained that the commitment worksheet contains a list of actionable tasks and initiatives designed to achieve the three main goals. Executive Director Shawn Graham provided a status update on each item in the 2023-2025 commitment worksheet as well as a list of recommended activities for 2025-2027. He reported that there are no known changes to federal requirements or state laws that will require significant effort to implement. This may allow more time to address ongoing needs, such as updated process documentation for staff. The group also discussed the challenge of educating TRS employers and new members about TRS, and they recommended staff consider new ways to improve employer outreach.

Mr. Kerins then reviewed several strategic plan considerations, including governing laws and policies and recent state legislation. Director Graham provided a brief overview of bills passed by the 2025 Legislature and he answered questions from the Board about how the bills affect TRS.

Prior to each strategic planning session, CMS conducts a survey of Board members, stakeholders, and staff to gather their feedback about TRS's strengths and weaknesses and their ideas for continuous improvement. Mr. Kerins began by reviewing responses and suggestions collected from several stakeholder groups. Feedback was positive overall, indicating stakeholders have confidence in TRS. He also thanked Marilyn Hamer of the Montana Retired Educators' Association (MREA) for completing the survey and asked if she had additional comments.

## **Public Comment**

Ms. Hamer (MREA) commented that she occasionally hears from retirees who are concerned about losing part of their retirement benefit, despite her reassurance that their benefit cannot be reduced. It was agreed that TRS should continue reinforcing this point in communications.

## **Strategic Planning, Continued**

### **2025-2027 Long Range Planning, Continued**

After a short break, Mr. Kerins resumed the discussion of survey results. He provided a summary of TRS staff responses and pointed out some recurring themes, such as TRS's commitment to quality and customer service, concerns about workload, and suggestions for improving internal communication, training, and business processes.

To prepare for this meeting, Mr. Kerins had met with the TRS leadership team to identify their high-priority goals and objectives for the Board's consideration. These included enhanced security for online transactions, the need to document internal procedures (possibly by contracting with an outside technical writer), succession planning for retirement-eligible staff, and ensuring TRS meets upcoming federal requirements related to accessibility of digital systems. Another recommendation is to consider publishing the once- or twice-yearly member newsletter in digital format only.

Mr. Kerins also reviewed themes from the TRS Board members' survey responses, which included broad appreciation for the TRS staff and leadership. Members of the Board are confident in the system and in the quality of service provided by staff, but they also encourage staff to continue expanding outreach to members and employers. Preliminary responses from a member satisfaction survey conducted by TRS also were discussed. Although only 72 member responses had been collected to date, those responses were strongly positive about TRS's customer service.

The group then reviewed the list of internal and external strengths, challenges, opportunities, and threats from the 2023-2025 strategic planning summary and Mr. Kerins asked whether updates were needed for 2025-2027. Some updates were made to reflect current conditions.

Member Brown left the meeting at 12:52 p.m.

### **Public Comment**

Members of the public were no longer present.

## **Disability Applications**

### ***Closed Meeting***

#### **Executive Session to Discuss Disability Applications**

The Board began an executive session at 1:01 p.m. to review three applications for disability retirement benefits. This session was closed to the public, as a disability applicant's right to privacy clearly exceeds the merits of public disclosure.

### ***Open Meeting***

Chair Elliott reopened the meeting at 1:28 p.m. and requested a motion on each disability application.

#### **Approval/Disapproval of Applications for Disability Retirement Benefits**

***Motion/Vote:*** Vice Chair Chamberlin moved to approve member J. G.'s request for disability retirement, with Member Elliott Crump seconding. The motion was approved by all members present.

Motion/Vote: Member Brian Youngren moved to approve member J. J.'s request for disability retirement. Vice Chair Chamberlin seconded the motion, and it was approved by all members present.

Motion/Vote: Vice Chair Chamberlin moved to approve member B.L.'s request for disability retirement, with Member Youngren seconding. The motion was approved by all members present.

Public Comment

No members of the public were in attendance.

**Strategic Planning, Continued**

2025-2027 Long Range Planning Continued

To conclude long range planning, Mr. Kerins reviewed the goals and objectives listed on the commitment worksheet. He requested feedback from Board members and staff on timeframes for completion of certain objectives, bearing in mind the need for goals and objectives to be specific and measurable. He stated that he would consolidate all proposed updates into a draft 2025-2027 strategic planning summary document and would work with Director Graham to finalize the commitment worksheet, which will be reviewed at each Board meeting. The new strategic plan will be presented for Board review and approval at the October meeting, and TRS will publish the final version on the public website.

Public Comment

No members of the public were in attendance.

**Administrative Business**

Draft Policy – Setting the Interest Rate Credited to Member Accounts

Director Graham reported that, as proposed at the meeting held on May 9, 2025, Chief Legal Counsel Jim Malizia has prepared a draft policy for setting the interest rate credited to member accounts. The change would take effect for fiscal year 2027, as the rate for FY 2026 has been set at 2.00%.

Rather than setting the rate each year based largely on the Short-Term Investment Pool (STIP) interest rate earned by the Montana Board of Investments, the draft policy provides a framework that would better protect the system by avoiding large rate spikes. The Montana Public Employees Retirement Administration (MPERA) recently adopted a similar policy. If adopted, the TRS Board policy would set the rate each year based on the lesser of the projected average of the Short-Term Investment Pool (STIP) interest rate as of March 31st of the preceding fiscal year, or 2.00%. After discussion, members of the Board agreed this provides a more prudent approach.

Director Graham reminded the Board that the new policy will be presented for adoption at the next Board meeting on October 3, 2025.

Tentative Meeting Dates

Members of the Board discussed their availability for meetings scheduled for October 3 and December 5, 2025. Because the TRS actuarial consultants will attend the October meeting, that date cannot be changed. Vice Chair Chamberlin reported scheduling conflicts in December, but due to other members' commitments, the meeting will not be rescheduled.

Out of State Travel Requests

Mr. Graham presented a request for Nolan Brilz, TRS Accounting/Fiscal Manager, to attend the annual Public Pension Financial Forum (P2F2) conference in Denver, Colorado in October.

He also presented a request to attend the annual National Council on Teacher Retirement (NCTR) conference in Salt Lake City, Utah, along with Board members who may be interested in attending. The conference will be held in October, shortly after the next TRS Board meeting.

After discussing Board members’ interest in attending the NCTR conference, Chair Elliott requested a motion on the out of state travel requests.

*Motion/Vote:* Vice Chair Chamberlin made a motion to approve the request for Mr. Brilz to travel to the P2F2 conference, and for Director Graham and up to three Board members to attend the NCTR conference. Member Crump seconded the motion, and it was approved by all members present.

Next Meeting

The next meeting will be held on Friday, October 3, 2025.

**Adjournment**

With no other business before the Board, Chair Elliott adjourned the meeting at 2:03 p.m.

Chairperson \_\_\_\_\_

Executive Director \_\_\_\_\_

## **II. Public Comment**

*Information Item* **A. Public comment on Board Related Items.** This is an opportunity for the public to comment on any public matter that is not on the agenda of the meeting and is within the jurisdiction of the Teachers' Retirement Board. However, the Board may not take action on any issues raised unless it is included on the agenda and public comment has been allowed. If issues are raised that would require Board action, the issue would need to be included on the agenda for a future meeting. "Public Matter" does not include disability applications, or contested cases and other adjudicative proceedings.

### **III. Actuarial Valuation**

*Discussion Items* **A. July 1, 2025 Actuarial Valuation**– Todd Green and Bryan Hoge from CavMac will present the results of the July 1, 2025, actuarial valuation.

We will have hard copies of the valuation available at the meeting.

The TRS valuation can be viewed prior to the board meeting by following this link:

[Actuarial valuation results](#)

According to the valuation, TRS amortizes in 21 years as of July 1, 2025, and is 73.44% funded on an actuarial basis. This represents no change in the amortization period and a slight decrease in the funded status of 0.18% versus the 2024 valuation.

Our investment returns are smoothed over a four-year period so our 9.37% market rate of return for FY 2025 is combined with a 8.89% market rate of return for FY 2024, a 8.30% return for FY 2023, and a -4.13% return from FY 2022 to come up with an actuarial rate of return for the July 1, 2025 valuation of 5.46% which is 1.84% lower than the assumed rate of 7.30% used in this valuation. If the market value of assets were used instead of the actuarial value, we would amortize in 19 years and the funded ratio would be 75.22%. It is worth noting that this is the last year we will recognize an actuarial loss associated with the -4.13% return from FY 2022 as it will drop off the smoothing ladder and all subsequent individual returns so far have resulted in actuarial gains.

As stated earlier in this section, the actuary will be at our October 1<sup>st</sup> meeting to present the results (attached below) of the valuation in person but if you have any questions beforehand, please feel free to give me a call or send me an email.

**B. Public Comment** - This is an opportunity for any member of the public to comment on the actuarial valuation.

*Action Items:* **C. Adopt July 1, 2025 Valuation Results:** Staff recommends that the Board adopt the July 1, 2025 valuation results.

#### **IV. Administrative Business**

*Discussion Items*     **A. Investment Report**- Daniel Trost will report on the recent activities of the BOI. The attached report from BOI shows our investment returns through August 31, 2025.

**B. FY 2026 Budget Status and Financials Report** –Nolan Brilz, Accounting Manager for TRS, will present the budget status and financial statement reports through August 31<sup>st</sup> and answer any questions you might have during the meeting.

**C. Tentative 2026 Meeting Dates** – Tentative dates are February 6<sup>th</sup>, May 1<sup>st</sup>, August 7<sup>th</sup>, October 2<sup>nd</sup> and December 4<sup>th</sup>.

**D. Public Comment** – Opportunity for any member of public to provide comment regarding administrative business.

*Action Item*     **E. Interest Credited to Member Accounts Policy** – 19-20-201(1)(i) and 19-20-501(2), MCA, state that the TRS Board shall annually set the rate of regular interest credited to member accounts. Prior practice of the board has been to set the rate close to the STIP rate while taking into account recent trends because we set the rate in May for the following fiscal year.

Staff recommends approval of the attached policy which will provide a clear framework for setting the rate in subsequent years.

*Information Item*     **F. Next Meeting Date** – December 5<sup>th</sup>, 2025

**TEACHERS RETIREMENT PLAN**  
SUMMARY OF POSITIONS AND RETURNS  
Aug 31, 2025

**MONTANA**  
BOARD OF INVESTMENTS

	<u>UNITS OUTSTANDING</u>	<u>UNIT VALUE</u>	<u>MARKET VALUE\$(000)</u>	<u>ALLOCATION (%)</u>
<b>Allocation</b>				
<b>TEACHERS RETIREMENT</b>			5,491,332	100.00
SHORT TERM INVESTMENT POOL (STIP)	57,020,133.62	100.00000	57,020	1.04
Consolidated Asset Pension Pool (CAPP)	2,738,213,055.87	198.46198	5,434,312	98.96

	<u>ITD</u>	<u>INCEPTION DATE</u>
Longest Measurable Plan Return	7.85	7/1/1994

	<u>MONTH</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>	<u>Benchmark</u>	<u>INCEPTION DATE</u>
<b>Returns</b>										
									<u>ITD</u>	
TEACHERS RETIREMENT	1.65	4.59	2.25	8.62	8.96	8.69	8.38	7.23	8.46	1/1/2011
TEACHERS RETIREMENT CUSTOM BENCHMARK (YWN2D) - BLDR	2.37	6.65	3.35	10.37	10.42	8.48	8.31	-	8.61	
SHORT TERM INVESTMENT POOL (STIP) [1]	0.38	1.12	0.76	4.67	4.85	3.04	2.19	1.92	2.52	4/1/1997
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR	0.38	1.10	0.75	4.62	4.95	3.06	2.14	1.86	2.46	
Consolidated Asset Pension Pool (CAPP)	1.66	4.63	2.27	8.69	9.02	8.77	-	-	8.49	4/1/2017
CAPP CUSTOM BENCHMARK (MONCAPP) - BLDR	2.40	6.71	3.38	10.45	10.50	8.55	-	-	8.21	

**TEACHERS RETIREMENT PLAN**  
SUMMARY OF POSITIONS AND RETURNS  
Aug 31, 2025

**MONTANA**  
BOARD OF INVESTMENTS

<u>Allocation - Asset Class</u>	<u>Plan Market Value \$(000)</u>	<u>Allocation (%)</u>
TEACHERS RETIREMENT	5,491,332	100.00
Domestic Equity - PAC	1,482,164	26.99
International Equity - PAC	843,926	15.37
Private Investments - PAC	929,493	16.93
Real Assets - PAC	328,453	5.98
Real Estate - PAC	642,971	11.71
Core Fixed Income - PAC	725,942	13.22
Non-Core Fixed Income - PAC	384,526	7.00
Cash Equivalents - PAC	96,836	1.76
PENSION CASH	57,020	1.04

	<u>MONTH</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>	<u>ITD</u>	<u>INCEPTION DATE</u>
<b>Returns</b>										
Domestic Equity - PAC	2.48	10.04	4.75	15.07	18.30	14.27	13.52	10.20	10.60	5/1/2003
Domestic Equity - PAC Custom Blend (MONDE) - BLDR	2.26	9.94	4.58	15.86	18.91	14.25	14.19	10.70	11.27	
International Equity - PAC	3.15	6.15	2.68	15.82	14.77	8.53	7.49	5.36	5.38	4/1/1997
International Equity - PAC Custom Blend (MONIE) - BL [2]	3.58	7.08	3.35	15.65	14.99	8.98	7.40	5.75	5.64	
Private Investments - PAC	0.93	0.84	0.90	3.76	3.60	13.06	11.38	11.10	12.09	5/1/2002
Private Equity PAC Custom (MONPE) - BLDR	4.20	10.14	6.03	9.80	11.39	12.00	9.81	11.22	10.80	
Real Assets - PAC	0.81	1.73	0.65	6.39	7.66	12.17	-	-	5.96	4/1/2017
Real Assets - PAC Custom Blend (MU7EBM) - BLDR	4.32	8.97	5.47	13.11	8.79	10.83	-	-	4.81	

**TEACHERS RETIREMENT PLAN**  
SUMMARY OF POSITIONS AND RETURNS  
Aug 31, 2025

**MONTANA**  
BOARD OF INVESTMENTS

	<u>MONTH</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>	<u>ITD</u>	<u>INCEPTION DATE</u>
<b>Returns</b>										
Real Estate - PAC	0.47	1.17	0.95	2.26	(1.96)	5.25	6.14	-	4.14	6/1/2006
Real Estate - PAC Custom Blend (MONRE) - BLDR	-	0.85	-	1.17	(5.07)	2.01	2.97	-	3.88	
Core Fixed Income Pre and Post CAPP [3]	1.08	2.56	0.85	2.73	2.97	(0.48)	1.82	3.50	5.01	4/1/1995
Core Fixed Income Custom Benchmark (CFIBM1)	1.20	2.48	0.93	3.14	3.02	(0.68)	1.55	2.99	4.41	
Non-Core Fixed Income Pre and Post CAPP [4]	1.34	4.50	2.24	8.81	8.77	4.19	4.83	-	6.81	6/1/2009
Bloomberg U.S. HY - 2% Issuer Cap (WE6D)	1.25	3.58	1.71	8.26	9.30	5.15	5.80	-	7.78	
Cash Equivalents - PAC	0.35	1.12	0.35	5.59	5.72	3.55	-	-	2.81	5/1/2017
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR	0.38	1.10	0.75	4.62	4.95	3.06	-	-	2.47	

Performance shown on this report is net of all fees.

1,2 Inception Date shown is earliest date of Net All performance. Actual inception date, respectively is 4/1/1990 (1), 1/1/1997 (2).

\* Totals may not sum due to rounding differences.

# Allocation of Plan Market Values is an approximation. Plans do not own specific Asset Classes. Values represented are allocated pro rata based on the Plans % ownership of CAPP.

**3 Core Fixed Income Pre and Post CAPP:**

The Core Fixed Income composite is the result of a consolidation completed on 11/29/2019. Inclusive of the Broad Fixed Income PAC prior to 3/31/2017. Inclusive of the Broad Fixed Income, Intermediate TIPS, Intermediate US Treasury & Agency, Intermediate Investment Grade Credit, Mortgage Backed, and Diversified Strategies PACs from 4/1/2017 through 11/29/2019.

**4 Non-Core Fixed Income Pre and Post CAPP:**

The composite is inclusive of the following portfolios: MU3N Post Advisory Group – PP from 6/1/2009 to present, MU3M Neuberger Berman – PP from 1/1/2010 to present, MU8R Shenkman Capital Management – PP from 12/1/2017 to present, and MU8P Oaktree Capital Management – PP from 12/5/2017 to present

**SHORT TERM CUSTOM BENCHMARK** is composed of:

From inception to 4/30/2018: LIBOR 1 Month

5/1/2018 to present: Federal Reserve US Treasury 1M Constant Maturity Index

**TEACHERS RETIREMENT CUSTOM BENCHMARK** is composed of:

From inception to 3/31/2017: The portfolio weighted average of S&P 1500 Super Composite, MSCI ACWI ex US IMI Net, S&P 1500 + 4% Qtr Lag, LIBOR 1 Month, BBG BARC US Agg, and NCREIF ODCE 1 Qtr Lag (Net).

From 4/1/2017 to present: Equity and Cash Equivalents weighted average of CAPP Custom Benchmark and Short Term Custom Benchmark.

**DOMESTIC EQUITY - PAC CUSTOM BLEND** is composed of:

From inception to 4/30/2017: S&P 1500 Super Composite

5/1/2017 to present: MSCI US IMI Gross

**INTERNATIONAL EQUITY - PAC CUSTOM BLEND** is composed of:

From inception to 10/31/2006: MSCI EAFE Net

11/1/2006 to 6/30/2007: MSCI ACWI ex US Net

7/1/2007 to 2/28/2014: 92.5% ACWI ex US + 7.5% ACWI ex US SC IMI

3/1/2014 to present: 100% MSCI ACWI ex US IMI Net

**THE TEACHERS' RETIREMENT SYSTEM**  
**CONSOLIDATED BALANCE SHEET**  
as of August 31, 2025

	8/31/2025	8/31/2024
	AGENCY ACCOUNT	AGENCY ACCOUNT
<b>ASSETS</b>		
Current Assets		
Cash	(479,191)	676,609
Accounts Receivable	202,920	10,399
Interest Receivable	0	0
<b>Total Current Assets</b>	<b>(276,271)</b>	<b>687,008</b>
Investments		
Short-term Investment Pool	57,020,134	55,751,573
Consolidated Asset Pension Pool (net)	5,362,148,336	5,141,819,864
Security Lending Collateral	0	0
<b>Total Investments</b>	<b>5,419,168,470</b>	<b>5,197,571,438</b>
Other Assets		
Equipment	16,286	16,286
Accumulated Depreciation Equip	(16,286)	(16,286)
Leashold Improvements	243,881	243,881
Accumulated Dep Leasehold Imp	(197,427)	(162,587)
Intangible Assets	0	0
Intangible Right to Use Bldg	2,810,123	2,810,123
Accumulated Amort Right to Use Bldg	(688,756)	(523,454)
<b>Total Other Assets</b>	<b>2,167,821</b>	<b>2,367,963</b>
<b>Deferred Outflows - Pension and OPEB</b>	<b>451,824</b>	<b>424,170</b>
<b>TOTAL ASSETS</b>	<b>5,421,511,844</b>	<b>5,201,050,578</b>
<b>LIABILITIES &amp; FUND BAL.</b>		
Liabilities		
Accounts Payable	209,590	24,133
Standard Lease	2,329,346	2,454,198
Uncleared Collections	320,097	471,888
Compensated Absenses	258,476	256,558
Security Lending	0	0
OPEB Implicit Rate Subsidy	89,791	54,636
Net Pension Liability - PERS	1,979,140	1,957,160
<b>Total Liabilities</b>	<b>5,186,440</b>	<b>5,218,574</b>
Fund Balances		
Pension Accumulation Fund	4,471,890,585	4,246,878,288
Annuity Savings Fund	945,001,963	904,989,542
Year-to-date Income/(Loss)	(869,866)	43,618,535
Adj Fund Bal	0	0
<b>Total Fund Balance</b>	<b>5,416,022,682</b>	<b>5,195,486,365</b>
<b>Deferred Inflows - Pension and OPEB</b>	<b>302,723</b>	<b>345,639</b>
<b>TOTAL LIABILITIES &amp; FUND BAL.</b>	<b>5,421,511,844</b>	<b>5,201,050,578</b>

**THE TEACHERS' RETIREMENT SYSTEM**  
**FUND BALANCE STATEMENT**  
as of August 31, 2025

	8/31/2025	8/31/2024
	AGENCY ACCOUNT	AGENCY ACCOUNT
REVENUE		
Contributions	30,850,071	30,636,478
Misc Revenue	0	0
Investment Revenue	49,553,848	90,596,416
<b>TOTAL REVENUE</b>	<b>80,403,919</b>	<b>121,232,893</b>
EXPENSES		
Benefits Paid	78,475,568	74,745,833
Withdrawals	2,334,566	2,385,392
Admin. Exp	423,843	442,984
Depreciation Exp.	5,807	5,807
Amortization Exp.	0	0
Lease Amortization Exp.	27,550	27,550
Lease Principal & Interest	6,450	6,791
OPEB Expense	0	0
Pension Expense - PERS	0	0
<b>TOTAL EXPENSES</b>	<b>81,273,785</b>	<b>77,614,358</b>
<b>REV OVER EXP</b>	<b>(869,866)</b>	<b>43,618,535</b>
<b>REV OVER EXP</b>	<b>(869,866)</b>	<b>43,618,535</b>
BEG FUND BAL	5,416,892,548	5,151,867,830
Adj Fund Bal	0	0
<b>END FUND BAL</b>	<b>5,416,022,682</b>	<b>5,195,486,365</b>

**THE TEACHERS' RETIREMENT SYSTEM**  
**INVESTMENT REVENUE BY SOURCE & ADMINISTRATIVE EXPENSES BY TYPE**  
as of August 31, 2025

	8/31/2025	8/31/2024
	AGENCY ACCOUNT	AGENCY ACCOUNT
<b>Investment Revenue:</b>		
Short-term Investment Pool	302,952	445,936
Consolidated Asset Pension Pool		
Securities Gains/(Losses)	25,000,422	16,126,227
Investment Appreciation/(Depreciation)	24,250,474	74,024,252
Securities Lending Activity	0	0
Administrative Investment Exp.	0	0
<b>Total Investment Rev.</b>	<b>49,553,848</b>	<b>90,596,416</b>
<b>Administrative Expense:</b>		
Personal Services	291,922	282,232
Contracted Services	96,249	89,042
Supplies & Material	3,414	40,050
Communications	6,933	4,540
Travel	2,381	1,620
Rent	540	540
Repairs & Maintenance	8,734	0
Other Expenses	13,670	24,960
Depreciation Exp.	5,807	5,807
Amortization Exp.	0	0
Lease Amortization Exp.	27,550	27,550
Lease Interest	6,450	6,791
OPEB Expense	0	0
Pension Expense - PERS	0	0
<b>Total Administrative Exp.</b>	<b>463,650</b>	<b>483,133</b>

**Teachers' Retirement System  
Operating Budget Status Report  
as of August 31, 2025**

ACCOUNT LEVEL	ACCOUNT CATEGORY	EXPENSE FY 2025	BUDGET FY 2026	EXPENDITURE YEAR TO DATE	% BUDGET SPENT	TOTAL PROJECTED	BUDGET SURPLUS/(DEFICIT)
	<b>PERSONAL SERVICES:</b>						
61100	Salaries	1,759,975	2,011,027	208,223	10.4%	1,887,434	123,593
61300	Per Diem	4,800	8,000	700	8.8%	5,300	2,700
61403	Health Insurance	286,167	320,100	47,430	14.8%	300,390	19,710
61400	Benefits	299,653	338,000	35,570	10.5%	329,432	8,568
	<b>Total Personal Services</b>	<b>2,350,595</b>	<b>2,677,127</b>	<b>291,922</b>	<b>10.9%</b>	<b>2,522,556</b>	<b>154,571</b>
	<b>OPERATING EXPENSES:</b>						
62100	Contract Services	802,391	986,157	96,249	9.8%	958,937	27,220
62200	Supplies/Materials	72,377	84,300	3,414	4.0%	75,482	8,818
62300	Communications	131,280	132,210	6,933	5.2%	94,271	37,939
62400	Travel	18,379	38,000	2,381	6.3%	14,288	23,712
62500	Rent	3,241	3,500	540	15.4%	3,511	(11)
62700	Repairs/Maintenance	13,859	23,825	8,734	36.7%	22,825	1,000
62800	Other Expenses	92,973	112,666	13,670	12.1%	117,286	(4,620)
	<b>Total Operating Expense</b>	<b>1,134,501</b>	<b>1,380,658</b>	<b>131,921</b>	<b>9.6%</b>	<b>1,286,599</b>	<b>94,059</b>
62122	Audit Fees - Biennial Amount	93,304	120,000	-	0.0%	120,000	-
	<b>Total Operating and Personal Services</b>	<b>3,578,399</b>	<b>4,177,785</b>	<b>423,843</b>	<b>10.1%</b>	<b>3,929,155</b>	<b>248,630</b>
69501	Capital Lease	163,593	168,501	28,084	0.0%	168,501	-
	<b>Subtotal Capital Lease</b>	<b>163,593</b>	<b>168,501</b>	<b>28,084</b>	<b>0.0%</b>	<b>168,501</b>	<b>-</b>
	<b>Totals</b>	<b>3,741,992</b>	<b>4,346,286</b>	<b>451,927</b>	<b>10.4%</b>	<b>4,097,656</b>	<b>248,630</b>

Percent of FY Complete                    17%  
Percent of Payroll Complete            11%

**Teachers' Retirement System**  
**Budget Analysis - Contracted Services**  
**as of August 31, 2025**

ACCOUNT CODE	ACCOUNT NAME	EXPENSE FY 2026	BUDGET FY 2026	ACTUAL EXP TO DATE	% OF BUDGET
62102	Consulting & Professional	193,841	193,550	2,271	1.2%
62104	Insurance	0	3,002	2,926	97.5%
62104A	INS & Bonds - Non fixed	276	150	0	0.0%
62108	Legal Fees/Court Costs	223	37,500	0	0.0%
62113	Warrant Writing Fees	36,081	54,381	4,268	7.8%
62114	Payroll Service Fees	5,780	6,763	6,763	100.0%
62114A	Workers Comp Mgmt	443	688	697	101.3%
62115	Photographic Services	50	50	0	0.0%
62116	Medical Services	6,259	13,000	2,570	19.8%
62136	IT Consult & Prof Servs	267,741	359,000	33,889	9.4%
62145	Food Services Expense	1,188	1,000	0	0.0%
62148	SABHRS Costs/DOA	144,919	153,756	38,905	25.3%
6215A	LinedIn Charge	0	0	56	N/A
62186A	Recycling	832	850	74	8.7%
62187	Records Storage	2,933	3,000	487	16.2%
62190	Printing, Pub & Graphics	49,177	50,000	2,926	5.9%
62191	Printing, Other Provider	3,221	4,000	419	10.5%
621B1	SITSD Storage Hosting	16,822	19,000	0	0.0%
621B2	SITSD Server Hosting Services	30,135	35,000	0	0.0%
621B4	SITSD Application Services	117	700	0	0.0%
621B5	SITSD Email	2,752	3,600	0	0.0%
621B8	SITSD Operations Support	8,092	6,700	0	0.0%
621B9	SITSD Database Hosting	2,386	3,500	0	0.0%
621C2	SITSD Application Development	1,410	2,000	0	N/A
621C5	SITSD Enterprise Services	27,714	31,000	0	0.0%
621C6	SITSD Professional Services	0	1,000	0	0.0%
621C8	SITSD Email Restore	0	1,000	0	0.0%
621D9	Public Information Requests	0	1,967	0	0.0%
	<b>SUBTOTAL</b>	<b>802,391</b>	<b>986,157</b>	<b>96,249</b>	<b>9.8%</b>
62122	Audit Fees - Current	93,304	120,000	0	0.0%
	<b>TOTAL CONTRACTED SERVICES</b>	<b>895,695</b>	<b>1,106,157</b>	<b>96,249</b>	<b>8.7%</b>

Percent of FY Complete:

17%

**Teachers' Retirement System  
Delinquent Agency Report  
9/5/2025**

<b>Employer Number</b>	<b>Employer Name</b>	<b>Reports Outstanding</b>	<b>Estimated Employee Contributions</b>	<b>Estimated Employer Contributions</b>
370011	Heart Butte PS	July 2025	2,500	3,000
		<b>Total</b>	<b>2,500</b>	<b>3,000</b>
		<b>Total Due</b>	<b>5,500</b>	

All monthly reports are due by the 15th of the following month.

## **V. Executive Director's Report**

### *Discussion Items*    **A. Executive Summary**

**Operations Update:** TRS Benefit Officers and the Communications team have started the fall Ready Set Retire and TRS 101 webinars. These webinars are scheduled to be held on the following dates:

1. TRS 101 (from 4:30 to 5:30 pm):
  - a. September 16
  - b. November 18
  - c. December 3
  - d. January 7
2. Ready Set Retire (from 4:30 to 6:00 pm):
  - a. September 17
  - b. October 8
  - c. November 19
  - d. December 10
  - e. January 8

**Staffing Update:** TRS is in the process of recruiting for a Retired Payroll Benefit Officer which will close on October 5th. We had a vacancy in one of our Retired Payroll Benefit Specialist positions and with an eye toward the future for the purposes of succession planning we decided to add additional duties to the vacant position that are currently only performed by the Retired Payroll Supervisor and successfully had the position reclassified at a higher competency and compensation level.

**B. Legislative Interim Committee Update** – The State Administration and Veteran Affairs committee (SAVA) will meet on September 25<sup>th</sup> to adopt their workplan and elect presiding officers. At this time, there is no specific pension study assigned to the SAVA committee and all indications are that this interim will likely entail standard SAVA oversight of Pensions. Standard oversight typically includes presentation of our valuation results to the committee at their November meeting each year and presentation of our experience study results at their July meeting next summer. I will monitor the meeting and provide a verbal update to the board once their workplan has been adopted.

**C. Public Comment** - This is an opportunity for any member of the public to comment on the Executive Director's report.



**MONTANA TEACHERS' RETIREMENT SYSTEM**  
**POLICY 3-0310-001**  
**INTEREST RATES**

**Section:** Administrative

**Effective Date:** October 3, 2025

**Revision Date:** October 3, 2025

**Implementer:** TRS Board

**Purpose:**

The Teachers' Retirement System Board (the Board) establishes interest rates for the Teachers' Retirement System (TRS) defined benefit retirement system pursuant to this policy. It is intended that this policy comply with Mont. Code Ann. §§ 19-20-201 & 19-20-501.

In establishing policy pertaining to interest credited to member accounts, the Board takes notice of the following specific constitutional and statutory requirements:

1. Pursuant to Article VIII, Section 15, of the Constitution of Montana, the Board members administer the retirement system, including making actuarial determinations, as fiduciaries of system participants and their beneficiaries. Pursuant to §19-20-203, MCA, the Board is responsible to employ technical or administrative employees necessary for the transaction of the business of the retirement system, and to designate an actuary to assist the Board with the technical actuarial aspects of the operation of the retirement system.
2. Pursuant to Article VIII, Section 15, of the Constitution of Montana, the Teachers' Retirement System is required to be funded on an actuarially sound basis; assets of the retirement system may not be encumbered, diverted, reduced, or terminated and shall be held in trust to provide benefits to participants and their beneficiaries and to defray administrative expenses.
3. Pursuant to §19-20-501, MCA, the Board members are trustees of all money collected for the retirement system and shall provide for the financial administration of the money as required by the Montana Constitution and §19-20-501.
4. Pursuant to §§19-20-201(1)(i) & 501(2), MCA, the Board members shall annually establish the regular rate of interest credited to member accounts.

**Definitions:**

**Policy:**

A. Interest Credited to Member Accounts

1. The interest rate used to credit interest to member accounts for each fiscal year shall be the lesser of the average projected average of the Short-Term Investment

Pool (STIP) interest rate earned by the Montana Board of Investments as of March 31<sup>st</sup> of the preceding fiscal year or 2.0%.

2. Interest on a member's account is compounded annually and credited monthly.

**Cross References:**

**The following laws, rules or policies may contain provisions that apply to this policy. The list should not be considered exhaustive – others may also apply.**

Art. VIII, Section 13, Constitution of Montana

Art. VIII, Section 15, Constitution of Montana

§ 19-20-101(1), MCA

§ 19-20-201(1), MCA

§§ 19-20-401 through 19-20-404, MCA

§§ 19-20-408 through 19-20-411, MCA

§§ 19-20-416 through 19-20-417, MCA

§§ 19-20-426 through 19-20-427, MCA

§ 19-20-501(2), MCA

§ 19-20-1206, MCA

**History:**

Adopted October 3, 2025

**Signature:**

By Board action taken on October 03, 2025, and by my signature below, the TRS Board has authorized implementation of this original or modified policy. The effective date of this policy is:

X the date of the Board action set forth above

October 3, 2025

BY: Kari Elliott, Board Chair

/s/ Kari Elliott

Signature

*TRS policies may be amended or revoked from time to time, with amendments and revocations effective from the date of board action or later date as specified in the policy. The official version of any TRS policy is the version posted on the TRS website, which may be accessed at [www.trs.mt.gov/trs-info/boardpolicies](http://www.trs.mt.gov/trs-info/boardpolicies). Any deviation between the official version of a policy and a printed version will be resolved in favor of the official version. Hardcopy prints of policies will be dated as of the date of printing. Please make certain to review the material online prior to placing reliance on a printed version.*

## **VI. TRS Internal Auditor Report**

*Information Item*    **A. TRS Internal Auditor Report**– Chris Fish, TRS Internal Auditor, will lead the board through a review of the attached annual internal auditor report.

**B. Public Comment** – Opportunity for any member of the public to comment on the TRS Internal Auditor Report.



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## TRS FY 2025 Audit Report

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Chris Fish, TRS Auditor • October 3, 2025

### TRS Employer Wage and Contribution Audits

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TRS completed twenty three audits of FY 2024 employer wage and contribution reports between the months of September 2024 and August 2025.

### Reports and Documents Reviewed for Each Audit

---

1. Full worker roster, including names, job titles, and extracurricular assignments
2. Complete payroll reports from employer's payroll software for fiscal year 2024
3. Timesheets (hourly employees only) for fiscal year 2024
4. I-9, W-4 paperwork, personnel documents, or membership forms for a sample size of employees in TRS reportable positions
5. List of all workers being paid as independent contractors (paid through accounts payable and not included on the employer's regular payroll)
6. Other documents as requested by TRS

### Audit Process

---

The following steps to begin an audit:

1. Employer is contacted via email stating TRS will be performing a review of payroll reports.
2. Engagement letter mailed to the clerk along with steps on securely transferring documents via ePass.
3. One week before reports are due, the clerk is contacted via email or phone to see if there are any questions.
4. Contact with the clerk is ongoing throughout the review process.
5. A spreadsheet with questions, clarifications, and/or requests for additional information to the clerk is emailed after all reports are reviewed.

After all requested information is received and reviewed, the following procedures are completed:

6. Spreadsheets are created for the TRS Active Membership unit to make service credit corrections and create buybacks or refunds for service reported in error and salary/service not reported.

7. Spreadsheets are generated for the TRS Accounting unit with working retiree contribution corrections and other reporting errors identified for the current fiscal year so that adjustment reports can be created for the employer's next wage and contribution report.
8. A preliminary audit report is sent by email to the clerk for the employer's records, and any questions the clerk has on the findings are answered.
9. A final report and cover letter is mailed to the clerk for the employer's records. This report outlines the steps TRS will take to review wage and contribution reports from the current fiscal year to verify the same errors do not continue to occur.
10. A calendar date is set up 2 to 3 months in the future to verify that:
  - a. the TRS Active Membership unit has begun processing the necessary buybacks, transfers, and service credit corrections, and
  - b. the employer has corrected all issues identified in the audit report, such as using the correct work status (full-time, part-time, hourly), reporting extracurricular service correctly, and updating employee name changes in wage and contribution reports.

*Note:* Because the Accounting unit creates adjustments immediately for current fiscal year issues and wages not reported for working retirees, it has not been necessary to schedule follow-up dates for these situations.

11. As part of the continued follow-up process, districts with significant reporting errors will be asked to send payroll reports for random months of the current fiscal year. If reporting errors are still being made, complete payroll reports will be requested, and an individualized training session will be scheduled with the appropriate district staff.
12. Currently, TRS staff and MPERA staff are in the discussion stages of collaborating to create training videos and webinars for clerks.

## Audit Findings

### ***Service Not Reported, Salary Not Reported***

Service and/or salary not reported errors arise when an employer has neglected to report a current member or a prospective member to TRS for wages earned or time worked in a TRS reportable position. For the reported audit period, these issues included substitute teachers/teachers' aides exceeding the 210-hour threshold for mandatory TRS participation, coaching stipends not being reported, and various TRS reportable positions being omitted from wage and contribution reports.

Some of these errors go back several years; all salary not reported in the past is included in the totals below. To collect the contributions owed to TRS, the Active Membership unit sets up Service/Salary Not Reported buybacks that include interest.

Service Not Reported errors	Salary Not Reported errors	Total salary not reported	Estimated contributions owed to TRS
175	175	\$2,327,482.00	\$468,056.00

### ***Reported in Error to PERS***

These issues arise when an employer has reported a current or prospective TRS member to PERS in error. The issues included in the table below occurred when five school districts and one State Agency reported multiple TRS reportable positions to PERS for several years. The Active Membership unit sets up Reported in Error to PERS buybacks and PERS remits the funds to TRS.

Reported in error to PERS	Total salary reported in error to PERS	Estimated contributions owed to TRS
53	\$3,266,080.00	\$656,808.00

### ***Reported in Error to TRS***

These issues arise when an employer has reported a current or prospective PERS member to TRS in error or has reported extra duties performed that are not reportable to TRS.

The issues found for this reporting period were primarily wages paid for non-educational lunch duty, ticket-taking, and activity bus driver duties, and in most cases, full-time teachers were performing these extra duties. The Active Membership unit works to submit refunds for the employer and employee contribution reported in error to TRS. One school district reported a PERS reportable positions to TRS in error for several years. The Active Membership unit works with PERS to resolve these issues and TRS remits the funds to PERS.

Reported in error to TRS	Total salary reported in error to TRS	Estimated contributions refunded to PERS or SD
52	\$ (556,898.00)	\$ (111,992.00)

### ***Working Retiree Salary Not Reported / Required Documentation Not Submitted***

Working Retiree Salary Not Reported issues arise when an employer has neglected to report a retired member to TRS for wages earned in a TRS or PERS reportable position. These errors usually occurred because the employee and employer did not communicate regarding the individual's status as a TRS retiree and/or did not complete and submit TRS Form 146 as required when a TRS retiree provides service to or on behalf of a TRS employer.

Some of the errors date back several years and the total dollars in the table below include salary not reported for all previous years. In these situations, no adjustment to the member's service credit is involved and no buyback is necessary. Instead, the TRS Accounting unit creates an adjustment for the employer to correct the reporting for the working retiree.

Form 146 not submitted	Number of working retirees not reported	Total working retiree salary not reported	Estimated contributions owed to TRS
8	17	\$69,538.00	\$8,240.00

### **Total Audit Findings for FY 2024 Employer Reports**

Findings from 23 employer audits are included in the totals below.

Estimated contributions owed to TRS – SALARY NOT REPORTED	Estimated contributions owed to TRS – REPORTED IN ERROR TO PERS	Estimated contributions refunded to PERS – REPORTED IN ERROR TO TRS	Estimated contributions owed to TRS – WORKING RETIREE WAGES NOT REPORTED	TOTAL CONTRIBUTIONS OWED TO TRS
\$468,056.00	\$656,808.00	\$ (111,992.00)	\$8,240.00	<b>\$1,021,112.00</b>

### **Other Common Reporting Errors**

TRS audits continue to reveal several instances of employers not reporting extracurricular stipends for employees who work less than full time or reporting incorrect service credit for extracurricular duties. TRS created a Fact Sheet titled "Calculating and Reporting Extra Duty Service Credit" last year and now there is also a fillable calculator the clerks can request to assist with the calculations and reporting of these stipends.

Incorrectly reporting an employee's work status (full time, part time, hourly) is another common finding that can result in the incorrect calculation of the member's service credit. Payroll data to correct these errors is given to the Active Membership unit and the clerk is directed to update the work status when submitting their next wage and contribution report.

### **Audits Planned for FY 2026**

Thirty-two audits are scheduled using FY 2025 employer wage and contribution reports. The schedule includes twenty-eight school districts, two cooperatives, one community college, and one unit of the Montana University System.

## APPENDIX A

### Employers Audited – FY 2024 Wage and Contribution Reports

Audits of the following TRS employers were completed between September 2024 and August 2025.  
(Audits that remain in progress, if any, are noted below.)

Anaconda Public Schools \*

Arrowhead Elementary

Augusta Public Schools

Bozeman Public Schools \*

Broadview Public Schools \*\*

Butte Public Schools

Culbertson Public Schools

East Helena Public Schools

Forsyth Public Schools

Fort Benton Public Schools

Hardin Public Schools

Harlowton Public Schools

Heart Butte Public Schools

Highwood Public Schools

Lame Deer Public Schools

Libby K-12 Schools

Lima K-12 Schools

Lodge Grass Public Schools

Missoula Area CO-OP

Moore Public Schools

Philipsburg K-12 Schools

Richey Public Schools

School for the Deaf and Blind

Shields Valley Public Schools

Wolf Creek Elementary

\* *Audit still in progress. Results will be included on next report.*

\*\* *Audit completed with zero errors.*

## **VII. Strategic Planning**

*Discussion Items*    **A. Strategic Planning**– I have attached a copy of the 2025-2027 Strategic Planning Summary and Commitment Worksheet which incorporates direction provided by the Board at our August 1<sup>st</sup> meeting. Jim Kerins will be in attendance to highlight the updates made since our last meeting.

**B. Public Comment** – Opportunity for any member of the public to comment on the Strategic Plan Summary and Commitment Worksheet.

*Action Item:*    **C. Adopt 2025-2027 Strategic Plan and Commitment Worksheet** – Finalize and approve TRS 2025-2027 Strategic Plan and Commitment Worksheet.



# 2025 STRATEGIC PLANNING SUMMARY

**September 2025**

*Prepared for*

## THE MONTANA TEACHERS' RETIREMENT SYSTEM

Communication and Management Services, LLC  
Jim Kerins, Managing Consultant

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*Please see pages 14 – 15 for a glossary of terms and a guide to acronyms relevant to the summary.*

## Introduction

The Montana Teachers' Retirement System (TRS) Board met on August 1<sup>st</sup>, 2025, to evaluate and update the agency's strategic plan.

The Board assessed and confirmed the TRS mission, vision, and guiding principles.

The planning session included review of previous strategic planning efforts, evaluation of progress on strategic goals and objectives, and discussion of state legislation. The Board considered survey responses and input from members, affiliates, staff, and leadership. The Board updated the agency operational and environmental assessment and established strategic goals and objectives for 2025 – 2027.

The following participants attended the 2025 strategic planning meeting:

- Kari Elliott Board Chair (active member)
- Daniel Chamberlin Vice Chair (public member)
- Dee Brown Board Member (retired member)
- Elliott Crump Board Member (active member)
- Daniel Trost Board Member (public member)
- Brian Youngren Board Member (active member)
- Shawn Graham Executive Director
- Tammy Rau Deputy Executive Director
- Nolan Brilz Accounting/Fiscal Manager
- Darla Fitzpatrick Communications Manager
- Lexi Newcomer Communications Specialist
- John Noble Information Technology Manager
- Jim Malizia Chief Legal Counsel
- Marilyn Hamer Executive Director, Montana Retired Educators Association
- Jim Kerins Communication & Management Services, LLC, Facilitator

## Background

The TRS Board invests in an established and ongoing process of identifying goals and objectives. Strategic planning efforts and achievements include:

Period	Activity	Achievements
2009	Initial strategic planning	Completed an operational and environmental assessment, defined the mission statement and guiding principles, and established goals and objectives.
2010 - 2013	Plan implementation	Implemented outreach program, evaluated system design alternatives to ensure long-term system stability, hired an Executive Director, and developed staffing plans.
2014	Strategic plan update	Updated the operational and environmental assessment, affirmed the mission and guiding principles, developed a vision statement, and updated goals and objectives.

## Background (continued)

Period	Activity	Achievements
2015 - 2016	Plan implementation	Implemented Governmental Accounting Standards Board requirements and a disaster recovery and business resumption plan, improved workplace efficiency, and developed information systems including M-Trust.
2017	Strategic planning	Created new overarching goals including: <ul style="list-style-type: none"> <li>• Maintain an actuarially sound qualified retirement plan.</li> <li>• Sustain a high-performance workforce through staff and Board development, innovative leadership and management strategies, and expanded organizational capacity.</li> <li>• Expand system communication efforts to increase member and employer knowledge and involvement, to educate stakeholders, and to foster support.</li> </ul>
2017 - 2019	Plan implementation	Transitioned to new facility and improved operations, workflow, services, outreach, customer service, and recordkeeping.
2019	Strategic planning	Affirmed the previously established operational and environmental assessment and goals and developed 2019 - 2021 objectives.
2019 - 2021	Plan implementation	Completed Risk Report and tax qualification review, continued M-Trust enhancement, implemented online member services, sold former TRS building, implemented clarifying legislation, and expanded member outreach and education.
2021	Strategic planning	Considered progress and discussed federal regulatory issues, potential actuarial changes, and recent state legislation to develop 2021 – 2023 strategic objectives.
2021 - 2023	Plan implementation	Participated in legislative pension study, completed tax qualification review and experience study, completed online withdrawal application, initiated online member services, increased external communication, continued member surveys and promotion of online services.
2023	Strategic planning	Considered regulatory and actuarial practice changes; state legislation; legislative initiatives; stakeholder and member input; communication, outreach, and documentation needs; online member service initiatives; and other contemporary issues.
2021 - 2023	Plan implementation	Participated in legislative pension study, enhanced computer systems and online functionality, developed and identified needs for procedural documentation, expanded outreach and networking, maintained pay plan, succession planning, etc.
2025	Strategic planning	Considered legislative updates; stakeholder and member input; communication, outreach, and documentation needs; online member service initiatives and accessibility requirements; potential cost saving initiatives (e.g., electronic newsletter) and other opportunities to develop the summary and objectives documented herein.

## Mission, Vision, Guiding Principles

The Board affirmed the following Mission, Vision, and Guiding principles:

### Mission

Our mission is to promote long-term financial security for our members while proactively maintaining the stability of the system.

### Vision

The Montana Teachers' Retirement System (TRS) is the trusted partner for retirement services and security. TRS strives to earn the respect of our members, the public education community, and citizens of Montana. We accomplish this by communicating effectively to our constituents, being responsive to their needs, and employing an effective and empowered professional staff and board well-versed in state and national issues impacting our members.

### Guiding Principles

To earn the respect and trust of our members, we adhere to the following values:

- Adherence to ethical standards
- Honesty, integrity, and impartiality
- Dignity, respect, and mutual support
- Service excellence

## Operational and Environmental Assessment

The Board reviewed and updated the 2023 Operational and Environmental Assessment by identifying and considering internal strengths and challenges and external opportunities and challenges.

### Internal Strengths

Qualities enabling TRS to address issues and opportunities in a determined and effective way include:

#### *Staff*

- Employees are respected, experienced, dedicated, and knowledgeable.
- Staff retention rates are good due to the work environment, workforce development, and pay rates.
- Management and staff quickly adapt to improve capacity and service.
- TRS provides cross-training within departments and positions are interrelated resulting in a strong understanding of others' roles within the organization.
- Staff focus on members and provide prompt and courteous customer service.

#### *Culture*

- The Board and staff demonstrate integrity and willingness to make tough decisions in the best interest of the system and are open to innovative ideas.
- Leadership is effective and values succession planning.
- Staff enjoy working with teachers and receive positive feedback.
- Board members bring strong institutional knowledge and openness to new ideas.
- The Board and staff have good rapport and close alignment. The Board supports and respects staff.

#### *Communication*

- TRS maintains excellent internal communication and effectively addresses problems.

## Internal Strengths (continued)

### *Training*

- TRS provides effective training for employers at Montana Association of School Business Officials (MASBO) events and by request.
- TRS provides member training relevant to career stages, including “TRS 101” for early- and mid-career members, and “Ready, Set, Retire!” for those approaching retirement.
- TRS provides staff training on policy compliance to reduce risk.

### *Infrastructure*

- TRS systems include full redundancy and backup capacity for disaster recovery using state resources.
- Information Technology (IT) staff adhere to technology replacement and support plans.
- TRS has an effective workspace with individual offices.
- M-Trust is an independently developed and customized system that effectively supports operational efficiency and member services.

### *Member Benefits and Plans*

- Members do not have to manage their own investments (defined benefit).
- TRS is a qualified plan that meets Internal Revenue Service (IRS) rules and that is certified by the Government Finance Officers Association (GFOA).
- Two membership tiers help ensure the retirement system remains sound.
- TRS maintains automated processes to generate introductory letters and communication at key milestones, yearly statements, newsletters, etc.

### *Partnerships*

- TRS leverages the expertise of outside agencies, organizations, and consultants including accountants and actuaries.
- The Board and staff collaborate with other boards including the Montana Board of Investments (MBOI) and the Montana Public Employees Retirement Administration (MPERA).
- TRS receives support from the Montana Legislature.
- The Board of Investments provides investment management and over time has provided a rate of return that exceeds our assessment rate.
- TRS benefits from collaboration with organizations such as the Montana Association of School Business Officials (MASBO), the National Council on Teacher Retirement (NCTR), the National Institute on Retirement Security (NIRS), the National Association of State Retirement Administrators (NASRA), the School Administrators of Montana (SAM), the Montana Retired Educators Association (MREA), the Montana Rural Education Association (MREA), the Montana Federation of Public Employees (MFPE), school boards and other groups.

## Internal Challenges

Vulnerabilities and limitations regarded as disadvantageous where TRS can leverage strengths to predict challenges and solve current problems include:

### *Staff*

- Retirement and turnover could disrupt operations or impact our knowledge base.

### *Communication*

- Reaching all constituents and stakeholders is challenging due to differing communication needs and interests.
- Active, inactive, and retired members have differing communication needs.
- Legislators, members, and taxpayers may undervalue TRS because they do not understand the economic benefits the plan provides to the State.
- Members may not engage and take advantage of opportunities to educate themselves about the system (e.g., information on the website or webinars).

### *Training*

- Members do not always understand the need for financial planning or the fact that their pension plan provides guaranteed benefits.

### *Resources*

- Information systems may require modification to meet accessibility guidelines.
- TRS must improve and expand business process documentation to support continuity and internal training.

## External Opportunities

External opportunities suited to TRS. Strengths exist within situations or conditions that are favorable for goal attainment and advancement of the organization.

### *External Partnerships*

- Maintain relationships with committed, valuable external partners as well as a large, engaged constituency that TRS can activate.
- Maintain our partnerships with the Montana Federation of Public Employees (MFPE), the American Federation of Labor/Congress of Industrial Organizations (AFL/CIO), the Montana School Boards Association (MTSBA), School Administrators of Montana (SAM) including the Montana Association of School Superintendents (MASS), Montana Retired Educators Association (MREA), and the Montana Rural Education Association (MREA).
- Maintain our relationship with experienced tax counsel.
- Engage stakeholders who have the capacity to collaborate and support the system.

## External Opportunities (continued):

### *Training*

- Utilize educational resources such as National Association of State Retirement Administrators (NASRA), National Council on Teacher Retirement (NCTR), and National Institute on Retirement Security (NIRS) websites, reports, and documents.
- Maintain adequate Board and staff training, such as by engaging in educational opportunities through the National Council on Teacher Retirement (NCTR), the Government Finance Officers Association (GFOA), Public Retirement Information System Management (PRISM), the Public Pension Financial Forum (P2F2), and the National Association of Public Pension Attorneys (NAPPA).
- Continue to provide in-person MASS and MASBO training.
- Encourage Superintendents to bring information from MASS meetings to their boards and staff.
- Continue sending Board members to formal training.

### *Infrastructure*

- Improve or expand information systems and develop operational efficiencies within the M-Trust system (e.g., implementing an online retirement application and updating systems to comply with Section 508 of the Rehabilitation Act and ensure technology is inclusive and usable for everyone).
- Maintain data validation and audit processes.
- Increase capacity by establishing and maintaining agreements and contracts for system support, modification, enhancement, and process/system documentation.
- Streamline workflow and redefine business processes and/or roles to better utilize staff time.
- Ensure strategic plans address changing demographics and funding requirements.
- Encourage employers to distribute information to members.

### *Communication*

- Communicate to school districts the value of TRS in attracting and retaining quality teachers.
- Build on the quality communication program and expand public relations (e.g., meeting with regional superintendent groups).
- Advocate for appropriate and enhanced regulatory requirements.
- Encourage the University System to adequately fund its participation in the program.
- Survey members to engage individuals and elicit feedback for service improvements.
- Communicate the positive impact of TRS on the state and local economy by providing members and the public with clear, accessible information.
- Expand website information and webinars to help promote understanding of TRS benefits and address member and employer misconceptions.

### *Operations*

- Utilize external consultants to ensure the plan complies with state and federal law and administrative rules to reduce the risk of compliance failure and to enable the board to fulfill its duty of prudence as fiduciaries.

## External Opportunities (continued):

### *Operations (continued)*

- Continue to evaluate staffing requirements in the TRS system to ensure we cover and have backups for key functions.
- Assess business processes to ensure continuity of operations in the face of external challenges.

## External Challenges

Disadvantageous limitations where TRS can leverage strengths to preemptively address issues:

### *Advocacy*

- Legislation could adversely affect the system.
- Inadequate funding for teacher wages puts pressure on TRS to provide additional benefits or to use the System as a supplemental plan.
- If membership or wages do not increase according to actuarial assumptions, TRS can fall behind in amortizing unfunded liabilities.
- Actual market volatility may impact funding levels, unfunded liabilities, funding requirements, and investment returns.
- Perceived market volatility may impact public or policymakers' perception.
- The economic climate and market volatility are outside of TRS's control.
- Shifting demographics are resulting in longevity (retirees living longer) beyond current actuarial assumptions.

### *Workforce*

- Declining membership due to decentralization of education may decrease contributions to the system and increase our unfunded liability.
- Teacher shortages will continue to increase pressure on TRS to reduce working retiree limitations.
- Factors such as retirement, illnesses and disabilities, school closures and consolidations, and family care may lead to workforce shortages.
- Projections indicate changing demographics in the next 15 – 20 years may impact TRS participation.

## Goals and Objectives

### 2023 – 2025 Goals Assessment

The Board confirmed the 2023–2025 organizational goals remain appropriate and aligned with current initiatives:

1. Maintain an actuarially sound “qualified” retirement plan in compliance with the Montana State Constitution and State and Federal laws and regulations governing such plans.
2. Sustain a high-performance work culture and service excellence through staff and board development, innovative leadership and management strategies, and expansion of organizational capacity.
3. Continue and expand communication and outreach efforts to increase member and employer knowledge of and involvement with the system, to educate and inform other stakeholders about the system, and to foster support for the system.

### 2023 – 2025 Objectives Assessment

The Board evaluated the 2023 – 2025 Strategic Planning Commitment Worksheet and determined TRS met several key objectives:

- Participated in the interim study of Montana’s defined benefit public retirement systems (Senate Joint Resolution 4).
- Enhanced computer systems and online functionality by designing a modern, responsive website and identifying best practices in system security.
- Developed information systems procedural documentation and identified documentation needs for other programs.
- Implemented Board, Executive Director, and staff participation in external meetings, conferences, and informational opportunities.
- Completed a member survey regarding the defined benefit program.
- Hired a Communications Specialist to support outreach.
- Maintained the employee pay plan, training, and succession planning.
- Implemented business process and workflow improvements.
- Continued implementing the TRS audit program.

## 2025 Contemporary Issues and Surveys

The Board also evaluated the following information to develop objectives for the coming biennium:

1. Recent state legislation such as:
  - HB67, the TRS "Housekeeping bill," which clarifies existing law and expands certain provisions to the benefit of members including allowing school district teachers, teacher's aides, paraprofessionals, and administrators to receive service credit and/or salary credit for certain "extra duties" involving student supervision (e.g., playground duty or study hall monitor).
  - HB 359, which expands the exception allowing recently retired members to substitute teach or mentor newly hired teachers during the required 120-day break in service before returning to work in a reportable position.
  - HB 158, which temporarily expands an existing exception allowing smaller school districts to fill critical vacancies with TRS retirees who had at least 27 years of creditable service at the time of retirement, and HB 349, which creates a similar exception for the Office of Public Instruction.
  - HB 924, a major funding bill that contains provisions that could benefit TRS by creating a pension reserve fund and by raising employer contribution rates (not member rates) by 0.1% each year for 20 years, beginning July 1, 2027.
2. Survey input from the following groups:
  - Montana Association of School Business Officials (MASBO) Shelley Turner
  - Montana Federation of Public Employees (MFPE) Kim Popham
  - Montana Retired Educators Association (MREA) Marilyn Hamer
  - Teachers' Retirement System Board
  - Teachers' Retirement System Staff
  - Teachers' Retirement System members

A sample of the survey comments considered by the Board include:

*"I received necessary information that answered my questions quickly and satisfactorily."*–

*Member Survey Response*

*"I think you are doing a fine job with customer service. TRS personnel seem to be knowledgeable in all my interactions with them, as both an active and as a retired member" –*

*Member Survey Response*

*"TRS is always looking out for ways to serve its members. They are always in tune with what is in the legislature, keeping members informed of any changes in TRS." – Affiliate*

*Survey Response*

*“I see one of TRS’s greatest strengths as its dedicated staff, who work tirelessly to ensure members receive the best possible service and support. Their commitment and strong work ethic help maintain the system’s stability and efficiency. The dedication of the team plays a key role in building trust and delivering on TRS’s mission for educators’ retirement security.*

*-Board Survey Response*

“Thank you for the wage increases. It is appreciated however, access to procedure manuals would improve my day-to-day work.”

*– Staff Survey Response*

“It is my opinion that TRS should look at continuing to change how it reaches out to its membership. Placing more energy into online and app driven communication will make it much more efficient for the staff and easier for all members to make time attend events and ask questions.” – *Staff Survey Response*

## Organizational Goals and Objectives

The TRS Board established or updated the following objectives and goals based on the operational and environmental assessment, evaluation of organizational accomplishments, and consideration of contemporary issues and surveys:

**Goal 1: Maintain an actuarially sound “qualified” retirement plan in compliance with the Montana State Constitution and State and Federal laws and regulations governing such plans.**

### Objectives:

- Conduct periodic tax qualification reviews and maintain qualified plan status by ensuring the plan complies with the Federal Internal Revenue Code, state and federal law, and the Montana State Constitution.
- Proactively address legislative initiatives through risk analysis, active participation in legislative studies and dissemination of accurate system information.
- Eliminate the unfunded actuarial accrued liability and establish a stabilization reserve.
- Provide a comprehensive annual financial report prepared in accordance with Generally Accepted Accounting Principles (GAAP) and applicable Governmental Accounting Standards Board (GASB) standards.
- Conduct an experience study for the five-year period ending July 1, 2025.

**Goal 2: Sustain a high-performance work culture and service excellence through staff and board development, innovative leadership and management strategies, and expansion of organizational capacity.**

### Objectives:

- Promote a work environment in which staff adheres to TRS principles: ethical standards; honesty, integrity, and impartiality; dignity, respect, and mutual support.
- Continue and expand board and staff training to maintain knowledgeable, proactive leadership and to identify system improvements.
- Identify, catalog, and prioritize potential information technology (IT) enhancements including a responsive and accessible web presence.
- Maintain best practices in system security.
- Continue business process and workflow improvements and develop procedural documentation for each team.
- Maintain formal strategic planning efforts to identify, prioritize, and achieve goals and objectives that are in the best interest of the system.
- Implement succession planning to include internal development and experiential learning opportunities for staff.
- Maintain market and performance-based pay to attract and retain employees in compliance with State Pay Plan Policy and Broadband 25.
- Meet or exceed industry best practice standards (e.g., Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program).

## Organizational Goals and Objectives (continued)

Goal 3: Continue and expand communication and outreach efforts to increase member and employer knowledge of and involvement with the system, to educate and inform other stakeholders about the system, and to foster support for the system.

### Objectives:

- Facilitate Executive Director and Board member attendance at school superintendent meetings and staff attendance at conferences and outreach opportunities.
- Continue external communication with members and employers about system functions, improvements, processes, and transactions.
- Continue with Member Surveys to inform our strategic direction, increase retirement awareness, promote engagement, and inform policymakers.
- Promote the system as a benefit to help school districts attract and retain teachers.
- Improve procedural documentation for TRS employers.
- Promote a deferred compensation system for teachers and communicate options to superintendents.
- Provide membership with retirement seminars, periodic newsletters and memos containing pertinent information in a timely manner.
- Utilize technology to enhance communication with members and other constituents.
- Maintain communication with national organizations to stay abreast of recent and on-going pension related issues and disseminate this information to policymakers and stakeholders.
- Research retirement options and be prepared to inform policymakers on how options will impact the system and members.

## Plan Implementation

The Board concluded the 2025 strategic planning session by providing guidance to staff related to the implementation of the defined goals and objectives.

Implementation steps for the upcoming biennium include:

1. Develop a written work plan to implement Board-approved goals and objectives and document the plan in a Strategic Planning Commitment Worksheet (attached).
2. Establish specific actions to accomplish the objectives documented in the workplan and include these actions in staff performance objectives as appropriate.
3. Provide regular updates to the Board on progress toward goals and objectives.
4. Evaluate the plan and commitment worksheet regularly and update or modify the documents as needed.

## Glossary

Following is a glossary of partner organizations and terms (including acronyms) relevant to TRS and the planning summary.

**American Federation of Labor/Congress of Industrial Organizations (AFL/CIO)** – a democratically governed federation of unions, each with its own distinct membership and unique voice.

**Financial Accounting Standards Board (FASB)** – an independent nonprofit organization responsible for establishing accounting and financial reporting standards.

**Generally Accepted Accounting Principles (GAAP)** – a common set of accounting principles, standards, and procedures issued by the FASB.

**Governmental Accounting Standards Board (GASB)** – the source of generally accepted accounting principles (GAAP) used by state and local governments in the United States.

**Government Finance Officers Association (GFOA)** – an association of public finance officials aligned to advance excellence in public finance. Members are federal, state/provincial, and local finance officials who are deeply involved in planning, financing, and implementing governmental operations.

**Montana Association of School Business Officials (MASBO)** – a non-profit dedicated to training and supporting the people responsible for business operations in Montana schools.

**Montana Association of School Superintendents (MASS)** – works toward the continuing improvement in educational procedures, techniques, administration, supervision, and public relations.

**Montana Board of Investments (MBOI)** – an agency of state government that provides prudent investment management of state and local government funds.

**Montana Conference of Education Leadership (MCEL)** – Education conference jointly planned and provided by MASBO, MREA, MTSBA and SAM.

**Montana Federation of Public Employees (MFPE)** – a union of professionals that promotes the welfare of its members by representing them to all terms and conditions of employment.

**Montana Public Employees Retirement Administration (MPERA)** – an agency of state government that administers eight different retirement systems including the Public Employees, Judges, Highway Patrol Officers, Sheriffs, Game Wardens and Peace Officers, Municipal Police Officers, Firefighters, and Volunteer Firefighters' Compensation Act systems as well as the State's Deferred Compensation Plan.

**Montana Rural Education Association (MREA)** – an organization which is concerned about all aspects of the K-12 public education system in rural Montana.

## Glossary (continued)

**Montana School Boards Association (MTSBA)** – a private non-profit membership organization with the Core Purpose of maximizing the potential of each child in Montana's public schools through school board leadership.

**My TRS** – member portal to TRS online services.

**National Association of Public Pension Attorneys (NAPPA)** – a professional legal, educational and information resource organization that consists exclusively of attorneys who represent public pension funds.

**National Association of State Retirement Administrators (NASRA)** - serves the members in managing sustainable public employee retirement systems through research, education, and collaboration.

**National Council on Teacher Retirement (NCTR)** – dedicated to safeguarding the integrity of public retirement systems in the United States and its territories to which teachers belong and to promoting the rights and benefits of all present and future members of the systems.

**National Institute on Retirement Security (NIRS)** – a non-profit research and education organization established to contribute to informed policymaking by fostering a deep understanding of the value of retirement security to employees, employers, and the economy.

**Public Pension Financial Forum (P2F2)** – serves its membership through education, pension advocacy, and networking by promoting financial excellence for public pension plans.

**Public Retirement Information System Management (PRISM)** – provides a forum for Information Technology (IT) managers of public pension funds where they could share information, as well as their experiences, as they strive to provide “state-of-the-art” technology and systems support to the retirement funds they serve.

**School Administrators of Montana (SAM)** – a member-led, model education organization dedicated to developing instructional leaders advocating for student success.

## TRS 2025 – 2027 Strategic Planning Commitment Worksheet

Goal/Objective	Outcome/Measure	Status/Outcome	Responsible Party	Resources Required
<p><i>Maintain an actuarially sound qualified retirement plan.</i> Conduct periodic tax qualification reviews (every 5 years) to support our goal of maintaining an actuarially sound “qualified” retirement plan using the established process and experts. Discontinue if IRS resumes doing qualification letters.</p>	Documented compliance of plan terms with the Montana State Constitution and State and Federal laws and regulations.	Every 5 years. FY2026.	Executive Director, Chief Legal Counsel.	Staff time, Contractor fees.
<p><i>Maintain an actuarially sound qualified retirement plan.</i> Conduct an experience study for the five-year period ending July 1, 2025.</p>	Updated actuarial assumptions.	Starts July 1, 2025, with completion in May of 2026.	Executive Director, Board.	Staff time, Contractor fees
<p><i>High-performance work culture and service excellence</i> Modernize TRS website with mobile responsiveness and accessible design to improve member service and information sharing and ensure Section 508 compliance.</p>	Improved functionality and member convenience and legal compliance.	2026.	Information Systems Manager, Communications Manager	Staff time, Licensing fees
<p><i>High-performance work culture and service excellence.</i> Continue business process and workflow improvements while building online processes to achieve a paperless process with priority on major business processes (e.g., online retirement application (ORA) functionality).</p>	Automation and improved processes.	Implement ORA 2026 – 2027. Other enhancements are ongoing.	M-Trust Steering Team	Staff time
<p><i>High-performance work culture and service excellence.</i> Create and update comprehensive desk/function manuals and update M-Trust online help to ensure business continuity, support knowledge transfer/succession planning, and support partners.</p>	Improved internal documentation and business processes.	Ongoing.	Management Team, Staff.	Staff time, Possible contractor fees.
<p><i>High-performance work culture and service excellence.</i> Continue strategic planning every 2 years.</p>	Comprehensive and timely strategic goals.	Board Update 2026 Formal Strategic Planning 2027.	Management Team, Board.	Staff time, Contractor fees.

### TRS 2025 – 2027 Strategic Planning Commitment Worksheet (continued)

Goal/Objective	Outcome/Measure	Status/Outcome	Responsible Party	Resources Required
<p><i>High-performance work culture and service excellence.</i> Maintain best practices in system security and proactively assess options. Pursue identity verification and e-signature options to improve member convenience while ensuring continued transaction security for all online forms.</p>	Improved functionality and member convenience with continued system security.	ID Verification roll out after web redesign is complete in FY 2026.	Information Systems Manager, Communications Manager.	Staff time, Licensing Fees.
<p><i>High-performance work culture and service excellence.</i> Succession planning to prepare for turnover (e.g., retirement of key staff). Consider internal development, cross-training, limited double-filling of positions, and documentation of retired payroll processes.</p>	Improved process documentation; knowledge transfer; cross-training.	2026.	Management Team.	Staff time, Contractor fees.
<p><i>High-performance work culture and service excellence.</i> Maintain and enhance TRS competitiveness related to staff compensation under the State Pay Plan Policy and Broadband 25</p>	Competitive pay in relation to Broadband 25.	Ongoing.	Executive Director, Deputy Executive Director.	Staff time.
<p><i>Communication and Outreach.</i> Integrate Board and Executive Director participation in superintendent meetings, staff engagement in key conferences (educator, MASBO, SAM, MCEL), collaboration with partners such as MFPE</p>	Consistent attendance at annual conferences and superintendent meetings (non-legislative years), sustain or increase participation via webinars,	Annual schedule with adjustments based on effectiveness (e.g., leveraging webinars where appropriate).	Executive Director, Board, Communications Manager	Staff time, Board time.
<p><i>Communication and outreach (member communication).</i> Continue Member Surveys to inform our strategic direction, increase retirement awareness, and promote engagement. Distribute results to legislators and other interested parties.</p>	An informed and engaged constituency. Valuable data for interim study.	2025 Survey in progress.	Communications Manager.	Staff time.
<p><i>Communication and outreach</i> Promote the system as a benefit to help school districts attract and retain teachers.</p>	Promotional materials and information illustrating TRS benefits for employer use.	Ongoing.	Communications Manager.	Staff time.
<p><i>Communication and outreach (member communication)</i> Transition newsletter to an electronic-only format over the next 12 months.</p>	Cost savings and improved member convenience and accessibility	July 2026.	Communications Manager.	Staff time.

## **VIII. Applications and Retirement Benefits**

Information Item **A. Regular, Survivorship, Adjustments, and Corrections** – In your hard copy board packet, you will have a listing of members who have retired from 04/01/2025 through 08/31/2025 and any adjustments made during that time period.

We had 495 retirees from 04/01/2025 – 08/31/2025 with average termination pay of \$13,554.15, average monthly benefits of \$2,354.99, average age of 61.03 and average years of service of 23.30.

The quarterly report is purposely excluded from your electronic board packet because it includes what could be considered Personally Identifiable Information (PII).

## **IX. Legal Counsel's Report**

*Information Items*    **A. Legal Issues** – Jim Malizia will report on pending cases, and recent legal issues.

## **X. Election of Officers**

### *Action Items*

**A. Election of Chair and Vice-Chair** - The Board Member Policy Manual provides that the Board shall elect a Chair and Vice-Chair annually at the September/October meeting. To be eligible to be elected to the position of Chair or Vice-Chair, members must have served on the Board for a minimum of one year before being elected.

The current Chair is Kari Elliott

The current Vice-Chair is Dan Chamberlin

**B. Committee Appointments** –The standing committees and current members are:

Budget/Audit

Legislation/Litigation

Personnel/Policy

Dan Chamberlin and Bryan Youngren

Dan Trost and Dee Brown

Kari Elliott and Elliott Crump

## **XI. Disability Applications**

### **CLOSED MEETING**

*Discussion Item*     **A. Executive Session to Discuss Disability Applications and Annual Reviews** – The summary of each disability application along with any supporting documentation will be presented during the meeting.

The chair will close the meeting at this time because the matters of individual privacy clearly exceed the merits of public disclosure.

### **OPEN MEETING**

*Action Items*     **B. Approval of Application for Disability Retirement Benefits** – Board votes to approve or disapprove each application for disability retirement benefits.

*Discussion Item*     **C. Public Comment** – Opportunity for any member of public to provide comment regarding disability applications.

**XII. Adjournment**

*Action Items*      **A. Motion to Adjourn**