

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

AGENDA
Friday, October 6, 2023

OPEN MEETING

All Times Are Tentative

8:30 I. Call to Order

- Action Items*
- A. Adopt Agenda
 - B. Approval of Minutes – August 10, 2023

8:35 II. Public Comment

8:40 III. Actuarial Valuation

- Discussion Items*
- A. Actuarial Valuation – Cavanaugh Macdonald
 - 1. July 1, 2023 Valuation Results
 - B. Public Comment
- Action Item*
- C. Adopt July 1, 2023 Actuarial Valuation Results

9:30 IV. Administrative Business

- Discussion Items*
- A. Investment Report – Daniel Trost
 - B. Financial Statements and Budget Reports – Nolan Brilz
 - C. Tentative **2024** Meeting Dates – Feb 16, May 3, Aug 2, Oct 4, Dec 6
 - D. Public Comment
- Action Items*
- E. Request for Public Information or Records & Fees Policy
 - F. Budget Amendment – Communications FTE
- Information Item*
- G. Next Meeting Date – December 1, 2023

9:50 V. Executive Director's Report

- Information Items*
- A. Executive Summary
 - 1. Staff/Operations Update
 - B. Legislative Interim Committee Update
 - C. Public Comment

10:00 BREAK

10:15 VI. Informal Review

- Discussion Items*
- A. Informal Review of Membership Tier for DV
- Action Items*
- B. Board Action on Informal Review of Membership Tier for DV

10:30 VII. TRS Internal Auditor Report

- Discussion Items*
- A. Review and Discuss TRS Internal Auditor Report
 - B. Public Comment

10:45 VIII. Strategic Planning

- Discussion Items*
- A. 2023-2025 Strategic Planning Summary & Commitment Worksheet
 - B. Public Comment

- Action Items*
- C. Adopt 2023-2025 Strategic Planning Summary & Commitment Worksheet

11:15 IX. Applications and Benefit Adjustments

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

11:20 X. Legal Counsel's Report

- Information Item*
- A. Summary of Legal Issues

11:30 XI. 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

11:40 XII. 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

12:00 XIII. 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.

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 406-444-3134, e-mail Tina.West@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.

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 10, 2023 board meeting.

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Montana Teachers' Retirement System Board Meeting August 10, 2023

BOARD MEMBERS PRESENT

Kari Elliott, Chair

Daniel Trost, Member (*virtual; departed meeting at 11:46 a.m. and returned at 1:05 p.m.*)

Daniel Chamberlin, Member

Dee Brown, Member

Two Board seats currently are vacant

STAFF PRESENT

Shawn Graham, Executive Director

Tammy Rau, Deputy Executive Director

Denise Pizzini, Chief Legal Counsel

Nolan Brilz, Accounting/Fiscal Manager

Darla Fitzpatrick, Communication Manager

John Noble, Information Systems Manager

OTHERS PRESENT

Jim Kerins, Consultant, Communication and Management Services, LLC

Larry Crowder, Montana Rural Education Association

Marilyn Hamer, Montana Retired Educators' Association

Ben Ternes, Governor's Office of Budget and Program Planning (*virtual*)

Jordan Krause, Active TRS Member (*virtual*)

Call to Order

Chairperson Kari Elliott called the meeting to order at 8:31 a.m.

Adoption of the Agenda

Chairperson Elliott requested a motion to adopt the meeting agenda.

Motion/Vote: Member Daniel Chamberlin moved to adopt the agenda. Member Dee Brown seconded the motion, which was approved.

Approval of Minutes

Chairperson Elliott requested a motion to approve the minutes from the May 5, 2023 meeting.

Motion/Vote: Member Brown moved to approve the May 5, 2023 minutes as written, with Member 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

2023-2025 Long Range Planning

Jim Kerins of Communication and Management Services (CMS) explained that every two years, he works with the Board and management team review the organization's achievements over the previous two years and to update the strategic plan for the next two years. This iterative process involves an operational and environmental assessment to establish overarching goals and to prioritize specific objectives and strategies to achieve them. 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 2021-2023 plan with the TRS management team's suggested revisions for 2023-2025. Members of the Board discussed but recommended no changes to the TRS mission, vision, guiding principles, or to the organization's three longstanding goals. Specific objectives and strategies are developed and prioritized with those overarching goals in mind. Mr. Graham tracks each objective on a "commitment worksheet" and provides a status report at each meeting. Board members reviewed and discussed each objective listed on the commitment worksheet and agreed with staff's proposed revisions.

Mr. Kerins reminded the Board that some staff members are eligible to retire and he suggested that succession planning should remain a priority. In addition, he noted that many of the Board's goals highlight the need for increased communication and outreach to TRS members, employers, and stakeholder groups, and he asked Mr. Graham and TRS Communication Manager Darla Fitzpatrick to speak to the challenges they may face in these areas.

TRS traditionally has operated as a lean organization, achieving quality work with a small staff (currently 22 FTE). This approach keeps administrative costs very low, but as Mr. Graham explained, each team at TRS performs specialized tasks, with certain positions also requiring an advanced degree or a specialized skillset. These factors often preclude delegation to other staff, who already are fully tasked. In addition, planned activities occasionally must be set aside because an unanticipated regulatory or legislative change has required significant staff time to address.

Ms. Fitzpatrick commented that, in addition to external communication and outreach activities, she is responsible for many necessary internal tasks such as forms and document management, web content management, and technical writing (e.g., online help systems). She also has been involved in user interface design for several system enhancements, a process which takes a significant amount of time. Because the volume of work continues to exceed capacity, Mr. Graham recommends that TRS add a staff person to take over some of those duties. Board members voiced their support and directed Mr. Graham to bring a budget amendment to provide spending authority to hire an additional communications FTE to the October Board meeting for approval.

Other suggestions and preferences were reviewed, such as whether the Board wants a periodic audit report from Chris Fish, who filled TRS's new external/internal auditor position last year. Board members recognize the value of Ms. Fish's work and requested an annual summary of findings.

Mr. Kerins then presented the draft commitment worksheet for the next biennium. Aside from exploring ways by which TRS might encourage active TRS members to participate in optional savings programs, no significant revisions were made to the list of goals and objectives.

Mr. Graham will present the updated 2023-2025 strategic plan to the Board for final review at the October meeting. Once approved, a summary document will be posted on the TRS website. Chairperson Elliott thanked the representatives of stakeholder groups for their input.

Public Comment

Marilyn Hamer of the Montana Retired Educators' Association commented that she appreciates TRS's work and finds the member newsletter to be helpful. Larry Crowder of the Montana Rural Education Association said he was pleased to have observed and participated in the process.

With the Strategic Planning portion of the agenda having concluded early, it was agreed that the Administrative Business topic would be moved ahead of Disability Applications.

Administrative Business

Draft Policy – Requests for Public Information or Public Records – Fees

Chief Legal Counsel Denise Pizzini reported that Senate Bill 232 modified certain requirements for public information requests. TRS's existing policy is similar in many ways, but revisions are needed with respect to the timeframes within which TRS must respond. These provisions take effect October 1, 2023, and Ms. Pizzini asked the Board to review the draft revisions for adoption at the next meeting.

Another provision, which will require agencies to maintain an online archive of public information requests and responses, will not take effect until November 1, 2024. Mr. Graham believes the State may centralize that function and TRS will revise its policy again when details are known.

Tentative 2023 Meeting Dates

Members of the Board discussed their availability for the meetings scheduled for October 6 and December 1, 2023. No conflicts were reported.

Out of State Travel Request

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.

Motion/Vote: Member Chamberlin moved to approve the out-of-state travel request for Mr. Brilz. Member Brown seconded the motion and it was approved by all members present.

Board members then considered requests for Mr. Graham and Ms. Fitzpatrick to attend the annual conference of the National Council on Teacher Retirement (NCTR) in La Jolla, California.

Motion/Vote: Member Brown moved to approve the request for two staff to attend the NCTR conference. Member Chamberlin seconded the motion and it was approved by all members present.

Finally, Mr. Graham recommended the Board authorize travel for a certain number of Board members to attend the annual NCTR conference.

Motion/Vote: Member Chamberlin moved to allow up to four Board members to attend the NCTR conference, with Member Brown seconding the motion. It was approved by all members present.

Next Meeting Date

The next Board meeting will be held on Friday, October 6, 2023, with actuaries from Cavanaugh Macdonald scheduled to present results of the 2023 TRS actuarial valuation.

Public Comment

Jordan Krause, a teacher from Missoula, commented that she is interning with MFPE for the summer and appreciates the work done by TRS board and staff to support members.

At 11:56 a.m. Chairperson Elliott announced the meeting would pause for lunch before proceeding with disability retirement applications.

Disability Applications

Closed Meeting

Executive Session to Discuss Disability Applications

The Board began its executive session at 12:45 p.m. to review two 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

The meeting was reopened to the public at 1:22 p.m.

Approval of Application for Disability Retirement Benefits

Motion/Vote: At 1:00 p.m. during the closed session, member J.G. had provided verbal testimony related to the TRS consulting physician's review of the member's medical records. Member Chamberlin moved to table the Board's decision pending the consulting physician's review of that testimony. Member Brown seconded the motion, and Chairperson Elliott concurred. Three Board members constitute a quorum and the motion carried 3-0. (Member Trost abstained from voting as he had been absent for a portion of the closed session.)

Motion/Vote: Chairperson Elliott asked for a motion on the disability retirement application of member L.T. Member Brown moved to approve the member's request for disability benefits and Member Chamberlin seconded. With Chairperson Elliott concurring and Member Trost abstaining, the motion carried 3-0.

Public Comment

No members of the public were present.

Adjournment

With no other business before the Board, Chairperson Elliott requested a motion to adjourn.

Motion/Vote: Member Chamberlin moved to adjourn the meeting and Member Brown seconded. The meeting was adjourned at 1:24 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, 2023 Actuarial Valuation**– Todd Green and Bryan Hoge from Cavanaugh Macdonald (CM) will present the results of the July 1, 2023, actuarial valuation.

We will have hard copies of the valuation available for each Board member at the meeting.

The TRS valuation can be viewed prior to the board meeting by following this link:
https://trs.mt.gov/miscellaneous/PdfFiles/Information/ActuarialValuations/2023_TRSvaluation.pdf

According to the valuation, TRS amortizes in 24 years as of July 1, 2023, and is 72.49% funded. This represents a decrease of one year to the amortization period and an increase in the funded status of 0.76% versus the 2022 valuation.

As you know, our investment returns are smoothed over a four-year period so our 8.30% market rate of return for FY 2023 is combined with a -4.13% market rate of return for FY 2022, a 27.73% return for FY 2021, and a 2.72% return from FY 2020 to come up with an actuarial rate of return for the July 1, 2023 valuation of 7.66% which is 0.36% higher 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 25 years and the funded ratio would be 71.75%.

As stated earlier in this section, the actuary will be at our October 6th 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, 2023 Valuation Results:** Staff recommends that the Board adopt the July 1, 2023 valuation results.



Cavanaugh Macdonald
CONSULTING, LLC

The experience and dedication you deserve

Montana Teachers' Retirement System

Valuation Results
July 1, 2023

Presented October 6, 2023



Why does my Plan need an Actuary?



Develop

- Develop a strategy to systematically fund the promised benefits of the system

Measure

- Measure assets and liabilities (future benefit payments)

Determine

- Determine actuarial contribution rates

Analyze

- Analyze experience (actual vs. expected)

Report

- Report on trends, risks, accounting, etc.

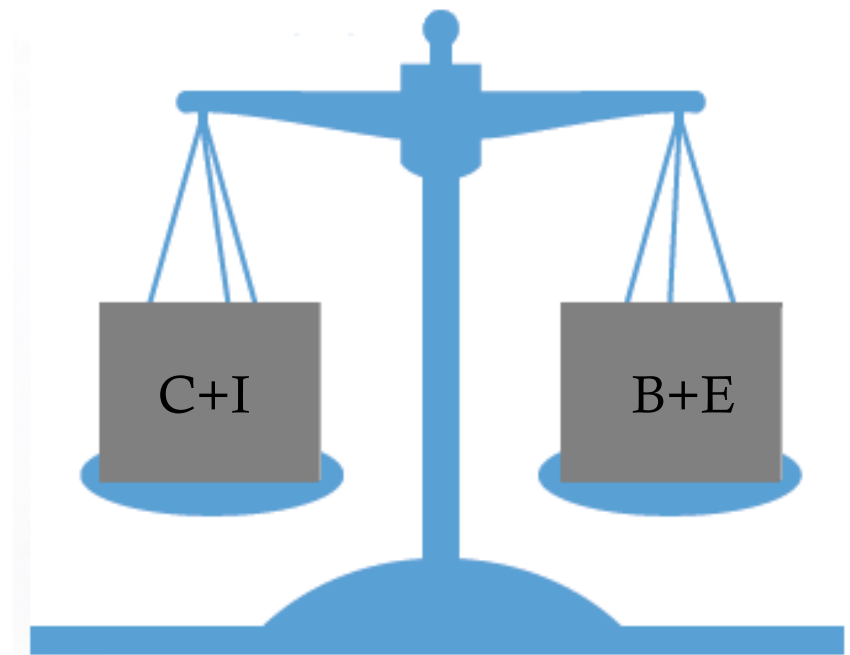
$$\text{C} + \text{I} = \text{B} + \text{E}$$

C = Contributions

I = Investment Income

B = Benefits Paid

E = Expenses



"Money In = Money Out"

$$C + I = B + E$$

B depends on

- Plan Provisions
- Experience

C depends on

- Short Term: Actuarial Assumptions
Actuarial Cost Method
- Long Term: I, B, E

- For a defined benefit pension plan, the ultimate value of future cash flows cannot be predicted with certainty
 - To estimate the probability and the likely cost of a future event such as disability, retirement, or death, **actuaries need to make assumptions**



Turnover

Will an employee work long enough to vest and qualify for monthly benefits?

Retirement

When will the employee retire and start collecting benefits?

Mortality

How long will monthly benefits be paid?



Actuarial Assumptions



Salary Increases

How will salaries grow in future years for each employee?

Discount Rate

What is the present value of all of those future benefits in terms of today's dollars?

If we put money aside today, what rate of return can we expect to earn on it?



General Cost Impact of Assumption Changes



- General cost impact of each change in isolation

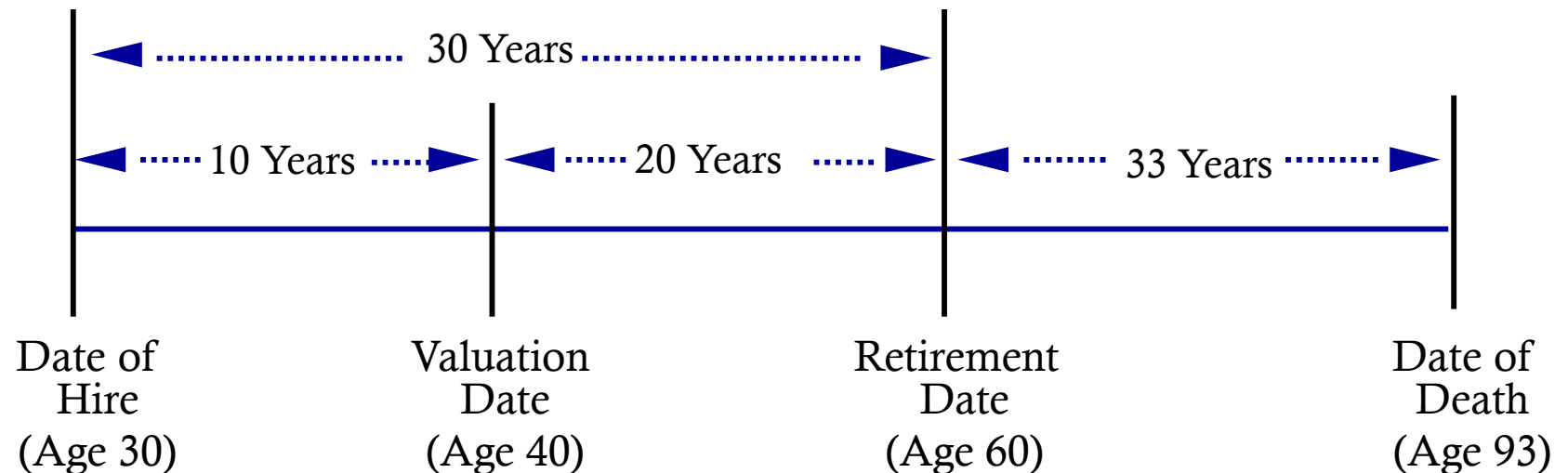
Assumption	Change in Assumption	Typical Effect On Liabilities/Costs
Turnover	Increase	Decrease
Retirement	Retire Later	Decrease
Mortality	Decrease (longer life expectancy)	Increase
Disability	Lower Disability	Decrease
Salary Increase	Increase (higher pay)	Increase
Discount Rate	Lower Return	Increase

KNOWN at valuation date:

1. age
2. salary
3. gender
4. service to date
5. membership group

ASSUMED at valuation date:

1. future salary increases
2. retirement date(s)
3. death rates before and after
4. disability rates
5. other termination rates





Results



Changes Since Prior Valuation



- New ASOP 4 Disclosures have been added to the report
 - Low-Default-Risk Obligation Measure (LDRM) Disclosure
 - Reasonable Actuarially Determined Contribution
 - Contribution Allocation Procedure
- No impact on the results of the valuation



Comments on Valuation



- Asset returns
 - Market asset return (Net of Investment and Administrative Expenses) 8.30% vs. 7.30% expected (1.00% more than expected).
 - Actuarial asset return (Net of Investment and Administrative Expenses) 7.66% vs. 7.30% expected (0.36% more than expected).
- Market value of assets are \$51,061,539 less than the actuarial value of assets. Unrecognized investment gains/losses will be recognized over the next three years
 - 2024 Investment Gain of \$71.8 million
 - 2025 Investment Loss of \$134.5 million
 - 2026 Investment Gain of \$11.6 million



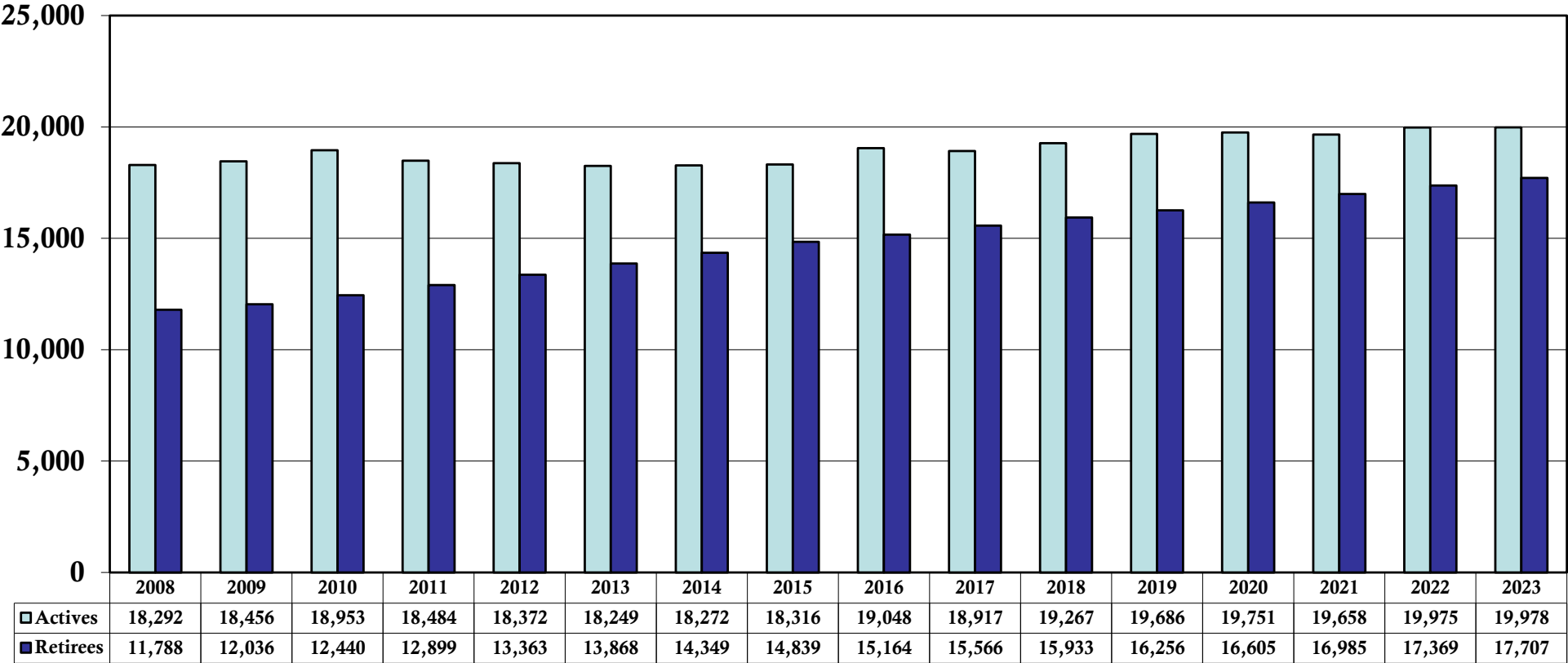
Comments on Valuation



- Funded Ratio
 - Funding increased from 71.73% to 72.49%
- Amortization Period
 - Amortization period decreased from 25 years to 24 years



Active and Retired Membership



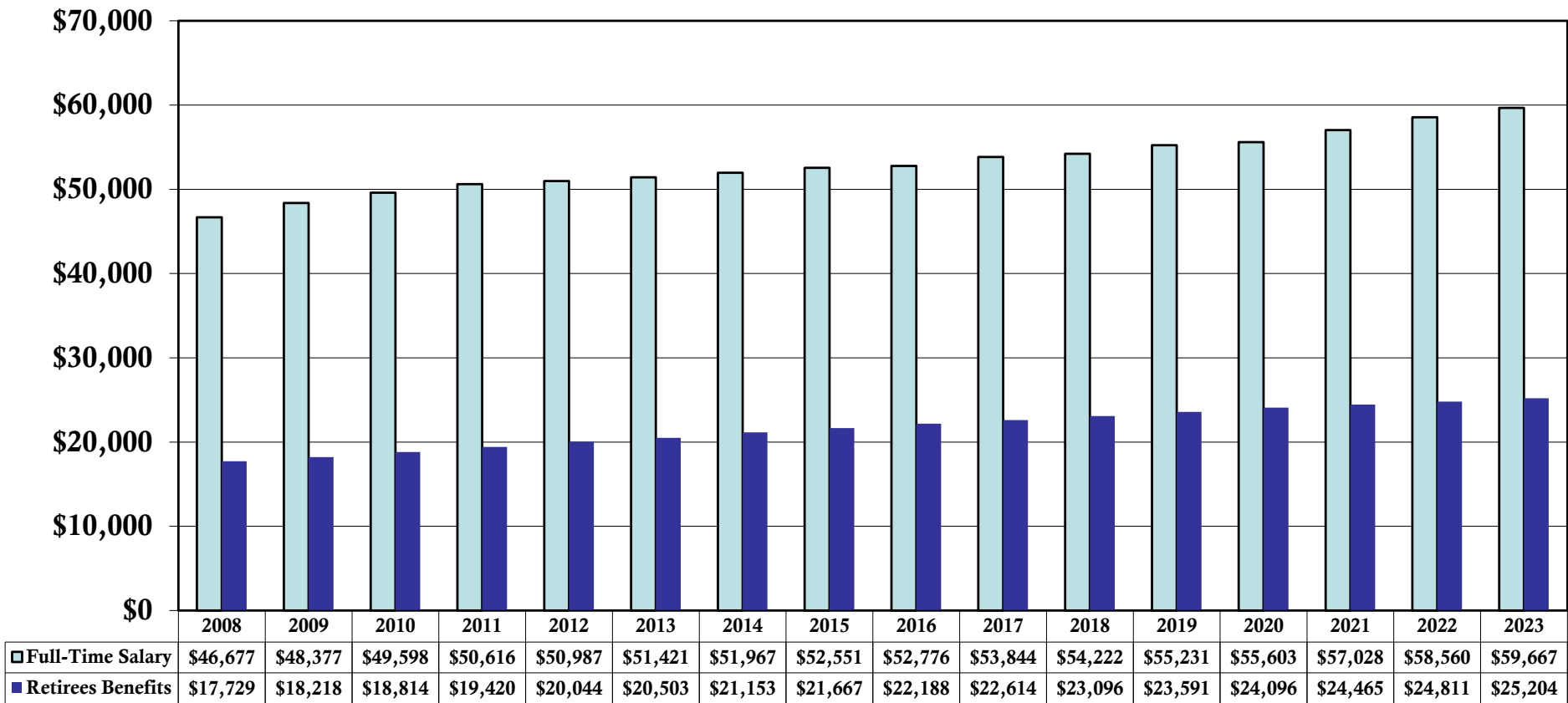
0.6% annual increase for active members since 2008; 0.0% increase for 2023.

2.7% annual increase for retired members since 2008; 1.9% increase for 2023.

1.6 actives per retiree 15 years ago; 1.1 actives per retiree now.



Average Salary and Benefits

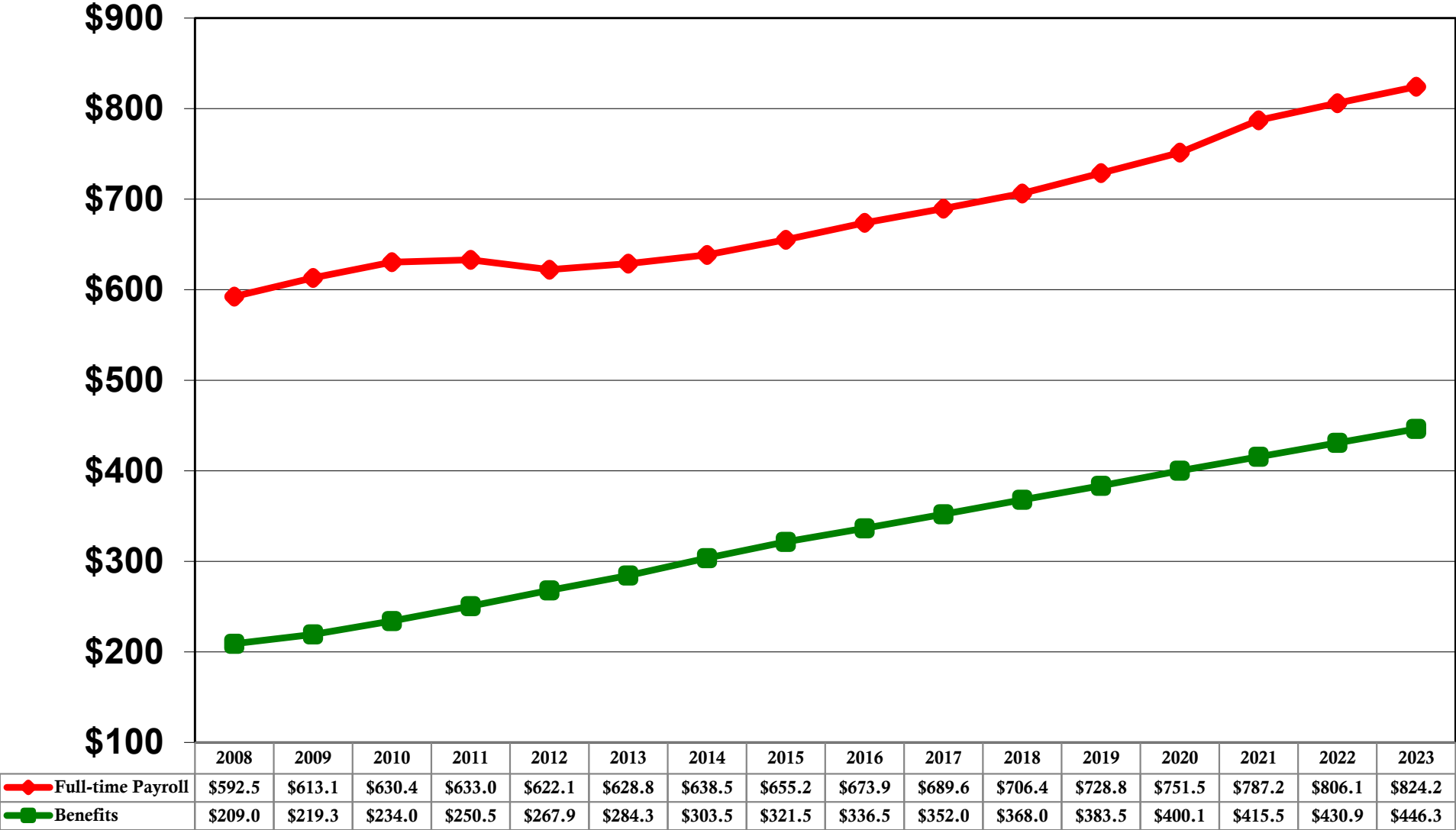


1.7% annual increase for average salary since 2008; 1.9% increase for 2023.

2.4% annual increase for average benefits since 2008; 1.6% increase for 2023.

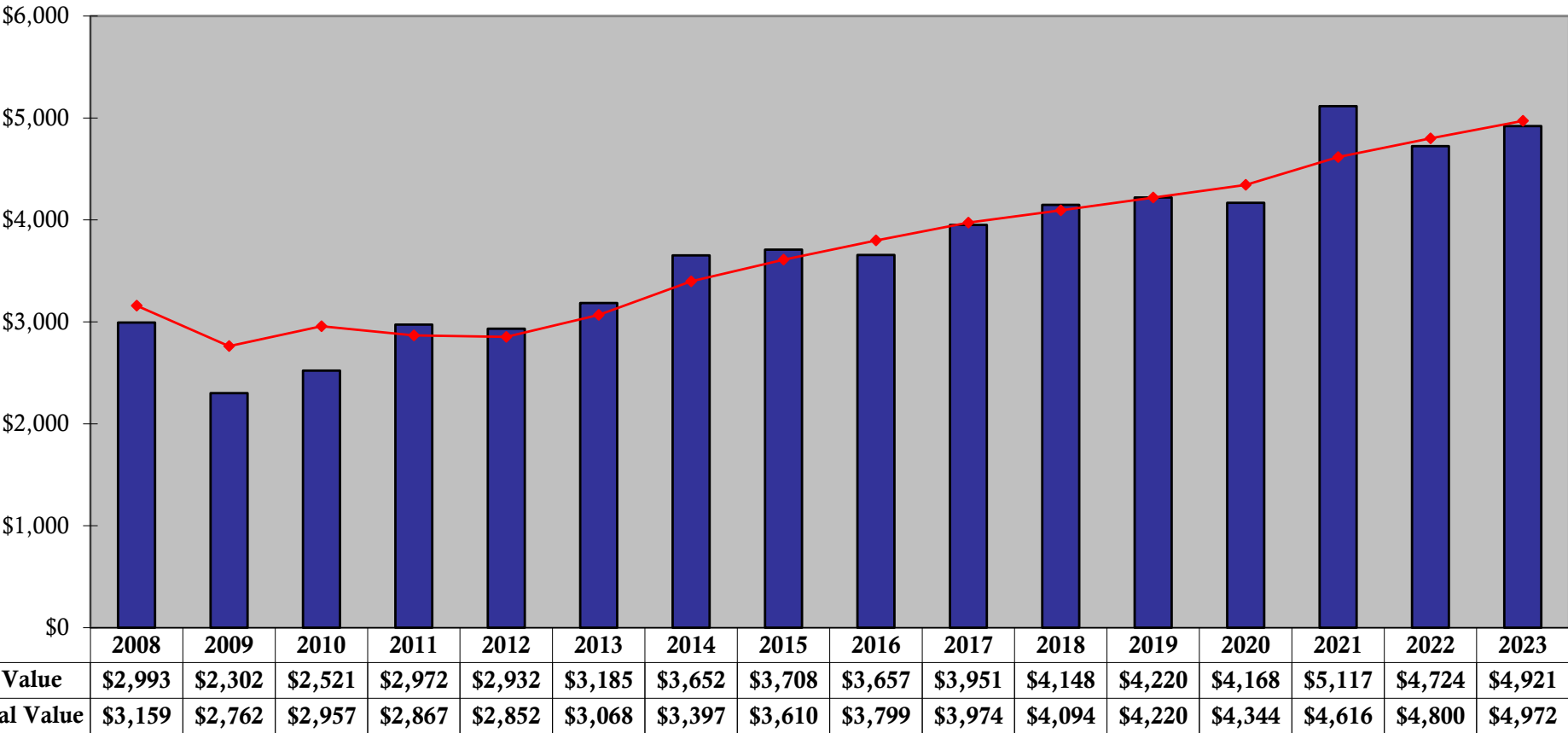


Payroll & Benefits (Millions)





Assets (\$ Millions)



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Market Return	(4.9)%	(20.8)%	12.9%	21.7%	2.2%	12.9%	17.1%	4.6%	2.1%	11.9%	8.8%	5.7%	2.7%	27.7%	(4.1)%	8.3%
Actuarial Return	7.2%	(10.3)%	9.8%	(0.1)%	3.2%	12.0%	13.2%	9.6%	8.8%	8.2%	6.9%	7.0%	7.0%	10.7%	8.1%	7.7%



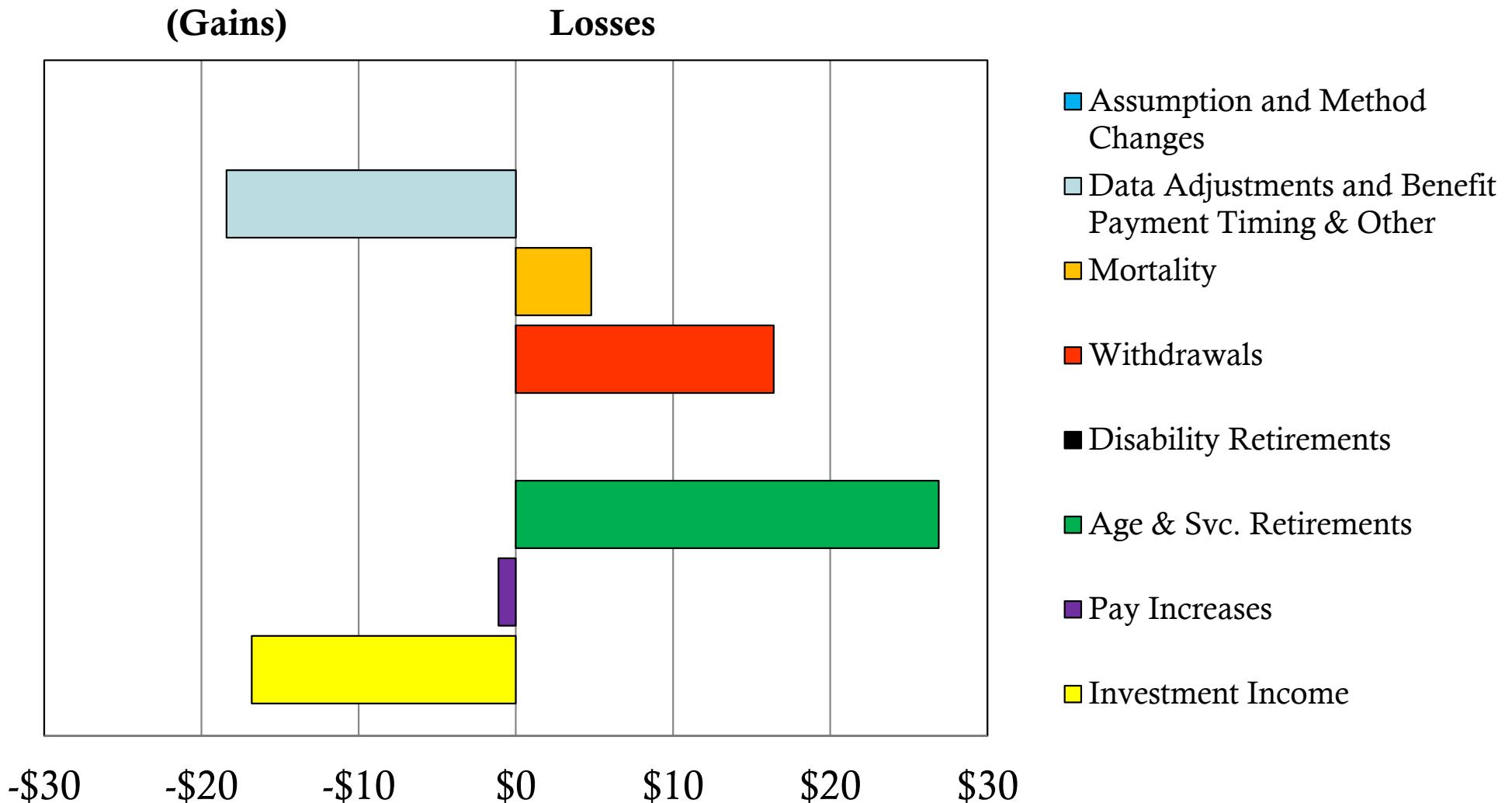
Funding Results



	July 1, 2022 Valuation	July 1, 2023 Valuation
Total Normal Cost Rate	10.87%	10.75%
Less Member Rate	<u>8.15%</u>	<u>8.15%</u>
Employer Normal Cost Rate	2.72%	2.60%
Rate to Amortize UAL	<u>9.14%</u>	<u>9.36%</u>
Total Employer Statutory Rate	11.86%	11.96%
Actuarial Accrued Liability	\$6,691.3 million	\$6,858.3 million
Actuarial Value of Assets	\$4,799.6 million	\$4,971.9 million
Unfunded Accrued Liability	\$1,891.7 million	\$1,886.4 million
Funded Ratio	71.73%	72.49%
Amortization Period	25 Years	24 Years



2022 (Gain)/Loss Analysis (\$ Millions)





Actuarial Certifications & Disclosures



- Additional information regarding the assumptions and methods can be found in the July 1, 2023 actuarial valuation report.
- The actuaries who prepared these results, Todd B. Green, ASA, EA, FCA, MAAA, and Bryan Hoge, FSA, EA, FCA, MAAA, are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

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, 2022.

B. FY 2023 Budget Status and Financials Report –Nolan Brilz, Accounting Manager for TRS, will present the budget status and financial statement reports through August 31st and answer any questions you might have during the meeting.

C. Tentative 2024 Meeting Dates – Tentative dates are February 16th, May 3th, August 2nd, October 4th and December 6th.

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

Action Item **E. Request for Public Information or Records and Fees Policy** – Staff recommends approval of the updates to our request for public information policy reviewed at our August 10th meeting.

F. Budget Amendment – Communications FTE – Staff recommends approval of an additional FTE and corresponding budget authority for an additional communications position discussed at our August 10th meeting. Budget amendment detail is attached for your review including additional authority for a reclassification of our existing communications position to a supervisor.

Information Item **G. Next Meeting Date** – December 1st, 2023

	<u>UNITS OUTSTANDING</u>	<u>UNIT VALUE</u>	<u>MARKET VALUES(000)</u>	<u>ALLOCATION (%)</u>
Allocation				
TEACHERS RETIREMENT			4,896,402	100.00
SHORT TERM INVESTMENT POOL (STIP)	49,901,959.98	100.00000	49,902	1.02
Consolidated Asset Pension Pool (CAPP)	2,972,870,392.53	163.02426	4,846,500	98.98

	<u>ITD</u>	<u>INCEPTION DATE</u>
Longest Measurable Plan Return	7.69	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>ITD</u>	<u>INCEPTION DATE</u>
Returns										
TEACHERS RETIREMENT	(1.23)	3.23	0.38	6.40	7.65	7.02	8.03	7.32	8.17	1/1/2011
TEACHERS RETIREMENT CUSTOM BENCHMARK (YWN2D) - BLDR	(1.81)	4.34	0.68	7.65	6.31	5.89	7.77		8.08	
SHORT TERM INVESTMENT POOL (STIP) [1]	0.45	1.32	0.90	4.37	1.70	1.75	1.21	1.60	2.33	4/1/1997
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR	0.47	1.36	0.93	4.54	1.69	1.66	1.16	1.56	2.25	
Consolidated Asset Pension Pool (CAPP)	(1.25)	3.24	0.38	6.42	7.72	7.10	-	-	7.92	4/1/2017
CAPP CUSTOM BENCHMARK (MONCAPP) - BLDR	(1.83)	4.37	0.68	7.70	6.36	5.92	-	-	7.08	

	<u>Plan Market Value \$(000)</u>	<u>Allocation (%)</u>
Allocation - Asset Class		
TEACHERS RETIREMENT	4,896,402	100.00
Domestic Equity - PAC	1,334,951	27.26
International Equity - PAC	688,703	14.07
Private Investments - PAC	856,211	17.49
Real Assets - PAC	298,103	6.09
Real Estate - PAC	588,767	12.02
Core Fixed Income - PAC	678,752	13.86
Non-Core Fixed Income - PAC	344,159	7.03
Cash Equivalents - PAC	56,854	1.16
PENSION CASH	49,902	1.02

	<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>
Returns										
Domestic Equity - PAC	(2.05)	8.62	1.58	14.50	10.45	9.92	11.93	9.31	9.69	5/1/2003
Domestic Equity - PAC Custom Blend (MONDE) - BLDR	(1.91)	8.59	1.62	14.99	10.01	10.42	12.45	9.94	10.36	
International Equity - PAC	(4.34)	3.85	(0.68)	11.35	3.52	3.35	4.70	5.79	4.57	4/1/1997
International Equity - PAC Custom Blend (MONIE) - E [2]	(4.28)	4.08	(0.25)	11.62	4.10	3.29	4.51	6.32	4.85	
Private Investments - PAC	0.89	1.43	1.05	3.05	19.60	14.73	13.31	12.82	12.89	5/1/2002
Private Equity PAC Custom (MONPE) - BLDR	(2.86)	8.53	1.23	8.54	11.44	5.93	11.26	11.78	10.61	
Real Assets - PAC	(0.22)	1.91	0.50	8.43	15.57	4.82	-	-	5.59	4/1/2017
Real Assets - PAC Custom Blend (MU7EBM) - BLDR	(2.20)	3.36	0.26	1.62	9.61	(0.08)	-	-	2.48	

	<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>
Returns										
Real Estate - PAC	(0.76)	(1.08)	(1.23)	(5.20)	9.11	6.66	8.81	-	4.67	6/1/2006
Real Estate - PAC Custom Blend (MONRE) - BLDR	-	(3.38)	-	(3.91)	7.46	2.96	6.67	-	5.05	
Core Fixed Income Pre and Post CAPP [3]	(0.58)	(1.12)	(0.78)	(1.18)	(4.03)	0.57	1.63	3.66	5.00	4/1/1995
Core Fixed Income Custom Benchmark (CFIBM1)	(0.64)	(1.06)	(0.71)	(1.19)	(4.41)	0.06	1.23	2.98	4.39	
Non-Core Fixed Income Pre and Post CAPP [4]	(0.38)	2.91	1.11	5.87	0.34	2.44	3.65	-	6.32	6/1/2009
Bloomberg U.S. HY - 2% Issuer Cap (WE6D)	0.29	3.38	1.68	7.19	1.81	3.31	4.47	-	7.42	
Cash Equivalents - PAC	0.32	1.55	0.32	5.18	1.95	1.95	-	-	1.85	5/1/2017
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR	0.47	1.36	0.93	4.54	1.69	1.66	-	-	1.63	

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

PRIVATE EQUITY PAC CUSTOM is composed of:

From inception to 3/31/2017: S&P 1500 + 4% Qtr Lag

4/1/2017 to 12/31/2020: MSCI USA Small Cap Gross

1/1/2021 to present: The portfolio weighted average of MSCI USA Small Gap Gross and S&P LSTA US Leveraged Loan 100 Index

REAL ASSETS - PAC CUSTOM BLEND is composed of:

From inception to 12/31/2020: MSCI AC World Commodity Prod Net Index 1/1/2021 to present: 33.33% MSCI AC World Commodity Prod Net Index, 33.33% MSCI ACWI Infrastructure Total Return, 33.34% BBG Gbl Inf-Lk US TIPS (Dly)

REAL ESTATE - PAC CUSTOM BLEND is composed of:

From inception to 3/31/2017: NCREIF ODCE 1 Qtr Lag (Net)

4/1/2017 to 6/30/2020: MSCI US REIT INDEX GROSS

7/1/2020 to present: NCREIF ODCE 1 QTR LAG (NET)

Core Fixed Income Custom Benchmark is composed of:

From inception 3/31/2017: BBG BARC Agg (Dly)

4/1/2017 to 11/30/2019: The portfolio weighted average of Broad Fixed Income - PAC Custom Blend, BBG BARC US Corp Int Inv Grd Idx, BBG BARC US MBS Idx, BBG Barclays US Intermediate TIPS, BBG BARC Tsy Int

12/1/2019 to present: BBG Agg (Dly)

THE TEACHERS' RETIREMENT SYSTEM
CONSOLIDATED BALANCE SHEET
as of August 31, 2023

	8/31/2023	8/31/2022
	AGENCY ACCOUNT	AGENCY ACCOUNT
ASSETS		
Current Assets		
Cash	1,553,509	1,472,547
Accounts Receivable	2,929	12,918
Interest Receivable	0	0
Total Current Assets	1,556,438	1,485,465
Investments		
Short-term Investment Pool	49,901,960	49,689,214
Consolidated Asset Pension Pool (net)	4,941,097,528	4,873,442,546
Security Lending Collateral	0	0
Total Investments	4,990,999,488	4,923,131,760
Other Assets		
Equipment	16,286	16,286
Accumulated Depreciation Equip	(16,286)	(16,286)
Leashold Improvements	243,881	243,881
Accumulated Dep Leasehold Imp	(124,844)	(92,907)
Intangible Assets	137,307	514,899
Intangible Right to Use Bldg	2,810,123	2,810,123
Accumulated Amort Right to Use Bldg	(344,378)	(192,852)
Total Other Assets	2,722,089	3,283,145
Deferred Outflows - Pension and OPEB	504,594	619,530
TOTAL ASSETS	4,995,782,609	4,928,519,901
LIABILITIES & FUND BAL.		
Liabilities		
Accounts Payable	14,629	93,673
Standard Lease	2,585,499	2,683,764
Uncleared Collections	33,057,335	33,178,610
Compensated Absenses	218,004	216,437
Security Lending	0	0
OPEB Implicit Rate Subsidy	53,547	235,221
Net Pension Liability - PERS	1,851,315	1,394,112
Total Liabilities	37,780,329	37,801,817
Fund Balances		
Pension Accumulation Fund	4,061,376,611	3,876,575,295
Annuity Savings Fund	859,466,502	847,874,188
Year-to-date Income/(Loss)	36,724,142	165,563,279
Adj Fund Bal	0	0
Total Fund Balance	4,957,567,255	4,890,012,763
Deferred Inflows - Pension and OPEB	435,025	705,321
TOTAL LIABILITIES & FUND BAL.	4,995,782,609	4,928,519,901

THE TEACHERS' RETIREMENT SYSTEM
FUND BALANCE STATEMENT
as of August 31, 2023

	8/31/2023	8/31/2022
	AGENCY ACCOUNT	AGENCY ACCOUNT
REVENUE		
Contributions	30,976,920	30,446,014
Misc Revenue	0	0
Investment Revenue	80,846,965	207,414,672
TOTAL REVENUE	111,823,885	237,860,687
EXPENSES		
Benefits Paid	72,484,614	69,849,626
Withdrawals	2,172,708	1,908,833
Admin. Exp	387,866	416,698
Depreciation Exp.	2,903	5,807
Amortization Exp.	34,327	68,653
Lease Amortization Exp.	13,775	27,550
Lease Principal & Interest	3,550	20,242
OPEB Expense	0	0
Pension Expense - PERS	0	0
TOTAL EXPENSES	75,099,743	72,297,408
REV OVER EXP	36,724,142	165,563,279
REV OVER EXP	36,724,142	165,563,279
BEG FUND BAL	4,920,843,113	4,724,449,484
Adj Fund Bal	0	0
END FUND BAL	4,957,567,255	4,890,012,763

THE TEACHERS' RETIREMENT SYSTEM
INVESTMENT REVENUE BY SOURCE & ADMINISTRATIVE EXPENSES BY TYPE
as of August 31, 2023

	8/31/2023	8/31/2022
	AGENCY ACCOUNT	AGENCY ACCOUNT
Investment Revenue:		
Short-term Investment Pool	292,176	84,751
Consolidated Asset Pension Pool		
Securities Gains/(Losses)	4,303,159	4,241,218
Investment Appreciation/(Depreciation)	76,251,630	203,088,704
Securities Lending Activity	0	0
Administrative Investment Exp.	0	0
Total Investment Rev.	80,846,965	207,414,672
Administrative Expense:		
Personal Services	259,881	240,164
Contracted Services	65,196	119,712
Supplies & Material	24,328	20,475
Communications	23,090	6,924
Travel	940	7,390
Rent	270	528
Repairs & Maintenance	0	649
Other Expenses	14,161	20,856
Depreciation Exp.	2,903	5,807
Amortization Exp.	34,327	68,653
Lease Amortization Exp.	13,775	27,550
Lease Principal & Interest	3,550	20,242
OPEB Expense	0	0
Pension Expense - PERS	0	0
Total Administrative Exp.	442,421	538,950

**Teachers' Retirement System
Operating Budget Status Report
as of August 31, 2023**

ACCOUNT LEVEL	ACCOUNT CATEGORY	EXPENSE FY 2023	BUDGET FY 2024	EXPENDITURE YEAR TO DATE	% BUDGET SPENT	TOTAL PROJECTED	BUDGET SURPLUS/(DEFICIT)
	PERSONAL SERVICES:						
61100	Salaries	1,512,007	1,647,900	183,262	11.1%	1,619,083	28,817
61300	Per Diem	4,250	8,000	800	10.0%	3,500	4,500
61403	Health Insurance	265,608	280,000	44,268	15.8%	287,742	(7,742)
61400	Benefits	261,176	290,000	31,551	10.9%	282,819	7,181
	Total Personal Services	2,043,041	2,225,900	259,881	11.7%	2,193,144	32,756
	OPERATING EXPENSES:						
62100	Contract Services	800,328	870,298	60,238	6.9%	741,865	128,433
62200	Supplies/Materials	43,974	63,550	24,328	38.3%	43,418	20,132
62300	Communications	113,119	133,725	23,090	17.3%	141,763	(8,038)
62400	Travel	26,547	34,500	940	2.7%	5,642	28,858
62500	Rent	2,993	3,500	270	7.7%	3,175	325
62700	Repairs/Maintenance	16,006	21,669	-	0.0%	21,669	-
62800	Other Expenses	85,793	112,035	14,161	12.6%	84,991	27,044
	Total Operating Expense	1,088,760	1,239,277	123,026	9.9%	1,042,522	196,755
62122	Audit Fees - Biennial Amount	93,579	178,287	4,959	2.8%	178,287	-
	Total Operating and Personal Services	3,225,379	3,643,464	387,866	10.6%	3,413,953	229,511
69501	Capital Lease	135,889	158,828	13,236	0.0%	158,828	-
	Subtotal Capital Lease	135,889	158,828	13,236	0.0%	158,828	-
	Totals	3,361,268	3,802,292	401,102	10.5%	3,572,781	229,511

Percent of FY Complete 17%
Percent of Payroll Complete 12%

Teachers' Retirement System
Budget Analysis - Contracted Services
as of August 31, 2023

ACCOUNT CODE	ACCOUNT NAME	EXPENSE FY 2022	BUDGET FY 2023	ACTUAL EXP TO DATE	% OF BUDGET
62102	Consulting & Professional	147,651	148,930	2,021	1.4%
62104	Insurance & Bonds	6,397	0	0	#DIV/0!
62104A	INS & Bonds - Non fixed	169	150	0	0.0%
62108	Legal Fees/Court Costs	1,780	37,500	0	0.0%
62113	Warrant Writing Fees	34,287	37,193	2,990	8.0%
62114	Payroll Service Fees	5,455	5,791	5,791	100.0%
62114A	Workers Comp Mgmt	215	529	529	100.0%
62115	Photographic Services	30	45	0	0.0%
62116	Medical Services	683	1,500	3,900	260.0%
62136	IT Consult & Prof Servs	336,721	359,000	31,262	8.7%
62145	Food Services Expense	0	800	0	0.0%
62148	SABHRS Costs/DOA	132,419	145,660	0	0.0%
62186A	Recycling	745	800	0	0.0%
62187	Records Storage	2,580	3,000	459	15.3%
62190	Printing, Pub & Graphics	31,403	35,000	6,058	17.3%
62191	Printing, Other Provider	2,523	4,000	146	3.7%
621B1	SITSD Storage Hosting	13,103	16,500	1,317	8.0%
621B2	SITSD Server Hosting Services	28,970	28,000	2,295	0.0%
621B4	SITSD Application Services	576	200	11	5.7%
621B5	SITSD Email	2,676	3,000	230	N/A
621B8	SITSD Operations Support	6,263	8,200	674	8.2%
621B9	SITSD Database Hosting	1,674	2,500	199	8.0%
621C5	SITSD Enterprise Services	31,264	30,000	2,355	7.9%
621C6	SITSD Professional Services	0	1,000	0	0.0%
621C8	SITSD Email Restore	0	1,000	0	0.0%
	SUBTOTAL	787,583	870,298	60,238	6.9%
62122	Audit Fees - Current	73,644	178,287	4,959	2.8%
	TOTAL CONTRACTED SERVICES	861,227	1,048,585	65,196	6.2%

Percent of FY Complete: 17%

**Teachers' Retirement System
Delinquent Agency Report
9/12/2023**

Employer Number	Employer Name	Reports Outstanding	Estimated Employee Contributions	Estimated Employer Contributions
020291	Wyola Elm	Jul 2023	650	750
370011	Heart Butte PS	Jul 2023	4,000	4,500
		Total	4,650	5,250
		Total Due	9,900	

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



Montana Teachers' Retirement System

Policy 2-0405-002

Requests for Public Information or Public Records – Fees

Section: Organizational
Implementer: All TRS Personnel

Effective Date: October 7, 2016
Revision Date: October 6, 2023

Purpose

This policy describes TRS's requirements and procedures related to receiving and responding to requests for public information or public records, in conformity with state law. This policy further describes the fees that will be charged by TRS for providing public information/public records.

Definitions

"Confidential information" means information that is accorded confidential status or is prohibited from disclosure as provided by applicable law. The term includes, but is not limited to, information that is:

- a. constitutionally protected from disclosure because an individual privacy interest clearly exceeds the merits of public disclosure;
- b. necessary to maintain the security and integrity of secure facilities or information systems owned by or serving the state or TRS; or
- c. designated as confidential by statute or through judicial decisions, findings, or orders.

"Individual" means an individual human being.

"Person" means an individual, a partnership, a corporation, an association, or a public agency or organization of any character.

"Process the request" means all work required to be performed by TRS staff or by other persons on behalf of TRS to identify, gather, copy, print, format, review, redact, transfer, or deliver information in response to a request for public information.

"Public information" means information prepared, owned, used, or retained by TRS relating to the transaction of official TRS business, except for confidential information. As used in this policy, the term "public information" includes public records.

"Public record" means public information that is:

- a. fixed in any medium and is retrievable in usable form for future reference; and
- b. designated for retention by the state records committee or other applicable authority.

"Records manager" means the TRS staff member designated to be responsible for coordinating the efficient and effective management of the agency's public records and information.

"Redact" means to physically or electronically remove or render unreadable any confidential information contained in public records or public information that will be provided in response to a public records request.

"Requestor" means a person who requests public information from TRS.

Policy

A. Right to Request Public Information

1. Any person who is a citizen of or is registered and licensed to do business in the United States may request public information from TRS.
2. The following will not constitute requests for public records and no fee will be charged for the information provided by TRS pursuant to this policy:
 - a. A request by an individual who is a TRS member, retiree or other benefit recipient, or alternate payee, or by any person with a legal right to request information on behalf of the individual for information pertaining to the individual's account with TRS;
 - b. Information legally required or authorized to be provided by TRS pursuant to a valid request by a governmental or regulatory agency or authority;
 - c. Information required to be provided by TRS pursuant to a discovery request or pursuant to a subpoena or order issued in an adjudicatory matter to which TRS is a party, except information requested as public information and provided by TRS during or following an adjudicatory process related to the "public information" status of the requested information.
3. A request for public information must be made in writing and must be submitted to the attention of the TRS Record Manager:
 - a. by hand delivery or by U.S. mail addressed to TRS at 100 North Park Avenue, Suite 110, P.O. Box 200139, Helena, MT, 59620-0139; or
 - b. by email addressed to trsoutreach@mt.gov.
4. A written request for public information must include:
 - a. a description of the public information being requested with sufficient specificity that TRS may meaningfully respond to the request;
 - b. the name of the entity (and the individual, if different) making the request (the Requestor); and
 - c. the U.S. mailing address, telephone number, and email address of the Requestor.
5. The Records Manager will acknowledge a written request within 5 business days of its receipt. If the request is for inspection or copying of a specific public record on the premises of TRS by the requestor, the Records Manager will, in the acknowledgment, advise when the public record will be available for inspection/copying.
6. Process and Timelines for Providing Other Public Records/Public information:
 - a. If additional information or clarification is required from the Requestor, the acknowledgment will identify the additional information/clarification required by TRS. TRS's obligation to respond further the request will be suspended until the additional information/clarification is received from the Requestor. If the additional information/clarification is not provided within 30 days of TRS's request, the Requestor's request for public information will be closed.
 - b. Subject to (a), if the request is for TRS to send a copy of a single, specific, clearly identifiable and readily available public record, TRS will send the requested public record within 5 working days of the acknowledgment.
 - c. If the request seeks public information that cannot be readily identified and gathered, the

acknowledgment will identify information/clarification required as described in (a), if necessary, provide an estimate of the time it will take to fulfill the request; and provide an estimate of the fee that will be charged for production of the information, if any. TRS will then provide the requested information:

- i. except as provided in (ii), within 90 days of the latest of: the acknowledgment; TRS's receipt of information/clarification required as described in (a), or; TRS's receipt of any fee required for production.
 - ii. If production is not feasible within 90 days of the acknowledgment, the acknowledgment will include a written explanation why TRS cannot produce the requested information within 90 days and will then produce the information within 6 months of the latest of: the acknowledgment; TRS's receipt of information/clarification required as described in (a), or; TRS's receipt of any fee required for production.
7. Unless a request pertains to a specific public record, TRS will generally provide public information in a format that includes only the specific information requested by the Requestor. If a request is for a specific public record (for example, for a particular TRS member form), TRS's processing of the request will include work required for review and redaction of non-public information from the public records prior to delivery.
 8. Except as specified in (9) or unless TRS agrees to a specific form/format or method at the request of the Requestor, TRS will provide information in response to a public information request in the format and via the delivery method of its choice.
 9. TRS may make public information available, including in response to a specific request for public information, by posting public information on the TRS website for access by the general public. To the extent that information posted on the TRS website contains information responsive to a request for public information, TRS's response to the request for information will be to direct the Requestor to the location(s) of responsive information on the TRS website.

B. Fees for Provision of Public Information

1. TRS may assess a fee to process a request for public information. The fee will not exceed the actual costs directly incident to processing the request in the most cost-efficient and timely manner possible.
2. The fee assessed by TRS will be the sum of the following:
 - a. The total time required to identify and gather the requested information at the hourly rate of the TRS staff member performing the work. Generally, the fee for identifying and gathering public information will be the hourly rate of pay for TRS's Record's Manager position. However, if the provision of requested information, including in a specialized form or format requested by the Requestor and agreed to by TRS, requires specialized or outside services to identify, gather, aggregate, format, copy, print, transfer or deliver, such work will be billed at the hourly rate of the TRS staff member or at the actual cost billed to TRS by the outside service provider.
 - b. The total time required, if any, for legal review of requested public records and redaction of non-public information at the rate of \$40.00 per hour.

- c. The total cost for paper and printing at the rate of 2 ½ cents per page or the actual cost of alternative media on which the information is physically delivered if not included in total billed charges of an outside service provider.
- d. The actual cost incurred by TRS for postage or for other method of delivery of the requested information if not included in total billed charges of an outside service provider.

Cross References

Constitution of Montana, Article II, Section 9; §§ 2-6-1001 through 2-6-1006, MCA

Signature

By Board action taken on **October 6, 2023** and by my signature below, the TRS Board has authorized implementation of this original or modified policy. The effective date of this policy is:

_____ the date of the Board Action set forth above

_____ (date) _____

BY: Kari Elliott, Board Chair

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 trs.mt.gov/trsinfo/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.

TRS Budget Amendment Detail – October 2023

Public Relations Specialist 1 Request

As discussed at our August strategic planning session, below you will find the personal services detail related to hiring an additional communications FTE under the SABHRS working title of Public Relations Specialist 1. This amendment reflects the additional \$51,521.00 of personal services authority (salary and benefits) needed to pay this position from the approximate hire date in mid-November through June 30, 2023. The starting salary requested of \$29.00 per hour is 95% of the mid-point for this position classification. On an annualized basis, the total cost of this position is \$83,524 including benefits and insurance; we are requesting \$51,521 for the remainder of the current fiscal year.

		Base	Longevity	Total	Salaries to	Benefits to	Jul 1st	Jan 1st	Insurance to	Remaining
Position Title	HRS	Rate	Rate	Rate	FYE	FYE	Insurance	Insurance	FYE	Pay Periods
Public Relations Specialist 1	80.0	29.000	0.000	29.000	37,120.00	6,496.00	527.00	527.00	7,905.00	16.0
				Budget Amendment	51,521.00					

Public Relations Supervisor Request

Our discussion in August was open ended with regard to who the new communications FTE would report to and who would direct their work. Staff recommends that we reclassify our current Communication Manager position from Public Relations Specialist 2 to a Public Relations Supervisor. If approved, the Communications Officer will be responsible for performing management functions for the new communications FTE including hiring, firing, performance management, discipline, work distribution and employee development. This reclassification will need to be approved by DoA Human Resources and will require a desk audit as she will not be managing at least 2 FTE. The base salary requested of \$36.72 per hour is 95% of the midpoint for a Public Relations Supervisor. On an annualized basis, the cost of this request is \$5,77513; we are requesting \$3,541.62 for the remainder of the current fiscal year.

		Base	Longevity	Total	Salaries to	Benefits to	Jul 1st	Jan 1st	Insurance to	Remaining
Position Title	HRS	Rate	Rate	Rate	FYE	FYE	Insurance	Insurance	FYE	Pay Periods
Public Relations Specialist 2	80.0	34.400	0.516	34.916	44,692.48	7,821.18	527.00	527.00	7,905.00	16.0
Position Title	HRS	Base	Longevity	Total	Salaries to	Benefits to	Jul 1st	Jan 1st	Insurance to	Remaining
		Rate	Rate	Rate	FYE	FYE	Insurance	Insurance	FYE	Pay Periods
Public Relations Supervisor	80.0	36.720	0.551	37.271	47,706.62	8,348.66	527.00	527.00	7,905.00	16.0
				Proposed	63,960.28					
				Current	60,418.66					
				Budget Amendment	3,541.62					

Grand Total of FY 23 Budget Amendment Request: \$55,062.62

Supporting Documentation:

Pasted below is the 2022 market data for the three Public Relations Specialist Positions. Our current Communications Manager is classified as a Public Relations Specialist 2 and we are requesting to reclassify that position to a Public Relations Supervisor. We are recommending that the new position be classified as a Public Relations Specialist 1.

Job Code	Job Code Title	2022 Minimum Salary	2022 Midpoint Salary	2022 Maximum Salary	2022 Hourly Minimum	2022 Hourly Midpoint	2022 Hourly Maximum	2020 Midpoint Salary
I33011	Public Relations Specialist 1	\$ 50,841	\$ 63,551	\$ 76,261	24.442711	30.553389	36.664067	\$ 60,170
I33012	Public Relations Specialist 2	\$ 63,551	\$ 79,439	\$ 95,327	30.553389	38.191736	45.830084	\$ 73,376
I3301M	Public Relations Supervisor	\$ 55,925	\$ 80,392	\$ 104,859	26.886982	38.650037	50.413092	\$ 74,904

State of Montana Occupational Standard

The occupational standard for classifying the Public Relations positions is included on the next two pages.

Job Code Title: Public Relations Specialist**O*Net Code:** 27-3031.00 Public Relations Specialists

☐ **Purpose** (Check the box if the purpose of the job matches the occupational standard): Promote or create a favorable public image for an agency or program by developing or selecting informational and promotional material and releasing it through various communication methods.

Method used to Conduct Classification Review (If at least 70% of the time spent performing the work in the job matches the standard by at least 70%, continue using this occupational standard. If not, choose a different occupational standard or use an "all other" template): ☐ Job Description Review ☐ Reclassification & Job Audit ☐ Reclassification Transition ☐ Other (describe):

% Representative Duties Performed at All Levels (Add percent of time matching the standard. Leave boxes unchecked if the work duty is not performed in the job. Classification does not require all boxes in this section be checked.):

- ☐ Develop, edit, and promote informational materials about agency activities or programs.
- ☐ Release informational materials through various communications methods, such as press releases, websites, and social media.
- ☐ Establish and maintain cooperative relationships with people outside the agency or program.
- ☐ Represent the agency or program to internal and external stakeholders, such as other agencies, media, public, or interest groups.
- ☐ Respond to requests for information.
- ☐ Update agency or program websites with breaking news, image enhancements, promotional or information materials.
- ☐ Work to ensure effective and consistent messaging in all areas of communication.
- ☐ Write and/or deliver talking points, speeches, or press releases to further public-relations objectives.

- Check any boxes* in this standard matching the minimum requirements (including statutory requirements*, if any) for the position's job description.
- Check the box beside the job code and title matching the duties performed by the position. If the position does not perform all additional duties and meet all minimum requirements for higher levels, but still matches the overall 70% threshold for the occupation, check the box beside level 1.
- The job can't be classified higher than level 1 unless all the level's additional duties and other minimum requirements are performed by the position.

	<input type="checkbox"/> Public Relations Specialist 1 I33011	<input type="checkbox"/> Public Relations Specialist 2 I33012	<input type="checkbox"/> Public Relations Supervisor I3301M
Additional Duties Required at this Level	<input type="checkbox"/> None	<input type="checkbox"/> Influence a diverse group of stakeholders. <input type="checkbox"/> Develop a comprehensive strategic communication plan for the agency's overall public information and outreach efforts. <input type="checkbox"/> Interpret and apply laws, rules, regulations, and policies for public-relations operations. <input type="checkbox"/> Prepare factual, compelling presentations to support the interests, goals, and strategic plans of the department. <input type="checkbox"/> Prepare testimony and other information for presentation to legislative committees, boards, or other public councils.	<input type="checkbox"/> Supervise or manage at least 2 FTE. <input type="checkbox"/> Perform management functions including hiring, firing, performance management, discipline, work distribution, and employee development.
<i>*Note –Items below with check boxes are statutory requirements used during classification. Check the box if the position meets the statutory requirement.</i>			
Typical Qualifications on the First Day of Work	<ul style="list-style-type: none"> • Bachelor's degree with a major in public relations, communications, marketing, or journalism. • One year of directly related experience. • Other combinations may be substituted. 	<ul style="list-style-type: none"> • Bachelor's degree with a major in public relations, communications, marketing, or journalism. • Two years of directly related experience. • Other combinations may be substituted. 	<ul style="list-style-type: none"> • Bachelor's degree with a major in public relations, communications, marketing, or journalism. • Three years of directly related experience. • One years of supervisory experience. • Other combinations may be substituted.
Core Competencies	<ul style="list-style-type: none"> • TBD 	<ul style="list-style-type: none"> • TBD 	<ul style="list-style-type: none"> • TBD

	<input type="checkbox"/> Public Relations Specialist 1 I33011	<input type="checkbox"/> Public Relations Specialist 2 I33012	<input type="checkbox"/> Public Relations Supervisor I3301M ₅₀
Other Important Information			
Typical Work Environment	<ul style="list-style-type: none"> Normal office environment. 	<ul style="list-style-type: none"> Normal office environment. 	<ul style="list-style-type: none"> Normal office environment.
FLSA Status ¹	<ul style="list-style-type: none"> Non-exempt 	<ul style="list-style-type: none"> Exempt: Administrative 	<ul style="list-style-type: none"> Exempt: Executive

¹ State agencies must evaluate each individual employee to determine overtime eligibility status as required by the Fair Labor Standards Act (FLSA).

Minimum Physical/Mental Requirements

- Travel may be required.

Distinguishing Occupational Factors:

Supplemental Job Information (to be completed by agency):

- Position Number(s):
- Differing Work (Differences, if any, must be no more than 30 percent of the total job. If a job differs more than 30 percent from this description, it must be classified into another benchmark or an "all other" standard.):

Supporting Documentation:

- ☐ Agency Classification Request
- ☐ Organizational Chart
- ☐ Job Audit Notes
- ☐ Other (please describe):

V. Executive Director's Report

Discussion Items **A. Executive Summary**

Operations Update: TRS Benefit Officers have started the fall Ready Set Retire Workshops. These workshops are scheduled to be held in the following cities:

1. Eureka, Sept 27
2. Whitefish, Sept 28
3. Wolf Point, Oct 4
4. Havre, Oct 5
5. Dillon, Oct 11
6. Butte, Oct 12
7. Billings MFPE Annual Conference, Oct 19-20
8. Webinars, TBD

Staffing Update: Robert Grotzke was hired on August 14th to fill our vacant Imaging Technician position at TRS. If the Board approves our budget amendment for an additional communications FTE, we will begin recruiting for that position right away.

B. Legislative Interim Committee Update – The State Administration and Veteran Affairs committee (SAVA) met on September 11th to adopt their workplan. The SJ4 Pension Study was approved as one of the main areas of study over the interim. I'm scheduled to present the results of our July 1, 2023 valuation to SAVA at their November 8th meeting. The Legislative Finance Committee appointed four members to serve on the SJ4 Pension Study in addition to the members of SAVA. The four members appointed by LFC were: Senator Tom McGillvray, Representative Eric Matthews, Representative Jim Hamilton and Representative Terry Moore. At this time, it isn't clear if SAVA will appoint a subset of it's membership to serve on the committee or if it will be the whole SAVA committee plus the four members from LFC. It is anticipated that the joint committee will meet for the first time in December.

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

VI. Informal Review

Discussion Items **A. Informal Review of Membership Tier for Dominick Vergara** – Mr. Vergara has requested an informal review of the TRS Staff Final Determination regarding his membership status as a Tier 2 member of TRS. Attached for your consideration is a copy of the Final Staff Determination dated August 31, 2023 as well as a letter from Mr. Vergara dated August 31, 2023 stating his disagreement with the staff determination.

Mr. Vergara is planning to attend the meeting via Zoom and will be available to make a statement and answer questions from the board.

Action Item: **B. Board Action** – Motion and vote to approve or disapprove the TRS Staff Final Determination regarding the appropriate membership tier for Mr. Vergara.



GREG GIANFORTE, GOVERNOR

www.trs.mt.gov

STATE OF MONTANA

100 N PARK AVENUE, SUITE 110
PO BOX 200139
HELENA, MONTANA 59620-0139

1-866-600-4045
406-444-3134

August 31, 2023

DOMINICK VERGARA
PO BOX 448
BAKER MT 59313-0448

RE: Final Staff Determination – Tier One Membership Is Not Available to a Member Who Previously Withdrew From TRS and Became a Member Again On Or After July 1, 2013.

Dear Mr. Vergara:

On August 30, 2023, you emailed TRS requesting information regarding "...the process of challenging [your] Tier 2 Status for your retirement plan." Substantively, your request, ultimately, was to change your current TRS status from Tier 2 to Tier 1. I responded to you via email explaining the applicable TRS law which does not allow the status change you've requested. Following another email from you to two TRS Board members expressing your concern that you were not informed of the consequences of withdrawing from TRS in 2009, I emailed you again explaining that TRS could not have advised you in 2009 that you could not come back as a Tier 1 member because TRS only had one tier of membership in 2009. Tier 2 was created by legislative enactment in 2013. You subsequently emailed again stating you "don't believe it's fair to not allow you access into Tier 1 benefits because the rules didn't exist at the time [you] made the decision to make that withdrawal in 2009."

This letter provides TRS's Final Staff Determination of your request and advises of your rights and the process to request informal review of this determination by the TRS Board and, if the Board's decision on informal review is adverse to you, how you may request a contested case hearing.

Facts and Law Relevant to This Determination.

1. You were first employed in a TRS reportable position with Thompson Falls Public Schools in September of 2008 and were employed in that position for all of the 2008-2009 school year.
2. After terminating employment with Thompson Falls Public Schools, you submitted an Application for Withdrawal of Member's Deposit of Contributions and Interest (Withdrawal Form), which TRS received on August 13, 2009. TRS processed your application for withdrawal and refunded your accumulated member contributions to you.

3. At the time of your application for withdrawal, TRS law provided that, "The active or inactive membership in the retirement system terminates when the person...withdraws the person's accumulated contributions to the retirement system..." (See 19-20-304, MCA (2009))
4. Consistent with TRS statute, the withdrawal form you signed contains the following explicit language: "I understand withdrawal of my deposits cancels all membership privileges, beneficiary designation(s), service credit, and rights to monthly retirement benefits and disability benefits."
5. The 2013 Montana Legislature passed HB 377, which bill included provisions creating a new tier of membership in TRS – Tier 2. The statutory amendments enacted through HB 377 became effective on July 1, 2013. HB 377's relevant statutory amendments are codified as follows:

19-20-101(33) "Tier one member" means a person who became a member before July 1, 2013, and who has not withdrawn the member's account balance.

19-20-101(34) "Tier two member" means a person who became a member on or after July 1, 2013, or who, after withdrawing the member's account balance, became a member again after July 1, 2013.

19-20-603, MCA, which states in pertinent part: "(3) A member's withdrawal and refund under this section:...(b) constitutes forfeiture of the member's creditable service and any right to benefit pursuant to that service; (c) terminates the member's membership in the retirement system; and (d) terminates a withdrawn tier one member's status as a tier one member. (4) An individual who has withdrawn and later returns to employment in a position reportable to the retirement system may purchase the forfeited creditable service as provided in 19-20-427. However, a tier one member who withdraws and returns to employment in a position reportable to the retirement system must return as a tier two member even if the member purchases the forfeited creditable service.

6. You returned to employment in a TRS reportable position and again became a TRS member in September 2014. Consistent with all applicable TRS law, you appropriately returned to TRS membership as a Tier 2 member.
7. You repurchased your withdrawn creditable service in 2020. However, as stated in 19-20-603(4), your purchase of your previously forfeited creditable service cannot have the effect of returning you to Tier 1 membership status.

The fact that you weren't aware at the time you withdrew from TRS in 2009 that there would be a Tier 2 if/when you later returned to TRS membership, or the fact that the statutes establishing Tier 2 and specifying that former Tier 1 members who had withdrawn would come back as Tier 2 members, does not constitute a basis for an exception to the clear requirements set forth in law.

It was clear in TRS law and on the withdrawal application signed by you in 2009 that your withdrawal from TRS membership constituted a termination of your TRS membership and a cancellation of all membership privileges. Individuals who are not members of the retirement system are not protected from legal changes made to the terms and conditions of membership. When you again became a member of TRS in 2014, you were subject to the terms and conditions of membership then existing in law.

And while everyone's reasons for withdrawing from TRS are personal to them, those personal reasons cannot be a basis for excepting certain individuals from the application of law. Many individuals who withdrew from TRS prior to July 1, 2013 have again become members on or after July 1, 2013. Many of them have also since repurchased their withdrawn creditable service. All of them have returned as Tier 2 members, consistent with applicable law, and remain Tier 2 members.

How to Request Board Review of Final Staff Determination

If you disagree with this determination, you may request review of the staff determination by the TRS Board by submitting a written request for review to my attention within 30 days of this letter. Your written request must include a plain statement of your reasons for disagreement with the staff determination, together with any additional documentation or information you would like the Board to consider. Your request for Board review will be placed on the agenda of the next regular Board meeting, **scheduled for October 6, 2023**. You will be invited to attend the Board meeting and may present information in support of your position. Arrangements can be made for you to attend electronically rather than in person. While the Board's initial review of the matter is not a contested case proceeding, you are welcome to have legal counsel attend with you. If, on informal review, the Board concurs with the staff determination, you will be notified of your rights to proceed to a contested case hearing. You must exhaust your rights to informal Board review and a contested case hearing prior to seeking judicial relief.

Sincerely,



Shawn Graham

Executive Director

Baker Public Schools

AARON SKOGEN, Superintendent of Schools
DOMINICK VERGARA, High School Principal
BILL BRIST, Associate Principal/AD

1015 South Third West
P.O. Box 659

Baker, Montana 59313

High School Phone 406-778-3329
Elementary Phone 406-778-2022

ERIN NEVERS, Elementary Principal
JENNIFER METTLER, District Clerk
SCOTT ANDERSON, Technology Director

8/31/2023

Dear Mr. Shawn Graham,

I would like to request a board review of final staff determination.

Statement:

I believe that I should have Tier 1 status due to at the time of withdrawal in 2009 not being able to play “god” and know that in 2013 the Montana Legislature would pass HB 377, which created a new Tier. I wouldn’t have made this withdrawal if I would have known that 4 years later this would be created.

I repurchased my withdrawn creditable service in 2020.

I plan on attending the next scheduled board meeting on October 6, 2023 online. Please let me know what we need to do make this happen.

Respectfully,

Mr. Dominick Vergara
Cell: 970.381.4350

VII. Annual TRS Internal Auditor Report

Discussion Items **A. Review and Discuss Annual TRS Internal Auditor Report**– Chris Fish, TRS Internal Auditor, will lead the board through a discussion of the attached first annual internal auditor report.

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



Montana Teachers'
Retirement System

TRS Audit Report – Fiscal Year 2022

Chris Fish, TRS Auditor • October 6, 2023

TRS Employer Wage and Contribution Audits

TRS has completed its first year of audits on employer wage and contribution reports. All audits were conducted by Chris Fish between the months of September 2022 and August 2023.

Reports and Documents Reviewed for Each Audit

1. Full worker roster, including names, job titles, and extracurricular assignments
2. Complete payroll reports from employer payroll software for fiscal year 2022
3. Timesheets (hourly employees only) for fiscal year 2022
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

Chris completes the following steps to begin an audit:

1. She contacts the employer via email stating TRS will be performing a review of payroll reports.
2. She mails an engagement letter to the clerk along with steps on securely transferring documents via ePass.
3. She emails/calls the clerk one week before reports are due to see if there are any questions.
4. She maintains contact with ongoing conversations throughout the review process.
5. She emails a spreadsheet with questions, clarifications, and/or requests for additional information to the clerk.

When all requested information is received, Chris proceeds as follows:

6. She creates a spreadsheet 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. She creates a spreadsheet 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. She creates a preliminary audit report, sends it by mail to the clerk for the employer's records, and answers any questions.
9. She creates a final report and cover letter and sends them by mail 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. She schedules follow-up meetings 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.

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 exceeding the 210-hour threshold for mandatory TRS participation, coaching stipends not being reported, adult education positions 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
47	62	\$473,631.27	\$94,299.99

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 a school district reported two teachers' aide 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
2	\$94,927.57	\$18,900.08

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 by a TRS member to PERS.

The issues found for this reporting period were primarily wages paid for crossing guard duty, non-educational lunch duty, bus monitor duty, ticket-taking or clock-keeping duty at sporting events, and activity bus driver duties, and in most cases, full-time teachers were performing these extra duties. 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
30	\$ (41,735.62)	\$ (8,309.56)

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 or time worked 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
25	11	\$17,027.10	\$1,983.66

Total Audit Findings for FY 2022

Findings from 16 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
\$94,299.99	\$18,900.08	\$ (8,309.56)	\$1,983.66	\$106,874.16

Other Common Reporting Errors

TRS audits have revealed several instances of employers not reporting extracurricular stipends for employees who work less than full time. Chris sent all clerks a copy of the procedure for calculating service credit in these situations and provided examples in her final telephone conversation.

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. These errors are easily corrected by the clerk and are updated in M-Trust when the employer submits their next wage and contribution report.

Audits Planned for FY 2023

Thirty-one employer audits are scheduled for FY 2023, with a target of completing three audits per month. The schedule includes 26 school districts, two state agencies, one cooperative, one community college, and one unit of the Montana University System. In addition, the FY 2023 audit report will include findings from one FY 2022 audit that remains incomplete at this time (see Appendix A).

APPENDIX A

Employers Audited – FY 2022

Audits of the following TRS employers were completed between September 2022 and August 2023.
(Audits that remain in progress, if any, are noted below.)

Baker K-12 Schools

Bridger K-12 Schools

Cut Bank Public Schools

Froid Public Schools

Hays-Lodge Pole K-12 Schools

Helena Public Schools

Jordan Public Schools

Laurel Public Schools

Lincoln K-12 Schools

Luther Elementary

Malta Public Schools

Nye Elementary

Reed Point Public Schools

Roy K-12 Schools

Shelby Public Schools

Townsend K-12 Schools

Superintendent of Public Instruction (OPI)*

** TRS is awaiting information to complete this audit. Findings from this employer will be included in the FY 2023 audit report.*

VIII. Strategic Planning

Discussion Items **A. Strategic Planning**– I have attached a copy of the 2023-2025 Strategic Planning Summary and Commitment Worksheet which incorporates direction provided by the Board at our August 10th 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 2023-2025 Strategic Plan and Commitment Worksheet** – Finalize and approve TRS 2023-2025 Strategic Plan and Commitment Worksheet.



2023 STRATEGIC PLANNING SUMMARY

September 2023

Prepared for

THE MONTANA TEACHERS' RETIREMENT SYSTEM

Communication and Management Services, LLC
Jim Kerins, Managing Consultant

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Helena, MT 59624

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Introduction

The Montana Teachers' Retirement System (TRS) Board met on August 10th, 2023, 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 federal regulatory issues, potential actuarial changes, and state legislation. The Board carefully considered survey responses and input from members, affiliate organizations (i.e., the School Administrators of Montana, Montana Retired Educators Association, Montana Rural Education Association, Montana Federation of Public Employees, and Montana Association of School Business Officials), and TRS staff and leadership. The Board updated the agency operational and environmental assessment and established strategic goals and objectives for 2023 – 2025.

The following participants attended the 2023 strategic planning meeting:

- Kari Elliott Board Chair (active member)
- Daniel Chamberlin Vice Chair (public member)
- Dee Brown Board Member (retired member)
- Daniel Trost Board Member (public member)
- Shawn Graham Executive Director
- Tammy Rau Deputy Executive Director
- Nolan Brilz Accounting/Fiscal Manager
- Darla Fitzpatrick Communications Manager
- John Noble Information Technology Manager
- Denise Pizzini Chief Legal Counsel
- Larry Crowder Executive Director, Montana Rural Education Association
- 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:

Timeframe	TRS Board Efforts	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)

Timeframe	TRS Board Efforts	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"> • Maintain an actuarially sound qualified retirement plan. • Sustain a high-performance workforce through staff and Board development, innovative leadership and management strategies, and expanded organizational capacity. • Expand system communication efforts to increase member and employer knowledge and involvement, to educate stakeholders, and to foster support.
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 to develop the summary and objectives documented herein.

Please see pages 15 – 16 for a glossary of terms and a guide to acronyms relevant to the summary.

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:

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

Operational and Environmental Assessment

The Board reviewed and updated the 2021 Operational and Environmental Assessment by identifying and considering internal strengths and challenges as well as 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 meet system needs and 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.

Culture

- The Board and staff demonstrate integrity and willingness to make tough decisions in the best interest of the system.
- Leadership is effective and values succession planning.
- Staff enjoy working with teachers and receive positive feedback.
- Board members have strong institutional knowledge.

Communication

- TRS maintains excellent internal and external communication and effectively addresses problems.
- M-Trust is improving operational efficiency and member services.
- Staff provide prompt and courteous customer service.

Internal Strengths (continued)

Training

- TRS provides effective training for employers at Montana Association of School Business Officials (MASBO) events and by request.
- High quality training is available for Board members and staff including 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).
- Training is available for members at all stages of their career, including “TRS 101” for early- and mid-career members, and “Ready, Set, Retire!” for those approaching retirement.

Infrastructure

- TRS systems include full redundancy and backup capacity for disaster recovery using the state data center.
- Information Technology (IT) staff adhere to technology replacement and support plans.
- TRS has an effective workspace with individual offices.

Member Benefits and Plans

- Members don’t have to manage their own investments (defined benefit).
- TRS is a qualified plan that meets Internal Revenue Service (IRS) rules and is certified by the 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 an estimated rate of return of 7.7%.
- 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), and the National Association of State Retirement Administrators (NASRA).

Internal Challenges

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

Staff

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

Communication

- It is challenging to reach all constituents to ensure they are adequately educated about the system.
- Benefits and programs are undervalued by legislators, members, and taxpayers due to a lack of understanding of the economic benefits of the plan to the State.
- Communicating our mission is an ongoing challenge.
- Members may not engage and take advantage of opportunities to educate themselves about the system (e.g., information on the website or webinars).
- Active, inactive, and retired members have differing communication needs.

Training

- It is difficult to provide training for school boards about the advantages of a defined benefit pension plan. TRS maintains a dedicated school board webpage which may be underutilized.
- Members do not always understand the need for financial planning or the fact that their pension plan provides guaranteed benefits.
- There is limited discussion about Teachers' Retirement among school boards. School boards are concerned about retention and TRS is a significant retention factor.

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 can be activated.
- Develop constituent group resources and connections in partnership 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), Montana Association of School Superintendents (MASS), the Montana Retired Educators Association (MREA), and the Montana Rural Education Association (MREA).
- Encourage Superintendents to bring information from MASS meetings to their boards.
- Engage stakeholders who have the capacity to collaborate and support the system.
- Send more Board members to formal training on topics related to public pensions to support development and create consistency.

Training

- Use resources such as NASRA, NCTR, and NIRS websites, reports, documents, etc. for Board and staff training.

- Develop training for school board trustees and consider virtual delivery.

External Opportunities (continued):

Infrastructure

- Improve or expand IT systems, access to new software and hardware, and develop operational efficiencies within the M-Trust system.
- Develop data validation and audit processes.
- Increase capacity through contracting and staffing.
- Establish agreements and contracts for system support, modification, enhancement, and process/system documentation.
- Streamline workflow, redefine business processes, and redefine roles to better utilize staff time.
- Ensure strategic plans address changing demographics and funding requirements.
- Initiate an online retirement application system (business analysis).
- Increase use of My TRS including encouraging employers to distribute information to members and encouraging members to set up individual My TRS accounts (including sending a letter to new members encouraging participation).

Communication

- Communicate to employers the value of TRS in attracting and retaining quality teachers. School boards are concerned about retention and TRS is a significant retention factor.
- Encourage members to use online resources; expand website information and webinars.
- Build on the quality communication program and expand public relations (e.g., meeting with regional superintendent groups and school board members with Board members).
- Maintain a national advocacy presence with agencies including the IRS and Social Security.
- Identify and discuss competing ideas regarding retirement in the political environment and address organizations that provide inaccurate information regarding defined benefit pensions.
- Advocate for appropriate and enhanced regulatory requirements.
- Encourage the University System to adequately fund its participation in the program.
- Educate employees and members about online security threats.
- Survey members to engage individuals and elicit feedback for service improvements.
- Manage perceptions to ensure public assumptions reflect reality and encourage trained representatives to perform local outreach.
- Incentivize the teaching profession by creating a greater understanding of the value of defined benefits through career fairs and information to educational institutions.
- Electronic information addressing misconceptions (informing new teachers that the system isn't taking 8% of their wages; it is providing an opportunity to participate in a quality retirement plan).
- Make internet-based resources available to members.
- Share and illustrate the positive aspects and benefits of TRS on the state and local economy (e.g., during fiscal year 2022, TRS paid out over \$400 million in benefits, with the bulk of that amount – over \$347 million – paid to 14,212 recipients living in Montana).
- Regularly attend SAM and MASBO meetings.
- Strive for more clear and concise communication with members.
- Educate employers to mitigate individual efforts to manipulate the system for personal gain.

- Educate members about deferred compensation programs as an opportunity to enhance their financial security.

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.
- When membership or salaries do not increase, TRS falls behind in amortizing current unfunded liabilities.
- Actual volatility may impact funding levels, unfunded liabilities, funding requirements, and investment returns.
- Perceived 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.
- Increases in property values and cost of living make it difficult for new teachers to afford housing or to live in Montana.

Workforce

- Teachers moving out of state or working in private or online schools can reduce the workforce contributing to TRS.
- Education is being decentralized (e.g., digital academy, sanctioned education from 3rd party contractors/administrators, education cooperatives). Certain educators may not be TRS employees which could reduce member contributions.
- Charter schools may or may not be public schools and teachers may or may not be eligible to participate in TRS which could reduce TRS membership. Status may vary from entity to entity. Determinations will include whether the Charter Schools are established as Public Charter Schools. State law and IRS code will govern determinations.
- Teacher shortages will continue to increase pressure on TRS to reduce working retiree limitations.
- Factors such as retirement, illnesses and disabilities, school, and family care may lead to workforce shortages.

Operations

- Evaluate utilization of external consultants to ensure the plan complies with applicable state and federal law and administrative rules to reduce the risk of failure to comply.
- Continue to evaluate needs of 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.

Training

- Take advantage of educational opportunities to maintain adequate Board training.
- Provide staff training on policy compliance to reduce risk.

Goals and Objectives

2021 – 2023 Goals Assessment

The Board evaluated the 2021 – 2023 overarching organizational goals and determined they remain appropriate and capture current Board initiatives and direction:

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.

2021 – 2023 Objectives Assessment

The Board evaluated the 2021 – 2023 Strategic Planning Commitment Worksheet and determined TRS met several key objectives including but not limited to:

- Participating in the interim study of Montana’s defined benefit public retirement systems (House and Senate joint resolution 8).
- Completing the Fiscal Year (FY) 2021 tax qualification review documenting compliance of TRS law with federal tax qualification standards.
- Implementing TRS’ “housekeeping bill” (House Bill 88) providing clarification of cash paid in lieu of benefits, making other clarifications and technical corrections to existing TRS law, and implementing an IRS law affecting required minimum distributions.
- Implementing enhanced security features for My TRS users.
- Completing the online withdrawal application.
- Hiring, training, and cross-training qualified staff.
- Updating the pay plan.
- Developing processes and metrics to assess potential information technology enhancements and effectively manage enhancement projects.
- Planning the implementation of the online retirement application.
- Identifying and gaining Board approval of a responsive web design concept.
- Implementing business process and workflow improvements.
- Implementing automated status-oriented communication to members.
- Conducting member surveys and promoting the use of online services.
- Hiring an Auditor to develop internal and external audit capacity.
- Improving outreach efforts, including staff attendance at conferences, member outreach, improved M-Trust communication.

In addition to achieving the preceding strategic objectives, TRS staff responded to several regulatory issues that arose between 2021 and 2023. These efforts include:

- Implementing IRS regulatory changes including the Secure Act 2.0. Efforts related to maintaining compliance with IRS regulations are ongoing (e.g., treating spouse as a member, surviving beneficiary).
- Addressing new Actuarial Standards of Practice (ASOP) 4 Low-Default-Risk Obligation Measure (LDROM) requiring the calculation of liability at the low-risk default rate.

The Board considered the fact that the requirement to implement regulatory or actuarial changes in a short short-time frame may impact strategic objectives. The Board considered the need to respond to regulatory and actuarial changes when planning and implementing strategic objectives (i.e., organizational capacity impacts).

2023 Contemporary Issues and Surveys

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

1. Federal regulatory issues including the Secure Act 2.0, Required Minimum Distribution (RMD) changes (increased age for RMD, required programming and testing to modify letters), and other IRS regulations (e.g., treating a spouse or surviving beneficiary as a member).
2. Actuarial Standards of Practice (ASOP) 4 Low-Default-Risk Obligation Measure (LDROM) requiring the calculation of liability at the low-risk default rate.
3. Recent state legislation such as:
 - 2023 House Bill (HB) 117, introduced at the request of the TRS Board, relaxing certain restrictions on working retirees to provide additional hiring flexibility for TRS employers.
 - 2023 HB 135, the TRS "housekeeping bill," making several language clarifications and technical fixes in TRS law. It also provided a more stringent process for TRS employers to establish that an individual is an independent contractor (effective July 1, 2024).
 - 2023 Senate Bill (SB) 18 inserting a benefit policy statement to each pension system requiring that any future benefit addition must be fully funded. TRS supported this policy change as it mirrored the TRS Board's own Funding and Benefits Policy.
 - 2023 Senate Joint Resolution (SJ) 4 requesting another interim study of TRS and PERS Defined Benefit plans to develop recommendations for a long-term, strategic approach to funding. TRS supported this joint resolution to increase lawmakers' understanding of defined benefit pensions and the consequences of legislative funding decisions.
 - Recent changes to layered amortization on safety systems (this may be considered part of SJ4).
 - Required revisions to the public information process and policy to reflect substantial changes in the law (e.g., public right to know statutes).

4. Survey input from the following stakeholders and partners:

- | | |
|---|----------------|
| • School Administrators of Montana | Dr. Rob Watson |
| • Montana Retired Educators Association | Marilyn Hamer |
| • Montana Rural Education Association | Larry Crowder |
| • Montana Rural Education Association | Dennis Parman |
| • Montana Assoc. of School Business Officials | Shelley Turner |
| • Montana Federation of Public Employees | Amanda Curtis |
| • Teachers' Retirement System Board | |
| • Teachers' Retirement System Staff | |

A sample of survey findings considered by the Board include:

"Keeping a [Defined Benefit (DB)] plan is so important in a state like ours with some of the lowest salaries in the country!" – Active Member Survey Response

"A DB plan is a huge retention incentive and if you get rid of it, we will lose good teachers – even more than we already are." – Active Member Survey Response

"The TRS benefits are outstanding for those who commit to stay in the system. I believe as graduates come out of college and take that first teaching job, retirement is not really on their mind. School districts and TRS could do a better job of explaining the advantages of a defined retirement benefit. A guaranteed retirement benefit is not common in today's world, and it should really be something to be proud of, which makes it a huge potential advantage or strength for TRS." – Affiliate Survey Response

"[We can better serve our customers through] more community outreach for teachers relating to the importance of retirement planning...." -Board Survey Response

"I think we do a wonderful job serving our customers. I know they would appreciate more online avenues to complete forms. I know we have projects in place for that to come." – Staff Survey Response

"M-Trust is a great pension administration system. TRS has quality leadership and staff with good industry knowledge." – 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, 2026.

Organizational Goals and Objectives (continued)

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: high ethical standards; honesty, integrity and impartiality; dignity, respect and mutual support.
- Continue to develop and expand board and staff training and education to maintain knowledgeable and proactive leadership and expertise and identify ideas and opportunities to improve the system.
- Identify, catalog, and prioritize potential information technology (IT) enhancements including a responsive web design.
- 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.
- Maintain best practices in system security.
- Implement succession planning to include internal development and experiential learning opportunities for staff.
- Maintain TRS's market and competency/performance-based pay systems to help attract, retain, and motivate competent employees who support the organization's guiding principles.
- Meet or exceed industry best practice standards (e.g., Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program).

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 including promoting 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.
- Hire additional staff (one full-time equivalent) and contractors to support communication initiatives including outreach and procedural documentation.
- Research available options for TRS to support or promote a deferred compensation system for teachers.
- 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.

Organizational Goals and Objectives: Goal 3 (continued)

- 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 2023 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 action strategies 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 Board of Investments (MBOI) – an agency of state government that provides prudent investment management of state and local government funds.

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.

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.

Glossary (continued)

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.

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 2023 – 2025 Strategic Planning Commitment Worksheet

Goal/Objective	Outcome/Measure	Priority/ Timeline	Responsible party	Resources Required
<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.	Documented compliance of plan terms with the Montana State Constitution and State and Federal laws and regulations.	Every 5 years. FY2021 complete. Next review FY2026)	Executive Director Chief Legal Counsel	Tax counsel fees.
<i>Maintain an actuarially sound qualified retirement plan.</i> Actively participate in the interim study (Senate Joint Resolution - SJ 4). Be responsive to Pension Study requests. Address any issues resulting from the Pension Study Group.	Well-informed policy makers.	FY2024 & FY2025	Executive Director Chief Legal Counsel Board	Staff time, actuarial service fees.
<i>Maintain an actuarially sound qualified retirement plan.</i> Conduct an experience study for the five-year period ending July 1, 2026.	Updated actuarial assumptions.	Next study starts July 1, 2025 with completion in May of 2026	Executive Director Board	Contracted actuarial service fees.
<i>High-performance work culture and service excellence</i> Identify, catalog, and prioritize potential information technology (IT) enhancements including periodic IT enhancement budget and planning Board sessions. The Board will provide guidance on the level of investment in the system. Establish metrics for certain enhancements where appropriate to illustrate the return on investment. <i>Maintain data for cost/benefit analyses of system enhancements and development options (e.g., utilization of online withdrawals, costs of self-provided, contracted, or Information Technology Services Division, services etc.) as needed.</i>	Automation and improved processes. Specific budgets and defined level of investment in IT systems. 2024 – 2025 efforts relate to member convenience and operational efficiency.	Ongoing	Board, M-Trust Steering Team	Staff time, contractor fees.
<i>High-performance work culture and service excellence</i> Implement online retirement application (ORA) functionality.	Member ability to apply for retirement online.	FY2024 planning 2025 – 2026 implementation	M-Trust Steering Team	Staff time, contractor fees.
<i>High-performance work culture and service excellence</i> Implement a responsive web design (i.e., when the user accesses the website, it determines and renders itself based on the device type). Redesign is necessary to remain current with contemporary web expectations and support member convenience.	Mobilize resources to implement a modern website. Position TRS to implement online retirement application (ORA).	FY2024 – FY2025 (template approved prototype to come).	Information Systems Manager and Communications Manager	Staff time, contracted services (vendor or ITSD) Budget adjustment

TRS 2023 – 2025 Strategic Planning Commitment Worksheet (continued)

Goal/Objective	Outcome/Measure	Priority/ Timeline	Responsible party	Resources Required
<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 a priority on major business processes.	Automation and improved processes.	Ongoing	M-Trust Steering Team	Staff time, contractor fees.
<i>High-performance work culture and service excellence.</i> Develop procedural documentation for each team (e.g., desk manuals). Documentation will ensure business continuity and support knowledge transfer/succession planning.	Improved internal documentation and business processes.	Ongoing	Management Team (and staff)	Staff time.
<i>High-performance work culture and service excellence.</i> Continue with a formal strategic planning every 2 years.	Comprehensive and timely strategic goals.	Review 2024 Formal Planning August 2025	Management Team Board	Staff/Board time, contractor fees.
<i>High-performance work culture and service excellence.</i> <i>Maintain best practices in system security and proactively assess options.</i> <i>Pursue identity verification and e-signature options to improve member convenience while ensuring continued transaction security.</i> This will affect any online form we use (e.g., OWA).	Improved functionality and member convenience with continued system security.	Would like to implement with OWA and will be part of ORA. Determine system and develop plan in FY24	Information Systems Manager and Communications Manager	Staff time, vendor fees, contractor fees.
<i>High-performance work culture and service excellence.</i> Succession planning – a number of key staff are retirement eligible, and we have limited options for succession planning. Consider internal development, provide experiential opportunities for staff where applicable.	Improved process documentation; knowledge transfer; cross-training.	Ongoing	Executive Director/Deputy Executive Director	Staff Time
<i>High-performance work culture and service excellence.</i> Maintain TRS Pay Plan to keep it current with contemporary practices and markets.	Contemporary pay plan.	ongoing.	Executive Director, Deputy Executive Director	Staff time.

TRS 2023 – 2025 Strategic Planning Commitment Worksheet (continued)

Goal/Objective	Outcome/Measure	Priority/ Timeline	Responsible party	Resources Required
<i>Communication and outreach (public relations).</i> Coordinate Executive Director and Board member (contingent on location and availability) attendance at School Superintendent meetings in non-legislative years.	Increased communication to Superintendents.	Spring of 2024 (ongoing)	Executive Director and Board	Executive Director and Board time and travel.
<i>Communication and outreach (public relations).</i> Continue external communications including staff attendance at the annual educator conference, legislator education and outreach, collaboration with MFPE as appropriate, and attendance at MASBO and SAM conferences.	Continued staff attendance at strategic events. (webinars are better attended than in-person).	Ongoing	Management Team & Active Team	Staff time and travel expense.
<i>Communication and outreach (member and employer communication).</i> Continue to promote communication with members and employers about system functions, improvements, processes, and transactions including using timeline and status-oriented system communications (e.g., anniversary, RMD and GABA letters).	Strategic promotion of online services.	Ongoing	Management Team Communications Manager	Staff time, mailing, etc.
<i>Communication and outreach (member communication).</i> Continue with Member Surveys to inform our strategic direction, increase retirement awareness, and promote engagement. Distribute member survey results to legislators and other interested parties (including emphasizing the powerful graphs and comments).	An informed and engaged constituency. Valuable data for interim study	2023 full results in October 2023, next survey 2025.	Communications Manager	Staff time.
<i>Communication and outreach (member communication).</i> <i>Promote the system as a benefit to help school districts attract and retain teachers.</i>	Promotional materials and information illustrating the benefits of TRS for use by employers.	Ongoing	Communications Manager	Staff time.
<i>Communication and Outreach</i> <i>Hire an additional 1 FTE Communication Professional to support outreach. Retain contracted services to develop procedural manuals.</i>	Acquire qualified staff and contractors to address communication opportunities.	Fall 2023/Spring 2024	Executive Director and Communications Manager	Staff time. FTE funding. Contracted services budget.
<i>Communication and Outreach</i> Research available options for TRS to support or promote a deferred compensation system for teachers.	Provide information and options to Superintendents at MASS Meetings.	Spring 2024	Executive Director/Chief Legal Counsel	Staff time.

IX. 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 04/01/2023 through 08/31/2023 and any adjustments made during that time period.

We had 536 retirees from 04/01/2023 – 08/31/2023 with average termination pay of \$14,923.83, average monthly benefits of \$2,346.87, average age of 60.80 and average years of service of 23.86.

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

X. Legal Counsel's Report

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

XI. 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 *vacant*

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

Budget/Audit

Dan Chamberlin and *vacant*

Legislation/Litigation

Dan Trost and Dee Brown

Personnel/Policy

Kari Elliott and *vacant*

XII. 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.

XIII. Adjournment

Action Items **A. Motion to Adjourn**