

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

AGENDA
May 9, 2025

OPEN MEETING:

All Times Are Tentative

8:30 I. Call to Order

- Action Items*
- A. Adopt Agenda
 - B. Approval of Minutes – February 10, 2025

8:35 II. Public Comment

8:40 III. Actuarial Audit Report

- Discussion Items*
- A. Milliman Actuarial Audit Report
 - B. CM Response
 - C. Board Discussion
 - D. Public Comment

9:20 IV. Executive Director's Report

- Discussion Items*
- A. 2025 Legislative Summary
 - B. Executive Summary
 - 1. Operations Update
 - C. Public Comment

9:40 V. Communication Manager's Report

- Discussion Item*
- A. Communication Items
 - B. Public Comment

10:00 BREAK

10:15 VI. Administrative Business

- Discussion Items*
- A. Investment Report – Dan Trost
 - B. YTD Financial Statements and Budget Reports – Nolan Brilz
 - C. Personnel Committee Report – Kari Elliott and Elliott Crump
 - D. Budget Committee Report and Budget Justification – Dan Chamberlin and Brian Youngren
 - E. Tentative 2025 Meeting Dates – Aug 1, Oct 3, Dec 5
 - F. Public Comment
- Action Items*
- G. Interest Rate Credited to Member Accounts
 - H. Renew Ice Miller Contract (Tax Counsel)
 - I. Renew AMA Contract (M-Trust Maintenance)
 - J. FY 2026 TRS Budget Request
 - K. Out of State Travel Request
 - 1. NCTR Trustee Workshop
- Information Item*
- L. Next Meeting – Aug 1, 2025

Teachers' Retirement Board Meeting
May 9, 2025
Page 2

10:45 VII. Board Training

Discussion Items A. Non-Discrimination in Employment and Provision of Services

11:00 VIII. Legal Counsel's Report

Information Item A. Summary of Legal Issues

11:10 IX. Applications and Benefit Adjustments

Information Item A. Regular, Survivorship, Adjustment & Corrections

11:15 X. Long Range Planning

Discussion Item A. Strategic Planning Worksheet Updates
 B. Public Comment

CLOSED MEETING

11:30 XI. Disability Applications

Discussion Item A. Executive Session to Discuss Disability Applications

OPEN MEETING

Action Item B. Applications for Disability Retirement Benefits

Discussion Item C. Public Comment

12:00 XII. Adjournment

NOTE:

- This will be an in-person board meeting with an option for virtual attendance. Limited seating is available in the board room. 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 444-3134, e-mail Mary.Corder@mt.gov, or write to P.O. Box 200139, Helena, Montana 59620) no later than 5 working days prior to the meeting to advise of the nature of the accommodation you need.

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 February 10, 2025 board meeting.

Montana Teachers' Retirement System Board Meeting

February 10, 2025

BOARD MEMBERS PRESENT

Kari Elliott, Chair
 Dee Brown, Member (*virtual*)
 Elliott Crump, Member
 Brian Youngren, Member

BOARD MEMBERS ABSENT

Daniel Trost, Member
 Daniel Chamberlin, Vice Chair

STAFF PRESENT

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

OTHERS PRESENT

Dan Villa, Executive Director, Montana Board of Investments
 David Severson, Retired member (*virtual*)
 Sean Kirkpatrick, Member of public (*virtual*)
 Andrew (no last name given), Member of public (*virtual*)

Call to Order

Chairperson Kari Elliott called the meeting to order at 8:31 a.m. Three Board members constitute a quorum, and four members were in attendance.

Adoption of the Agenda

Chairperson Elliott requested a motion to adopt the meeting agenda.

Motion/Vote: Member Brian Youngren moved to adopt the agenda, with Member Elliott Crump seconding. The motion was approved by all members present.

Approval of Minutes

Chairperson Elliott requested a motion to approve the minutes from the December 6, 2024 meeting.

Motion/Vote: Member Crump moved to approve the December 6, 2024 minutes. Member Youngren seconded the motion, which 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.

BOI Annual Report

Dan Villa, Executive Director of the Montana Board of Investments (BOI), provided an annual investment report for the Board as required by statute. Strategic asset allocation is the driver of returns, and Director Villa stated that the BOI's objective is to achieve the highest level of investment performance that is compatible with its risk tolerance and prudent investment practices.

TRS inception-to-date returns are 7.77%, well above the long-term return assumption of 7.30%. He noted that while it is impossible to predict what investment returns may be at the end of FY 2025, there is more than enough liquidity to continue paying benefits into the foreseeable future.

The BOI's annual Consolidated Asset Pension Pool (CAPP) investment report shows performance compared to similarly sized public employee retirement plans in other states. Five-year CAPP returns were higher than peers and the U.S. Public median. The investment fee ratio as a percentage of assets under management (AUM) has continued to decrease, from 0.33% in FY 2018 to 0.27% in FY 2024.

Member Dee Brown asked for Director Villa's opinion on provisions within Governor Gianforte's proposed budget that would set aside a large sum of money for the public pensions. Director Villa confirmed there is a bill working its way through the Legislature that would place \$300 million into a state special revenue account that could be used to stabilize TRS and PERS in the event of a future economic crisis. The bill also provides for a gradual increase in employer contribution rates, which the Legislature could choose to offset with interest earned on that \$300 million. Director Villa believes the bill stands a reasonable chance of passage, given the state's budget surplus.

Public Comment

There was no comment.

Administrative Business

Investment Report

With Member Daniel Trost absent and Director Villa having just delivered a thorough report on TRS investments, Executive Director Shawn Graham indicated no report would be necessary.

FY 2024 Annual Comprehensive Financial Report

Nolan Brilz, TRS Accounting/Fiscal Manager, provided each member of the Board a copy of the TRS Annual Comprehensive Financial Report (ACFR) for the period ending June 30, 2024. He reviewed key sections and highlights and noted that TRS once again received a clean audit with no recommendations. There were no further questions from the Board.

FY 2025 YTD Financial Statements and Budget Report

Mr. Brilz then reviewed TRS financial statements as of December 31, 2024. Investments increased by nearly \$500 million compared to December 31, 2023, while liabilities remain stable. Year-to-date income has increased significantly since last year, and benefit payments continue to increase gradually each year, as expected. Administrative expenses remain well within the expected range, and investment returns have been strong over the past several months, as previously reported by Director Villa of the BOI. He is hopeful those gains will continue through the end of the fiscal year.

The TRS operating budget as of December 31, 2024, shows a surplus due primarily to salary savings for vacant positions and a lack of legal expenses. Based on these factors, Mr. Brilz anticipates the surplus will be at least \$150,000 by the end of FY 2025.

Personnel Committee Report

Chairperson Elliott and Member Crump previously met with Jim Kerins of Communication and Management Services, LLC, to evaluate Director Graham's performance for the past year. Chairperson Elliott explained that the Board's two-year strategic plan is the primary document against which his performance is evaluated, along with survey responses collected from staff, Board members, and other stakeholders. They reviewed Director Graham's ratings on all management criteria and stated that his performance exceeds expectations in all areas.

Tentative 2025 Meeting Dates

Chairperson Elliott asked members to review the tentative meeting dates of May 9, August 1, October 3, and December 5, 2025. No conflicts were noted.

Out of State Travel Requests

Director Graham presented requests by four members of the TRS management team to attend conferences related to their areas of expertise. The FY 2025 budget approved last May already includes the necessary funds; this action item is to formally authorize the out-of-state travel.

The requests are for TRS IT Manager John Noble to attend the PRISM conference in April, Deputy Executive Director Tammy Rau to attend the GFOA conference in June, Chief Legal Counsel Jim Malizia to attend the NAPPA conference in June, and Director Graham to attend the annual NCTR Directors' meeting, also in June. Chairperson Elliott commented on the benefits of having these staff involved in these organizations and to network with peers from other retirement systems.

Motion/Vote: Member Brown moved to approve the four out-of-state travel requests. Member Youngren seconded the motion, and it was approved by all members present.

Tuition Reimbursement Request

Chairperson Elliott introduced a tuition reimbursement request for TRS staff member Jaxon Simonson. Director Graham reviewed key sections of the TRS Tuition Reimbursement Program, which was approved by the Board in 2015. Mr. Simonson is pursuing a Master of Business Administration degree through an accredited institution and his participation meets all requirements.

Motion/Vote: Member Crump moved to approve the tuition reimbursement request for Mr. Simonson. Member Youngren seconded the motion, which was approved by all members present.

Public Comment

There was no comment.

Next Meeting Date

The next meeting of the TRS Board is scheduled for Friday, May 9, 2025.

Executive Director's Report

Staff/Operations Update

Director Graham reported that after Chief Legal Counsel Denise Pizzini unexpectedly retired from TRS in December 2024, her position was advertised and TRS received a number of qualified applicants. Director Graham noted that it is rare to find an attorney with prior pension law experience, and TRS is fortunate to have hired James (Jim) Malizia, who has been an attorney with the Montana Public Employee Retirement Administration for the last six years. Mr. Malizia, who joined TRS last week, thanked the Board for the opportunity to serve teachers and others.

The communications specialist hired in December 2023, Jennifer Van Syckle, accepted a position outside State government and left TRS in mid-January 2025. The vacancy was quickly re-advertised and attracted a large pool of applicants. Three candidates with highly relevant experience were interviewed and TRS hopes to have the position filled within the next few weeks.

2025 Legislation Update

Director Graham reported that he has had several discussions with the Legislative Committee (Members Brown and Trost) about various bills, although nothing controversial has been proposed thus far. The TRS general revisions (housekeeping) bill, HB 67, was passed by the House and is awaiting a hearing in the Senate. The MUS-RP supplemental contribution bill (HB 51) requested by the Board had a hearing in the House Education committee, after which it was amended to extend the deadline for paying off the University System's unfunded liability from 2033 to 2046 and to increase the supplemental contribution rate from 4.72% to 6.00%. The committee passed the amendment but then tabled the bill. Director Graham said the Board may want to borrow ideas from the amendment for its 2027 MUS-RP supplemental contribution bill.

Director Graham reported on four bills introduced by others, including SB 287, the funding bill described earlier by Director Villa. Three working retiree bills (HB 158, HB 349, and HB 359), if passed, would provide additional flexibility for certain employers to hire retired TRS members. None of the working retiree bills would have a significant fiscal impact on TRS and likely will become law.

Member Brown asked Director Graham for his opinion on SB 287 and the potential for TRS to benefit from the \$300 million that would be held in the state special revenue account. He commented that the proposed increase in employer contribution rates would benefit TRS immediately by reducing the amortization period by 1-2 years. However, he doubts any funds would be transferred from the special revenue account to the pension fund. Language in the bill specifies that a transfer could occur only if TRS's inception-to-date return had been lower than the actuarially assumed rate of return for two consecutive years, and the Board's funding policy makes that scenario highly unlikely. However, TRS will be a proponent, as passage of the bill would benefit the system.

IT Manager's Report

TRS IT Manager John Noble provided his annual report to the Board showing IT expenditures for fiscal years 2023 and 2024, as well as FY 2025 year-to-date expenditures. He reviewed various line items including costs for SITSD to develop TRS's new website template in the Cascade CMS tool. He noted that expenditures for hardware and software have decreased significantly, while some ITSD line items show an increase. This is because most of those services have been centralized. TRS no longer purchases and maintains its own servers and now accesses most software through ITSD.

Mr. Noble described the current TRS IT server and workstation environment and provided an update on several internal IT projects, including a major migration to a new source code repository for management of M-Trust code. He also has begun applying responsive design to *My TRS*, the online member portal. When complete, users will be able to view and navigate *My TRS* on mobile devices.

Public Comment

There was no comment.

Legal Counsel's Report

Chief Legal Counsel Jim Malizia reported there are no pending legal issues at this time.

Applications and Benefit Adjustments

Deputy Director Rau reported that TRS staff processed 33 applications for retirement benefits in the months of November and December 2024. These retirees were slightly less than 61 years old on average, with nearly 15 years of creditable service and a monthly benefit of approximately \$1,200.

Long Range Planning

Director Graham reminded the Board that a new two-year strategic plan will be developed at the August 2025 meeting. He provided a status update on some objectives listed on the Commitment Worksheet, including the new responsive website design. The Board saw an initial demonstration of the design last August, and the former communications specialist continued working on the layout and inserting draft content until her departure. Content still needs to be reviewed and updated, but ideally the new design will be implemented sometime this summer.

In response to questions from the Board, Director Graham reported that due to low attendance at in-person retirement education events last fall, TRS staff will shift focus to webinars in the fall of 2025, although it is likely they will participate in the annual MFPE Educator Conference for one day. Superintendents around the state seem to appreciate Director Graham's attendance at regional MASS (Montana Association of School Superintendents) meetings, and he plans to continue that relationship. Member Crump suggested he also attend the MCEL (Montana Conference of Education Leadership), which usually is held in the fall around the same time as the MFPE annual conference. Director Graham agreed to explore that idea.

Public Comment

There was no public comment.

Board Training

Privacy and Security of Personal Information

Mr. Malizia reviewed the TRS policy on Privacy and Security of Personal Information and Notification of Breach of the Security of a Data System and provided a summary of main points, including the definition of Personally Identifiable Information (PII). The policy describes the types of PII collected by TRS and its business practices regarding the security, storage, and disposal of PII.

The second part of the policy describes the formal process that TRS would follow if a data breach were to occur. There were no further questions about the policy from members of the Board.

Public Comment

There was no public comment.

Disability Applications

Closed Meeting

Executive Session to Discuss Disability Applications

The Board began its executive session at 10:31 a.m. to review one application 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

Chairperson Elliott reopened the meeting at 10:54 a.m. and requested a motion.

Approval/Disapproval of Applications for Disability Retirement Benefits

Motion/Vote: Member Youngren moved to approve member C.S.'s request for disability retirement, with Member Brown seconding. The motion was approved by all members present.

Public Comment

There was no public comment.

Adjournment

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

Motion/Vote: Member Crump moved to adjourn, Member Youngren seconded the motion, and the meeting was adjourned at 10:56 a.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 Audit

Discussion Items

A. Milliman Actuarial Audit Report- Ryan Falls from Milliman will present an executive summary of the actuarial audit and be available for questions. The audit report is available on the TRS website located here: [2025 Milliman actuarial audit](#)

B. CavMac Response – Opportunity for Todd Green and Bryan Hoge from CavMac to respond to any findings or recommendations in the audit report. Written response is available on the TRS website located here: [CavMac Consulting's response](#)

C. Board Discussion – Opportunity for the board to discuss the audit and to provide guidance to staff and the contract actuary (CavMac) if there are recommendations or findings within the audit that the board wants to implement during the next actuarial valuation.

D. Public Comment – Opportunity for any member of the public to comment on the actuarial audit.

IV. Executive Director's Report

Information Items **A. 2025 Legislation Summary:** I have attached an updated copy of the 2025 Legislative Session Summary which includes the main provisions and status of each bill that impacts TRS.

As you know, TRS only requested two bills this session; our housekeeping bill (HB 67) and the MUS supplemental contribution bill (HB 51).

Our housekeeping bill was supported by the Education Coalition and MFPE. The bill did not have any opponents and it passed the legislature without any amendments.

Our bill to increase the Montana University System supplemental contribution rate was tabled in first committee and garnered little to no discussion from the legislature.

B. Executive Summary:

1. **Operations Update:** Lexi Newcomer was hired on March 3rd to fill our Communications Specialist position previously held by Jennifer Van Sickle. Lexi has a background in graphic design, outreach and technical writing. You will have a chance to meet Lexi during the Communication Manager's report.

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


 TRS

2025 Legislative Update

TRS Board Legislation

HB 67	Generally Revise Laws Related to the Administration of TRS
Sponsor:	Representative Marta Bertoglio (R) HD 75
Effective:	July 1, 2025
Status:	Passed Legislature and signed by Governor Gianforte
TRS Position:	Proponent

This General Revisions ("housekeeping") bill revised or clarified several TRS membership provisions:

- The definition of *extra duty service* in 19-20-101, MCA, has been clarified and expanded. Extra duty service that falls outside the school district's regular curricular, cocurricular or extracurricular programs, and that is not reportable to TRS on its own, now must be reported when it is assigned to a school district teacher, teacher's aide, paraprofessional or administrator for purposes of student supervision.
- 19-20-208, MCA (Duties and liability of employer) now includes the requirement to report hours and wages for substitute teachers and part-time teachers' aides/paraprofessionals who elect to defer membership until they complete at least 210 hours of service in a single fiscal year. This requirement allows TRS to track hours reported for these employees and to activate membership automatically once they reach or exceed the 210-hour threshold.
 - Related clarifications also have been made in 19-20-302 (Active membership) and 19-20-417 (Credit for substitute teaching service, part-time teachers' aide service, paraprofessional service, or other service not reported).
- The term *educational services capacity* has been inserted in 19-20-302 (Active membership) to specify the criteria that TRS applies when determining whether an individual must be reported to TRS.
- IRS changes to Required Minimum Distribution (RMD) ages have been incorporated into 19-20-703, MCA.
- 19-20-905, MCA, has been clarified to explain how TRS would calculate and restore monthly benefits if a member who originally retired under a disability allowance later returned to active TRS membership and earned a "second benefit" before subsequently re-retiring with TRS.

TRS Board Legislation – continued

HB 51	Increase University System Supplemental Employer Contribution to TRS
Sponsor:	Representative Eric Matthews (D) HD 66
Effective:	July 1, 2025
Status:	<i>Failed to pass the Legislature</i>
TRS Position:	Proponent

This bill would have increased the employer supplemental contribution rate from 4.72% to 14.21% of all MUS-RP participant salaries to amortize, by 2033 (as required in 19-20-621, MCA), the unfunded liability created when TRS was closed to all University System new hires.

The House Education committee amended the bill to extend the required amortization date from July 1, 2033, to July 1, 2046; to increase the supplemental contribution rate for MUS-RP employers from 4.72% to 6.00%; and to remove the requirement for the TRS Board to periodically review and recommend rate adjustments to the Legislature. The committee passed this amendment but tabled the bill.

Other Bills Potentially Affecting TRS

HB 158	Revise Working Retiree Provisions Under TRS
Sponsor:	Representative Melissa Nikolakakos (R) HD 20
Effective:	July 1, 2025
Status:	Passed by Legislature and signed by Governor Gianforte
TRS Position:	Informational

Existing provisions in 19-20-732, MCA, temporarily allow certain school districts to fill vacant positions with TRS members who retired with 27 or more years of creditable service. Retirees reemployed under this provision are not subject to earnings limitations and their monthly retirement benefit is not reduced.

HB 158 increases the time limit for reemployment under this provision from 3 years to 5 years in the retiree's lifetime and extends the sunset date from July 1, 2027, to July 1, 2029.

HB 349	Revise TRS Laws Related to Reemployment
Sponsor:	Representative Melissa Nikolakakos (R) HD 20
Effective:	Upon passage and approval
Status:	Passed by Legislature and transmitted to Governor
TRS Position:	Informational

A new provision (19-20-735, MCA) expands existing provisions of 19-20-732, MCA, to allow the Office of Public Instruction (OPI) to fill TRS-reportable positions with retired TRS members on a full-time basis with no loss or interruption of benefit payments. Members reemployed under this provision must have retired with at least 27 years of creditable service and reemployment with OPI is limited to 5 years during their lifetime.

Other Bills Potentially Affecting TRS – continued

HB 359 **Revise TRS Laws on When Retired Teachers Can Return to Work**

Sponsor: Representative Jamie Isaly (D) HD 58
 Effective: July 1, 2025
 Status: **Passed by Legislature and transmitted to Governor**
 TRS Position: Informational

Under 19-20-734, MCA, recently retired members who have not yet completed their mandatory break in service are allowed to substitute teach for a regular classroom teacher for up to 45 days during their break-in-service period. This bill added mentoring of a newly hired teacher to the existing exception.

SB 287 **Generally Revise State Finance Laws**

Sponsor: Senator Wendy McKamey (R) SD 12
 Effective: July 1, 2025
 Status: *Failed to pass the Legislature*
 TRS Position: Proponent

This general funding bill included two provisions benefiting TRS. If the bill had passed, one provision (as amended) would have increased the supplemental contribution rate paid by TRS employers by 0.1% each year for 20 years beginning on July 1, 2027.

Another provision could have allowed a limited transfer of funds from a state special revenue account to TRS if a serious economic downturn were to threaten the future financial stability of the retirement system. (The same provisions were included in HB 924, described below.)

HB 924 **Generally Revise State Finance Laws**

Sponsor: Representative Llew Jones (R) HD 18
 Effective: July 1, 2025
 Status: **Passed by Legislature**
 TRS Position: Proponent

Similar to SB 287, this bill increases the employer supplemental contribution rate by 0.1% each year for 20 years, beginning July 1, 2027. This provision will help to improve the funded status of the system.

The bill also creates a pension reserve fund within the Montana Growth and Opportunity Trust (MGOT) and provides general fund transfers of \$250 million in FY 2025, \$48.2 million in FY 2026 and \$36.8 million in FY 2027 into the pension portion of the MGOT. If a future economic downturn were to cause TRS inception-to-date investment returns to fall below the actuarially assumed rate of return for two consecutive years, an amount necessary to bring the inception-to-date market rate of return up to the actuarially assumed rate of return (not to exceed 25% of the pension reserve fund balance) could be transferred to TRS.

Other Bills Potentially Affecting TRS – continued

HB 700	Change Amortization Period for DB Retirement Systems to 25 Years
Sponsor:	Representative Bill Mercer (R) HD 52
Effective:	July 1, 2025
Status:	<i>Failed to pass the Legislature</i>
TRS Position:	Proponent

Current law requires Montana's defined benefit (DB) pensions to amortize in 30 years or less. This bill, which was tabled in committee, would have applied a more conservative amortization period of 25 years. TRS currently amortizes in 21 years; however, if economic conditions were to increase the amortization period beyond 25 years, this bill would have compelled the Legislature to address the funding shortfall to help the State of Montana fulfill its contractual obligation to pay benefits to eligible retirees and survivors.

V. Communication Manager's Report

Discussion Items **A. Communication Items** – Darla Fitzpatrick will introduce our new Communications Specialist and lead the board through a discussion of the attached Communications Manager's Report which outlines the various communication and outreach activities that are currently underway.

B. Public Comment - This is an opportunity for any member of the public to comment on Communication Manager's report.



Montana Teachers'
Retirement System

Communication Manager's Report

Darla Fitzpatrick • May 9, 2025

Communication and Outreach Activities

New Communications Specialist

As previously reported, the person hired in late 2023 to fill the newly created Communications Specialist position left TRS in January 2025 for a position in the private sector. TRS readvertised the position in February and received more than 20 applications. Three applicants with the strongest experience were interviewed, and **Lexi Newcomer** was the successful candidate. She came to TRS on March 3, 2025, from another state agency and has already shown herself to be highly organized and quick to learn about TRS. We are happy to have her on the team!

Thanks to Ms. Newcomer's technical knowledge and interest in web design, she will be primarily responsible for managing content on the new TRS website after it is implemented. She also is taking online training courses on ADA accessibility guidelines and is eager to help ensure TRS complies with all requirements by the April 2026 deadline.

Employer outreach activities

The Montana Association of School Business Officials (MASBO) invites TRS to participate in one or more of its events each year. Ms. Fitzpatrick creates PowerPoint presentations that typically are delivered by Nolan Brilz. The Communications team plans to accompany Mr. Brilz to the 2025 MASBO summer conference in Great Falls, where he will conduct two training sessions on accurate employer reporting and recent legislative changes.

Employer audits conducted by Chris Fish have helped to highlight common reporting errors, and Ms. Fitzpatrick has collaborated with staff on new fact sheets and procedures to address these errors. For example, she worked with Ms. Fish, Director Graham, Nolan Brilz, and other staff on a fact sheet that explains how to determine whether short-term employees (e.g., coaches) must participate in TRS and how to calculate and report extra duty service credit.

Legislative changes often affect TRS employers, and Ms. Fitzpatrick worked with Director Graham and other staff in 2024 to develop a new webpage, form, and fact sheet to help employers understand new Independent Contractor requirements. In early 2025 she distributed instructions explaining how to confirm TRS membership status for new hires and how to report hours and wages for substitute teachers and part-time teachers' aides/paraprofessionals who elect to defer membership until they reach the threshold for mandatory participation (210 hours in a single fiscal year).

Member outreach activities

Ms. Fitzpatrick updates the "*TRS 101: Retirement System Basics*" and "*Ready, Set, Retire!*" presentations each year for in-person presentations and webinars. In the past, TRS has joined MFPE

for fall retirement workshops across the state, and TRS staff (including Communications staff) have attended the annual MFPE Educator Conference to host a TRS booth, conduct presentations, and provide individual counseling to members who are planning for retirement.

Ten in-person presentations were delivered in 2024 at the fall workshops and annual conference, but attendance was quite low (approximately 8 members per presentation, on average). Webinar attendance, on the other hand, was strong with 312 attendees across five sessions.

For this reason, TRS will not travel to fall workshops in 2025 and will reduce its presence at the MFPE Educator Conference this year. Instead, the Communications team will expand online offerings to members, which may include additional webinars, animated explainer videos, and recorded presentations.

“TRS Horizons” member newsletter

TRS produces two issues of the newsletter in odd-numbered (legislative) years and one issue in even-numbered years. The Fall/Winter 2024 issue was mailed in December, and a Spring/Summer 2025 issue is currently in development. It will include a summary of the legislative session and other topics of interest to active and retired members.

Forms, fact sheets, and web content

The Communications team is responsible for keeping all TRS forms, fact sheets, webpages and other materials current, and these tasks generally increase during and after a legislative session.

The launch of the new website originally was targeted for early summer following the Legislative session, but due to our recent staffing change and other priorities, rollout will likely not occur until August 2025. In the meantime, both Ms. Fitzpatrick and Ms. Newcomer have completed online courses to learn the Cascade CMS platform and will continue adding content in a test environment.

DocuSign adoption

In 2024, Ms. Fitzpatrick was involved in requesting access to DocuSign’s identity verification (IDV) services through the State’s enterprise agreement. TRS plans to apply IDV features to certain online transactions, including withdrawal (refund) applications, although additional coding changes will be needed. Ms. Fitzpatrick continues to explore potential uses for DocuSign without IDV, such as to collect digital signatures on low-risk TRS forms and to allow public website users to complete a DocuSign web form to report the death of a TRS member.

Member survey

TRS is scheduled to conduct a member survey in 2025 and likely will focus on the quality of TRS customer service. Members were last surveyed on this topic in 2020. We are hopeful that MFPE will assist with promoting the survey among our shared membership after school starts in the fall.

VI. Administrative Business

Discussion Items

A. Investment Report – Dan Trost will report on the recent activities of the BOI. The attached report from BOI shows our investment returns through March 31, 2025. TRS posted a -1.77% return for the month of March and our FYTD return is now 3.90%. Our current inception to date return is 7.70%. It seems to be anyone's guess what the market is going to do from one day to the next recently. It will be interesting to see where we end up come June 30th.

B. YTD Financial Statements and Budget Reports – Attached for the Board's information are the fiscal reports thru March 31, 2025. Nolan Brilz, Accounting Manager for TRS, will present the financial statements and budget reports and answer questions from the Board.

C. Personnel Committee Report: – Kari Elliott and Elliott Crump will provide a verbal report on the Personnel Committee meeting held on April 23rd to review TRS pay plan recommendations effective for the upcoming fiscal year.

D. Budget Committee Report – Dan Chamberlin and Brian Youngren will provide a verbal report on the Budget Committee conference call held on April 28th to review the TRS budget request and justification for fiscal year 2026.

E. Tentative 2025 Meeting Dates – Tentative 2025 meeting dates: August 1, October 3, December 5.

Please check your calendar prior to the meeting and bring up any schedule conflicts that you are aware of.

F. Public Comment – Opportunity for any member of the public to comment on the administrative business of the Board.

Action Items

G. Set the Interest Rate Credited to Member Accounts - Each year the Board is required to set the rate of interest that is credited to active member accounts. Historically, the interest rate has been set close to the short-term investment rate earned by the Board of Investments. The current rate is 4.25% which was set last May. Attached are charts compiled by the accounting staff showing the year to date short-term returns. The Board of Investment's short-term interest year-to-date rate as of March 31, 2025, was 4.83%; however, you can see that it has been trending downward and the yield for the month of March was 4.38%. Between July 1, 2024 and March 31, 2025, the rate has dropped 1.02% from 5.36% to 4.38%.

MPERA revised their policy in January to set the interest credited to member accounts at the lesser of 2.50% or the actual STIP yield for the most recent fiscal year. 19-20-201(1)(i) and 19-20-501(2), MCA, both state that the TRS Board shall annually set the rate of regular interest but there are no guidelines on how the rate is determined in law or policy. Prior practice of the board has been to set the rate close to the STIP rate while taking into account recent trends because we set the rate in May for the following fiscal year. I

recommend that we follow suit with the action taken by the MPERA Board and set the rate at 2.50% for the period July 1, 2025 thru June 30, 2026. Additionally, we should discuss whether the board would like to adopt a formal policy similar to what they have adopted at MPERA. We could have the policy available for initial review/discussion at our August meeting and take action on the policy at our October meeting.

Action Item: Set the interest rate credited to member accounts for FY 2026.

H. Renewal of Ice Miller Contracted Services Agreement: Ice Miller has been our tax counsel for IRS compliance and other federal issues since 1997. Ice Miller is one of a few firms in the country with attorneys who specialize in the area of public pension plan compliance with IRS regulations.

Ice Miller keeps the retirement system apprised of impending and actual modifications to tax law/regulation and modifications to regulatory processes that have an impact on the retirement system, and ensures competent, ready representation of the retirement system with the IRS.

Staff recommends the Board approve the attached legal services agreement addendum with Ice Miller for FY 2026. Ice Miller's hourly rates are included as addendum A.

Action Item: Staff recommends approval of the Ice Miller contracted services agreement renewal.

I. Alfred Munksgard and Associates (AMA) – M-Trust Maintenance: This addendum maintains our current monthly maintenance fee at \$12,000 per month from July 1, 2025 through June 30, 2028

Staff recommends the Board approve the attached service agreement addendum with AMA.

Action Item: Approve the contract addendum for AMA maintenance of the M-Trust system.

J. FY 2024 Budget Justification/Request – The TRS budget committee met via conference call on April 28th to review the attached budget justification/request for FY 2026. The spreadsheet includes the approved budget and the actual expenditures YTD for FY 2025. A brief explanation/justification has been provided for most of the line item amounts requested for FY 2026. Nolan Brilz, Accounting Manager for TRS will lead the Board through the budget justification discussion and provide additional detail or explanation for any of the listed items at the Board's request.

The proposed FY 2026 budget request of \$4,346,286 is 7.97% greater than the approved budget for FY 2025 of \$4,025,516. The major increases or decreases are as follows:

- Personal Services increased by 11.08% or \$267,127 from \$2,410,000 to \$2,677,127. Approximately 51% of this increase or \$137,000 is due to the statutory pay increase in HB 13 which is the greater of \$1.00 per hour or 2.5% for each position effective July 1, 2023. An additional 28% or \$75,527 of this increase is attributable to the pay plan adjustments recommended by the TRS Personnel Committee. The remaining 21% of this increase is due to the employer share of health insurance, benefits and tuition reimbursement.
- Contracted services increased by 3.59% from \$951,941 to \$986,157 primarily attributable to various fixed costs. We held M-Trust development for enhancements flat at \$95,000 and project management/test lead services flat at \$120,000.
- Supplies/Materials is projected to be flat with a 0.00% increase.
- Communications decreased by 11.64% which was attributed to only budgeting for postage on one newsletter in FY 2026 instead of two.
- Our travel budget increased by 2.70% from \$37,000 to \$38,000. We budgeted an additional \$1,000 for in-state employee travel (E.D. will travel to MASS meetings fall of 2025 and spring of 2026).
- Software maintenance increased by 2.70% which is attributable to inflationary increases in our software licenses/maintenance agreements.
- Total operating costs for TRS increased by \$53,643 or 3.32% from \$1,615,516 in FY 2025 to \$1,669,159 in the FY 2026 request; \$25,542 of this increase is associated with our Legislative Audit costs.

At the bottom of the Budget Justification spreadsheet, you will see that our Administrative Expenses as a Percentage of Benefits Paid in FY 24 was 0.83%. Pursuant to 19-20-501(3), MCA, the administrative expenses of the system minus amortization of intangible assets may not exceed 1.5% of the retirement benefits paid. The M-Trust project was fully amortized in FY 2024 so we will no longer have those amortization costs included in our operating expenses beginning in FY 2025. When adjusted to remove the amortization and depreciation costs, our total budget in FY 2024 was 0.79% of benefits paid.

Action Item: Staff recommends approval of the FY 2026 TRS Budget Request and/or provide instructions to staff for any revisions as necessary.

K. Out-of-State Travel – In past years, either in lieu of, or in addition to the NCTR Annual Conference, board members have attended the NCTR Summer Trustee Workshop. The Board will need to discuss which members would be available to attend trustee workshop and decide whether to authorize out-of-state travel for this purpose.

NCTR Summer Trustee Workshop – This workshop will be held in conjunction with the Raymond A. Mason School of Business at William & Mary in Williamsburg, Virginia on July 13-16th.

There isn't any detailed information available on the NCTR website as of this writing other than the conference location, dates (July 13-16th), registration fee of \$2,710 per attendee and the hotel rate of \$219 per night plus tax.

Estimated cost – NCTR Summer Trustee Workshop: \$4,500 per Board member including a registration fee of \$2,710 for each participant. The Board should discuss who might be able to attend the trustee workshop this year and then approve the out of state travel for those members. The budget authority for this trip was included in our FY 2026 budget request.

Action Item: Approve out of state travel for up to 2 Board members to attend the NCTR Trustee Workshop.

Information Item **L. Next Meeting Date** – August 1, 2025

	UNITS OUTSTANDING	UNIT VALUE	MARKET VALUES(000)	ALLOCATION (%)
Allocation				
TEACHERS RETIREMENT			5,196,463	100.00
SHORT TERM INVESTMENT POOL (STIP)	92,722,776.46	100.00000	92,723	1.78
Consolidated Asset Pension Pool (CAPP)	2,772,038,949.03	184.11501	5,103,740	98.22

	ITD	INCEPTION DATE
Longest Measurable Plan Return	7.70	7/1/1994

	MONTH	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD	INCEPTION DATE
Returns										
TEACHERS RETIREMENT	(1.77)	(0.09)	3.90	5.12	4.53	10.43	7.38	7.06	8.15	07/01/1994
TEACHERS RETIREMENT CUSTOM BENCHMARK (YWN2D) - BLDR	(2.17)	(0.49)	4.00	4.55	4.01	11.15	7.01	-	8.09	
SHORT TERM INVESTMENT POOL (STIP) [1]	0.37	1.10	3.68	5.08	4.40	2.72	2.01	1.89	2.49	4/1/1997
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR	0.37	1.09	3.69	5.11	4.49	2.70	1.97	1.84	2.43	
Consolidated Asset Pension Pool (CAPP)	(1.80)	(0.10)	3.90	5.10	4.54	10.54	-	-	7.94	4/1/2017
CAPP CUSTOM BENCHMARK (MONCAPP) - BLDR	(2.20)	(0.51)	4.01	4.54	4.01	11.25	-	-	7.31	

	Plan Market Value \$(000)	Allocation (%)
Allocation - Asset Class		
TEACHERS RETIREMENT	5,196,463	100.00
Domestic Equity - PAC	1,339,759	25.77
International Equity - PAC	756,906	14.57
Private Investments - PAC	912,198	17.55
Real Assets - PAC	323,093	6.22
Real Estate - PAC	642,191	12.36
Core Fixed Income - PAC	730,387	14.06
Non-Core Fixed Income - PAC	373,915	7.20
Cash Equivalents - PAC	25,291	0.49
PENSION CASH	92,723	1.78

	MONTH	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD	INCEPTION DATE
Returns										
Domestic Equity - PAC	(5.90)	(5.07)	3.42	6.42	7.84	18.16	11.39	9.62	10.06	5/1/2003
Domestic Equity - PAC Custom Blend (MONDE) - BLDR	(5.90)	(4.80)	3.72	7.20	8.27	18.35	12.02	10.12	10.73	
International Equity - PAC	(0.92)	4.27	5.37	6.09	4.07	11.00	5.23	4.85	4.91	4/1/1997
International Equity - PAC Custom Blend (MONIE) - BL [2]	(0.14)	4.59	4.54	5.50	3.99	11.02	5.02	5.18	5.15	
Private Investments - PAC	(0.05)	0.05	3.40	4.52	5.13	12.73	11.77	11.01	12.25	5/1/2002
Private Equity PAC Custom (MONPE) - BLDR	(4.93)	(5.79)	2.35	0.17	3.73	16.46	8.96	10.56	10.39	
Real Assets - PAC	0.14	1.43	5.58	6.64	9.21	11.59	-	-	5.93	4/1/2017
Real Assets - PAC Custom Blend (MU7EBM) - BLDR	3.88	9.41	9.38	9.49	3.71	14.11	-	-	3.96	

	<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	0.05	0.66	0.87	(0.07)	0.31	4.96	6.66	-	4.15	6/1/2006
Real Estate - PAC Custom Blend (MONRE) - BLDR	0.96	0.96	0.32	(2.27)	(3.14)	4.12	3.20	-	3.92	
Core Fixed Income Pre and Post CAPP [3]	0.02	2.91	4.49	4.80	0.71	(0.01)	1.52	3.57	5.01	4/1/1995
Core Fixed Income Custom Benchmark (CFIBM1)	0.04	2.78	4.81	4.88	0.52	(0.40)	1.22	3.05	4.40	
Non-Core Fixed Income Pre and Post CAPP [4]	(0.89)	1.13	5.78	6.44	3.98	5.82	4.00	-	6.57	6/1/2009
Bloomberg U.S. HY - 2% Issuer Cap (WE6D)	(1.02)	1.00	6.53	7.69	4.98	7.28	5.01	-	7.64	
Cash Equivalents - PAC	0.42	1.22	3.92	5.94	5.18	3.17	-	-	2.69	5/1/2017
SHORT TERM CUSTOM BENCHMARK (MONTCB) - BLDR	0.37	1.09	3.69	5.11	4.49	2.70	-	-	2.36	

TEACHERS RETIREMENT PLAN
END NOTES
 Mar 31, 2025

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 Cap 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 5/31/2024: 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).

6/1/2024 to present: The portfolio weighted average of MSCI AC World Commodity Prod Net, MSCI ACWI Infrastructure Total, BBG Inf-Lk US TIPS (Dly), and Short Term Custom Benchmark.

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 March 31, 2025

	3/31/2025	3/31/2024
	AGENCY ACCOUNT	AGENCY ACCOUNT
ASSETS:		
Current Assets		
Cash	(36,787,214)	157,890
Accounts Receivable	19,043	73,454
Interest Receivable	0	0
Total Current Assets	(36,768,171)	231,344
Investments		
Short-term Investment Pool	92,722,776	55,358,967
Consolidated Asset Pension Pool (net)	5,205,592,524	4,977,505,375
Security Lending Collateral	0	0
Total Investments	5,298,315,301	5,032,864,342
Other Assets		
Equipment	16,286	16,286
Accumulated Depreciation Equip	(16,286)	(16,286)
Leashold Improvements	243,881	243,881
Accumulated Dep Leasehold Imp	(182,910)	(148,070)
Intangible Assets	0	0
Intangible Right to Use Bldg	2,810,123	2,810,123
Accumulated Amort Right to Use Bldg	(619,880)	(454,579)
Total Other Assets	2,251,213	2,451,355
Deferred Outflows - Pension and OPEB	424,170	504,594
TOTAL ASSETS	5,264,222,513	5,036,051,635
LIABILITIES & FUND BALANCE:		
Liabilities		
Accounts Payable	59,933	37,443
Standard Lease	2,382,094	2,504,091
Uncleared Collections	3,021,708	1,577,550
Compensated Absences	256,558	218,004
Security Lending	0	0
OPEB Implicit Rate Subsidy	54,636	53,547
Net Pension Liability - PERS	1,957,160	1,851,315
Total Liabilities	7,732,089	6,241,950
Fund Balances		
Pension Accumulation Fund	4,299,313,893	4,122,195,852
Annuity Savings Fund	852,553,936	798,647,262
Year-to-date Income/(Loss)	104,276,955	108,531,546
Adj Fund Bal	0	0
Total Fund Balance	5,256,144,785	5,029,374,659
Deferred Inflows - Pension and OPEB	345,639	435,025
TOTAL LIABILITIES & FUND BAL.	5,264,222,513	5,036,051,635

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

	3/31/2025	3/31/2024
	AGENCY ACCOUNT	AGENCY ACCOUNT
REVENUE		
Contributions	153,157,611	150,495,099
Misc Revenue	102	0
Investment Revenue	303,590,279	298,829,889
TOTAL REVENUE	456,747,992	449,324,988
EXPENSES		
Benefits Paid	342,106,620	331,462,152
Withdrawals	7,677,325	6,545,066
Admin. Exp	2,506,870	2,436,457
Depreciation Exp.	26,130	26,130
Amortization Exp.	0	171,633
Lease Amortization Exp.	123,976	123,976
Lease Principal & Interest	30,116	28,028
OPEB Expense	0	0
Pension Expense - PERS	0	0
TOTAL EXPENSES	352,471,037	340,793,442
REV OVER EXP	104,276,955	108,531,546
REV OVER EXP	104,276,955	108,531,546
BEG FUND BAL	5,151,867,830	4,920,843,113
Adj Fund Bal	0	0
END FUND BAL	5,256,144,785	5,029,374,659

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

	3/31/2025	3/31/2024
	AGENCY ACCOUNT	AGENCY ACCOUNT
Investment Revenue:		
Short-term Investment Pool	2,154,749	2,120,903
Consolidated Asset Pension Pool		
Securities Gains/(Losses)	82,236,411	72,806,963
Investment Appreciation/(Depreciation)	219,199,119	223,902,023
Securities Lending Activity	0	0
Administrative Investment Exp.	0	0
Total Investment Rev.	303,590,279	298,829,889
Administrative Expense:		
Personal Services	1,629,135	1,532,271
Contracted Services	625,483	624,371
Supplies & Material	59,510	59,189
Communications	90,473	121,848
Travel	12,736	13,380
Rent	2,430	2,430
Repairs & Maintenance	13,327	11,578
Other Expenses	73,776	71,389
Depreciation Exp.	26,130	26,130
Amortization Exp.	0	171,633
Lease Amortization Exp.	123,976	123,976
Lease Principal & Interest	30,116	28,028
OPEB Expense	0	0
Pension Expense - PERS	0	0
Total Administrative Exp.	2,687,092	2,786,224

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

ACCOUNT LEVEL	ACCOUNT CATEGORY	EXPENSE FY 2024	BUDGET FY 2025	EXPENDITURE YEAR TO DATE	% BUDGET SPENT	TOTAL PROJECTED	BUDGET SURPLUS/(DEFICIT)
	PERSONAL SERVICES:						
61100	Salaries	1,633,775	1,795,000	1,208,798	67.3%	1,756,458	38,542
61300	Per Diem	4,700	8,000	3,900	48.8%	8,000	-
61403	Health Insurance	278,256	292,000	213,441	73.1%	286,167	5,833
61400	Benefits	281,451	315,000	205,191	65.1%	301,032	13,968
	Total Personal Services	2,198,182	2,410,000	1,631,330	67.7%	2,351,657	58,343
	OPERATING EXPENSES:						
62100	Contract Services	756,410	951,941	598,967	62.9%	890,345	61,596
62200	Supplies/Materials	70,732	84,300	59,510	70.6%	79,473	4,827
62300	Communications	142,483	149,625	90,473	60.5%	149,556	69
62400	Travel	21,937	37,000	12,736	34.4%	28,982	8,018
62500	Rent	3,241	3,500	2,430	69.4%	3,860	(360)
62700	Repairs/Maintenance	27,594	23,198	13,327	57.4%	26,629	(3,431)
62800	Other Expenses	91,074	112,666	73,776	65.5%	95,444	17,222
	Total Operating Expense	1,113,470	1,362,230	851,219	62.5%	1,274,288	87,942
62122	Audit Fees - Biennial Amount	83,829	94,458	26,516	28.1%	94,458	-
	Total Operating and Personal Services	3,395,482	3,866,688	2,509,066	64.9%	3,720,403	146,285
69501	Capital Lease	158,828	158,828	122,695	0.0%	163,593	(4,765)
	Subtotal Capital Lease	158,828	158,828	122,695	0.0%	163,593	(4,765)
	Totals	3,554,310	4,025,516	2,631,760	65.4%	3,883,996	141,520

Percent of FY Complete
Percent of Payroll Complete

75%
69%

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

ACCOUNT CODE	ACCOUNT NAME	EXPENSE FY 2024	BUDGET FY 2025	ACTUAL EXP TO DATE	% OF BUDGET
62102	Consulting & Professional	141,862	201,450	124,543	61.8%
62104A	INS & Bonds - Non fixed	115	150	276	184.0%
62108	Legal Fees/Court Costs	0	37,500	113	0.3%
62113	Warrant Writing Fees	35,499	37,494	24,176	64.5%
62114	Payroll Service Fees	5,791	5,780	4,335	75.0%
62114A	Workers Comp Mgmt	449	548	534	97.4%
62115	Photographic Services	50	50	30	60.0%
62116	Medical Services	9,056	13,000	3,689	28.4%
62136	IT Consult & Prof Servs	271,628	359,000	189,879	52.9%
62145	Food Services Expense	431	800	1,188	148.5%
62148	SABHRS Costs/DOA	152,281	144,919	144,919	100.0%
62186A	Recycling	780	850	537	63.2%
62187	Records Storage	2,896	3,000	2,202	73.4%
62190	Printing, Pub & Graphics	40,217	50,000	40,567	81.1%
62191	Printing, Other Provider	3,022	4,000	2,471	61.8%
621B1	SITSD Storage Hosting	18,061	18,000	11,224	62.4%
621B2	SITSD Server Hosting Services	27,906	31,000	20,033	64.6%
621B4	SITSD Application Services	1,165	700	0	0.0%
621B5	SITSD Email	2,720	3,000	1,830	61.0%
621B8	SITSD Operations Support	8,092	8,200	5,395	65.8%
621B9	SITSD Database Hosting	2,387	2,500	1,591	63.6%
621C2	SITSD Application Development	4,290	0	960	N/A
621C5	SITSD Enterprise Services	27,714	28,000	18,476	66.0%
621C6	SITSD Professional Services	0	1,000	0	0.0%
621C8	SITSD Email Restore	0	1,000	0	0.0%
	SUBTOTAL	756,410	951,941	598,967	62.9%
62122	Audit Fees - Current	73,644	94,458	26,516	28.1%
	TOTAL CONTRACTED SERVICES	830,054	1,046,399	625,483	59.8%

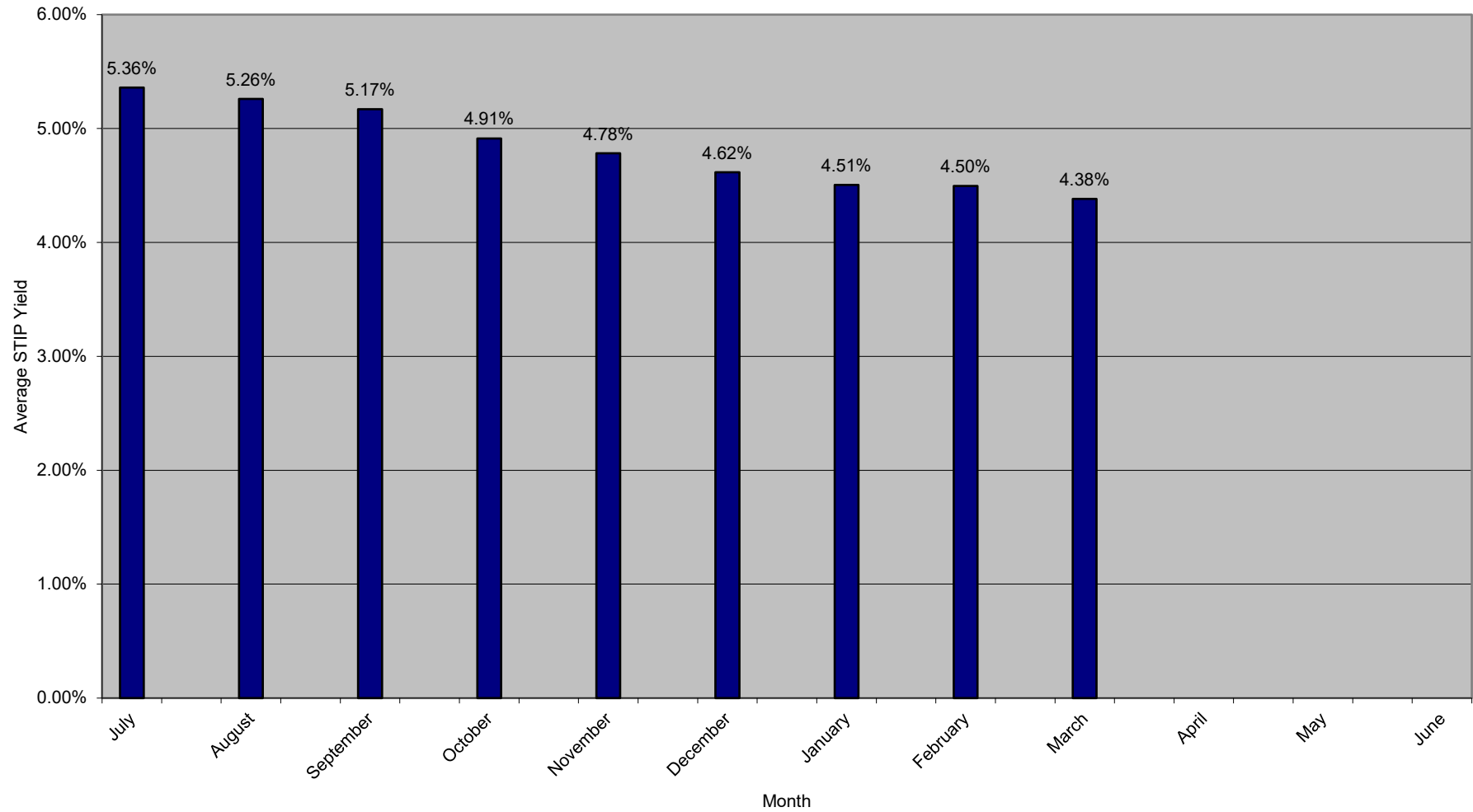
Percent of FY Complete: 75%

**Teachers' Retirement System
Delinquent Agency Report
4/2/2025**

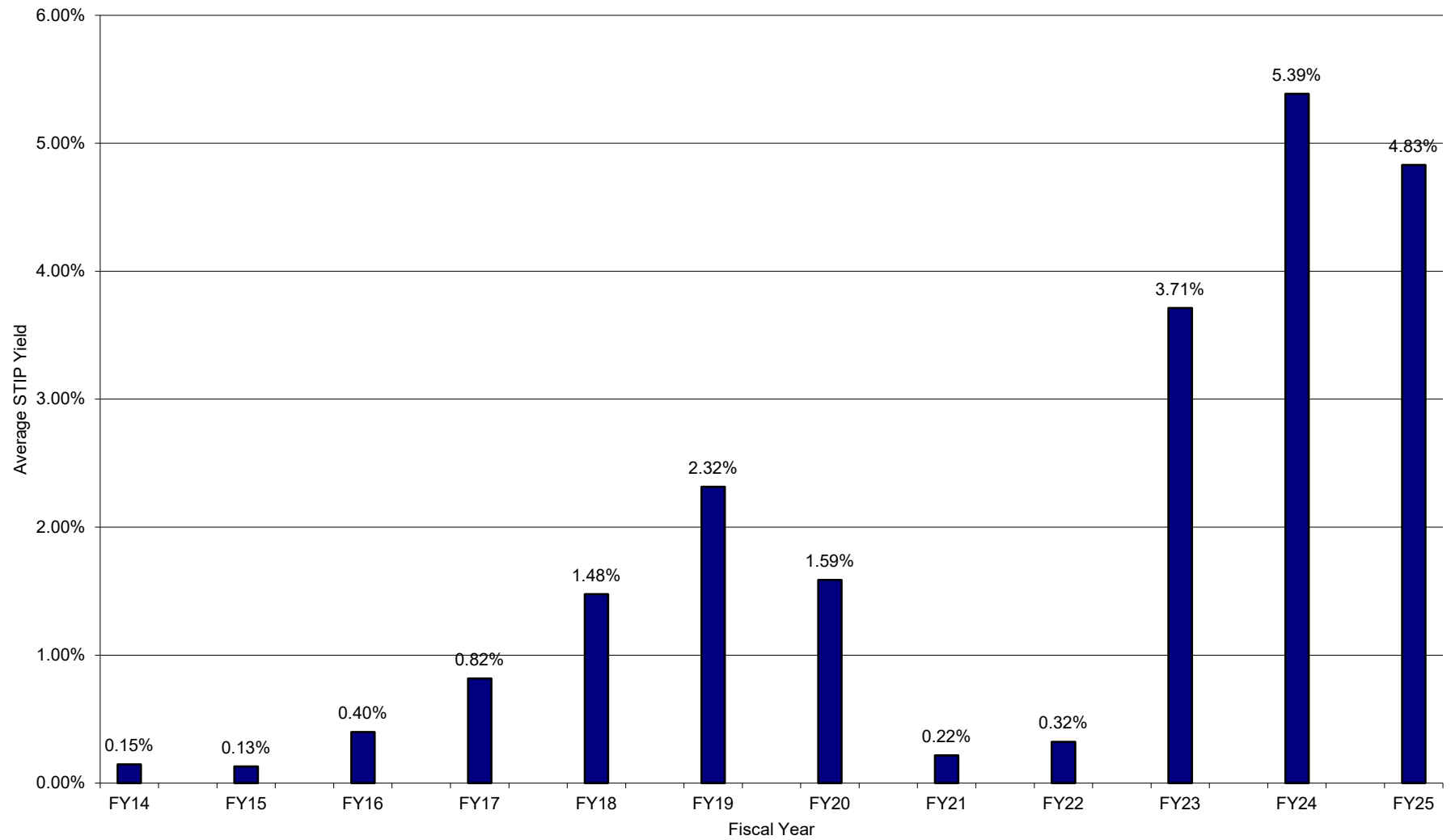
Employer Number	Employer Name	Reports Outstanding	Estimated Employee Contributions	Estimated Employer Contributions
370011	Heart Butte PS	Feb 2025	7,700	8,900
Total			7,700	8,900
Total Due			16,600	

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

STIP Yield
FY2025



STIP YIELD
Average per Fiscal Year



**FY 2026 ADDENDUM TO RENEW
CONTRACT FOR TAX COUNSEL SERVICES**

This addendum is entered into by and between ICE MILLER, LLP ("Ice Miller"), and the BOARD OF THE TEACHERS' RETIREMENT SYSTEM OF THE STATE OF MONTANA ("TRS"). This addendum amends the agreement entered into between the parties effective July 1, 2022 ("Agreement") and is incorporated therewith. The contact information for the parties is as follows:

Audra J. Ferguson
ICE MILLER LLP
One American Square
Suite 2900
Indianapolis, IN 46282-0200

Montana Teachers' Retirement Board
c/o Shawn Graham, Executive Director
Montana Teachers' Retirement System
100 N Park Ave, Ste 110
PO Box 200139
Helena, MT 59620-0139

The Parties Agree as follows:

1. The Agreement is renewed for an additional term of one year, effective July 1, 2025 and terminating June 30, 2026.
2. Ice Miller will provide services as requested by TRS.
3. Services provided by Ice Miller will be billed and paid at the discounted rates specified in Exhibit A to this addendum.
4. Except as expressly amended by this addendum, all other terms of the Agreement remain in full force and effect.

Each person signing this addendum represents that he/she is authorized and empowered to legally bind the party he/she represents, and further acknowledges that he/she has read this addendum, understands it, and agrees to its conditions.

ICE MILLER LLP

MONTANA TEACHERS' RETIREMENT

Audra J. Ferguson,
Legal Counsel

Shawn Graham
Executive Director

Date

Date

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EXHIBIT A

Attorney	Current 2025 Standard Hourly Rate	2025 15% Discount
Gary Blachman, Partner	\$780	\$663.00
Audra Ferguson, Partner	\$685	\$582.25
Robert Gauss, Partner	\$750	\$637.50
Nicole Giambarrese, Partner	\$720	\$612.00
Melissa Proffitt, Partner	\$855	\$726.75
Shalina Schaefer, Partner	\$625	\$531.25
Kathleen Sheil Scheidt, Partner	\$800	\$680.00
Tara Sciscoe, Partner	\$780	\$663.00
Eric Dawes, Actuary	\$845	\$718.25
Lisa Erb Harrison, Senior Counsel	\$730	\$620.50
Chris Sears, Senior Counsel	\$765	\$650.25
Lindsay Knowles, Of Counsel	\$530	\$450.50
Stan Prybe, Of Counsel	\$595	\$505.75
Maria Montero, Associate	\$540	\$459.00
Rachel Mattingly Phillips, Associate	\$375	\$318.75
Taretta Shine, Paralegal	\$400	\$340.00
Greg Wolf, Paralegal	\$400	\$340.00

Note: The standard hourly rates for these personnel are subject to change from time to time.

ADDENDUM No. 5 to
M-TRUST GENERAL MAINTENANCE AND ENHANCEMENTS CONTRACT 1-1-2017

This **ADDENDUM No. 5** to the M-TRUST GENERAL MAINTENANCE AND ENHANCEMENTS CONTRACT (hereafter "Maintenance Contract"), effective January 1, 2017, is entered into by and between the Teachers' Retirement System of the State of Montana ("TRS"), an administrative agency of the state of Montana, whose address and phone number are 100 N Park Ave, Ste 110, PO Box 200139, Helena, MT 59620-0139, and 406-444-3134, and Alfred Munksgard and Associates ("**Contractor**"), whose address and phone number are 3427 Rio Hato Ct., Camarillo, CA, 93010, and 805-496-2761.

THE PARTIES AGREE AS FOLLOWS:

1. PURPOSE OF ADDENDUM No. 5

The purpose of this addendum is to renew the Maintenance Contract, as authorized in section 1.2 of the Maintenance Contract, for the three-year period specified in section 3 of this Addendum No. 5. The renewal term shall be at the increased temporary general maintenance and support fee first implemented in Addendum No. 2 to the Maintenance Contract and set forth in section 2 of this Addendum No. 5.

2. TEMPORARY GENERAL MAINTENANCE and SUPPORT FEE

For the period specified in section 3 of this Addendum No.5, the general maintenance and support fee set forth in section 5.1. of the Maintenance Contract will be increased from \$6,000.00 per month to \$12,000.00 per month.

3. EFFECTIVE DATE AND DURATION OF ADDENDUM No. 5

The renewal term of the Maintenance Contract shall begin on July 1, 2025 and shall terminate on June 30, 2028.

4. NO OTHER EXPRESS OR IMPLIED MODIFICATION

Except as expressly modified by the terms of this Addendum No. 5, the Maintenance Contract, including any prior amendments still in effect, shall remain in full force and effect. This Addendum No. 5 is not intended and shall not be construed to expressly or impliedly create any additional rights or obligations on the part of either party under the Maintenance Contract.

5. EXECUTION

The parties through their authorized agents have executed this ADDENDUM No. 5 to the M-TRUST GENERAL MAINTENANCE AND ENHANCEMENTS CONTRACT on the dates set out below.

Teachers' Retirement System

Alfred Munksgard and Associates

BY: Shawn Graham, Executive Director

BY: Alfred Munksgard, President

(Signature)

(Signature)

DATE: _____

DATE: _____

**BUDGET JUSTIFICATION FORM
TEACHERS' RETIREMENT BOARD
DOCUMENT NARRATIVE**

	FY 25 Budget Board Approved	FY 25 Expensed thru 3/31/2025	FY 26 Request	Percent Change From FY 25 Budget	Description
Personal Services					
Full time equivalent employees	23.0		23.0		
Salaries	1,795,000	1,208,798	1,932,000	7.63%	Includes Legislative Increases - greater of \$1.00 or 2.50% (July 2025)
Tuition Reimbursement			3,500		One employee approved for classes
Termination payouts	-		-		No Planned Retirements
Training Assignments	-		-		No Training Assignments
Pay Plan	-		75,527	4.21%	Personnel Committee proposed pay adjustments
61301 - Per Diem	8,000	3,900	8,000		5 Board Meetings, possible NCTR Meetings
Health insurance	292,000	213,441	320,100		State Share Increase from \$1,054 to \$1,080 per month on January 1, 2026
Other benefits	315,000	205,191	338,000		17.5% of Salaries
Additional Position	-		-		No New Positions in FY 2026
Total Personal Services	2,410,000	1,631,330	2,677,127	11.08%	Salary increases of 3.52% on average from Legislative Increase

Contract Services					
62102 - Consulting & Professional Services	47,000	47,000	47,000		Valuation - Actuary (FY2028 is last year of contract)
	25,000	18,390	15,000		Consulting/Cost Estimates - Non-Legislative Year
	1,500	1,500	3,000		Travel - Actuary (experience study travel in FY 2026)
	-	-	40,100		Experience Study - Every 4 yrs. (last one in FY22) for years FY17-FY21 (next in FY 2026)
	18,400	18,400	18,400		GASB 67 - Actuary
	40,100	28,220	40,100		GASB 68 - Actuary
	4,600	4,600	-		MUS Valuation - Actuary - Every other year - Odd years
	40,000		-		Peer Review - Full Audit - Every 5 yrs. (last one in FY25) Valuation 7/1/24 (next in FY30)
	12,500	-	13,500		PBI - Death Search Service - Annual CertiDeath Service
	4,000	2,189	4,000		PBI - Address Search Service
	4,000	2,195	5,000		Carahsoft - Twilio SMS Services and SendGrid Services

**BUDGET JUSTIFICATION FORM
TEACHERS' RETIREMENT BOARD
DOCUMENT NARRATIVE**

	FY 25 Budget Board Approved	FY 25 Expensed thru 3/31/2025	FY 26 Request	Percent Change From FY 25 Budget	Description
	3,000	1,864	6,000		CMS - HR Consulting (Substantial Strategic Planning Every 2 years, Next in FY 2026 ~ \$5k)
	500	185	500		Shredding Service/ Box Pickup
	850		950		Atlassian Pty Ltd - JIRA Server - Software as a Service
62104 - Insurance	-	-	3,002		Fixed
62104A - Insurance & Bonds - Non-Fixed cost	150	276	150		Notary Bonds
62108 - Legal Fees & Court Costs	12,500	113	12,500		Drake Law Firm - 2 Cases per year
	25,000	-	25,000		Ice Miller
62113 - Warrant Writing Fees	37,494	24,176	54,381		Fixed
62114 - Payroll Service Fees	5,780	4,335	6,763		Fixed
62114A - Workers Comp Management	548	534	688		Fixed
62115 - Photographic Services	50	30	50		ID Badges
62116 - Medical Services	13,000	3,689	13,000		Medical Evaluations
62136 - System Development	144,000	108,000	144,000		Fixed fee - Alfred - Through June 30, 2028
	120,000	73,879	120,000		Rising Star Inc. - M-Trust Project Management / Testing-Through June 30, 2026
	95,000	8,000	95,000		M-Trust enhancement development AMA
62145- Food Services	800	1,188	1,000		Board Lunch with staff, X-Mas luncheon
62148 - SABHRS Operation Costs	144,919	144,919	153,756		Fixed
62186A - Recycling	850	537	850		
62187 - Records Storage	3,000	2,202	3,000		

**BUDGET JUSTIFICATION FORM
TEACHERS' RETIREMENT BOARD
DOCUMENT NARRATIVE**

	FY 25 Budget Board Approved	FY 25 Expensed thru 3/31/2025	FY 26 Request	Percent Change From FY 25 Budget	Description
62190 - Printing/Publications & Graphics	50,000	40,567	50,000		2 Newsletters in Odd years 1 Newsletter in Even years, Annual report, Monthly letters and forms, statements
62191 - Printing/Other Provider	4,000	2,471	4,000		HomeTown Leasing - Office Printers
621B1 - SITSD Storage Hosting	18,000	11,224	19,000		DOA - SITSD - Backup service, Live Storage
621B2 - SITSD Server Hosting Services	31,000	20,033	35,000		DOA - SITSD - Virtual Server, VDI as a Service
621B4 - SITSD Application Services	700	-	700		DOA - SITSD - RSA Soft Token 7 tokens expiring 3/2026
621B5 - SITSD Email	3,000	1,830	3,600		DOA - SITSD - O365 PSTN, O365 Rate
621B8 - SITSD Operations Support	8,200	5,395	6,700		DOA - SITSD - SCCM Service - Tanium
621B9 - SITSD Database Hosting	2,500	1,591	3,500		DOA - SITSD - Database Hosting - SQL Licensing
621C2 - ITSD Application Development	-	960	2,000		DOA - SITSD - Public website development
621C5 - SITSD Enterprise Services	28,000	18,476	31,000		DOA - SITSD - Cybersecurity Rate, Enterprise Services Allocation
621C6 - SITSD Professional Services	1,000	-	1,000		DOA - SITSD
621C8 - SITSD Email Restore	1,000	-	1,000		DOA - SITSD
621D9 - Public Information Requests	-	-	1,967		Fixed - New Fixed Cost in FY 2026 OPIR
Total Contract Services	951,941	598,967	986,157	3.59%	

Supplies/Materials.					
62205 - Food	750	211	750		Includes Costco Supplies & Board Treats
62218 - Carpentry	1,000	-	-		
62225 - Books and Reference Materials	300	-	300		

**BUDGET JUSTIFICATION FORM
TEACHERS' RETIREMENT BOARD
DOCUMENT NARRATIVE**

	FY 25 Budget Board Approved	FY 25 Expensed thru 3/31/2025	FY 26 Request	Percent Change From FY 25 Budget	Description
62232 - Safety Supplies	250	172	250		
62236 - Office Supplies / E-Market	8,000	5,879	8,000		
62238 - Minor Equipment	6,000	2,194	6,000		
62241 - Office Supplies / Minor Equip	3,500	2,154	3,500		
62245 - Computer Hardware	6,000	539	7,500		4 laptops, 2 monitors, 2 printers, battery backup units and batteries
62249 - Computer Software	5,000	-	3,000		Misc. Software
622B1 - Asset Broker	53,500	48,580	55,000		DOA - SITSD - Microsoft Direct Pass-Through, Microsoft Enterprise Agreement, ServiceNow Enterprise Agreement, Hyland Pass-Through, DocuSign Enterprise Agreement, Adobe Direct Pass-Through
Total Supplies/Materials	84,300	59,729	84,300	0.00%	

Communications					
62304 - Postage & Mailing	110,000	63,340	90,000		2 Newsletters in Odd years 1 in Even Years, Monthly Letters and Forms, etc.
62307 - Messenger Services	3,225	3,225	3,460		Fixed
62319 - Cellular Phones	200	101	200		Active Membership - Internet Access
62322 - Teleconferences	200	-	-		
623B0 - SITSD Voice Services	6,500	4,039	7,800		DOA - SITSD - Additional Line, VoIP Phone Service
623B1 - SITSD Video Services	500	378	750		DOA - SITSD - Video Conference Pro License
623B13 - Non-ITSD Pass Thru	-	362	-		

**BUDGET JUSTIFICATION FORM
TEACHERS' RETIREMENT BOARD
DOCUMENT NARRATIVE**

	FY 25 Budget Board Approved	FY 25 Expensed thru 3/31/2025	FY 26 Request	Percent Change From FY 25 Budget	Description
623B2 - SITSD Network Services	26,000	16,815	27,000		DOA - SITSD - Helena Campus Network Access, Remote Network Access, VPN Client
623B4 - SITSD Long Distance	3,000	2,212	3,000		DOA - SITSD
Total Communications	149,625	90,473	132,210	-11.64%	

Travel					
Employee Travel	4,000	2,896	5,000		in-state (Every other year E.D. travel to MASS next in FY 2026)
Employee Travel	16,000	2,217	16,000		out-of-state
Board Member Travel	17,000	7,624	17,000		Trustee Workshop (2) Annual Conference (2) (\$2,500/each) Includes \$7,000 for normal board meeting (travel and lodging)
Total Travel	37,000	12,736	38,000	2.70%	

Rent					
62519 - Photocopy Equipment	3,500	2,430	3,500		Copier Rent
Total Rent	3,500	2,430	3,500	0.00%	

Repairs/Maintenance					
62750 - Software Maintenance					
	8,250		8,500		Adobe – Cold Fusion
	9,500	8,250	9,500		Gurock - Test Rails Support
	900	850	-		Atlassian Pty Ltd - JIRA Server - moved to 62102
	1,100	1,097	1,300		Active PDF - DocConverter
	200		75		Domain.com - domain name registration (3) and Email hosting
	300	280	300		SSL Certificate for trs.mt.gov (3-year certificate) - Last FY2025
	468	468	500		SurveyMonkey
	112	69	300		Techsmith - Camtasia/Snagit Government Bundle
	879	1,044	1,200		Vyond Premium single-user plan - Go Animate

**BUDGET JUSTIFICATION FORM
TEACHERS' RETIREMENT BOARD
DOCUMENT NARRATIVE**

	FY 25 Budget Board Approved	FY 25 Expensed thru 3/31/2025	FY 26 Request	Percent Change From FY 25 Budget	Description
	40	40	50		The Noun Project
	49		50		Shutterstock.com 5-image license
	300		300		Canva
	600	644	750		Lexis - RMTD - Jim
62777 - Carpentry Repairs	500	586	1,000		
Total Repairs/Maintenance	23,198	13,327	23,825	2.70%	

Other Expenses					
62801 - Dues	9,000	6,630	9,000		Membership Dues
62802 - Subscriptions	100	-	300		Montana Law Week
62807B Notary Application Fees	75	135	100		
62809B Enterprise Learning	733	572	1,115		Fixed Cost
62817 - Meetings and Conference Costs	14,500	3,479	14,500		Staff and Board Registration Fees for Conferences
62876 - Education/Training IT Staff	4,000	-	4,000		No planned trainings
62822 - Freight & Express	100	-	100		FedEx
62827 - Indirect/Admin Costs	29,095	21,723	30,360		Fixed Cost
62878 - Parking Fees	8,721	8,721	8,721		Nine Spaces - City Parking Commission \$969 each
62888 - Statewide Cost Allocation Plan	46,342	32,297	44,470		Fixed Cost
Total Other Expenses	112,666	73,557	112,666	0.00%	

Audit Fees					
62122 - Fixed Cost - Financial audit	77,112	26,516	100,000		\$174,240 for 26/27 biennium
62122 - Fixed Cost - GASB 68 Audit	17,346		20,000		\$30,500 for 24/25 biennium - GASB 67 & 68

**BUDGET JUSTIFICATION FORM
TEACHERS' RETIREMENT BOARD
DOCUMENT NARRATIVE**

	FY 25 Budget Board Approved	FY 25 Expensed thru 3/31/2025	FY 26 Request	Percent Change From FY 25 Budget	Description
Capital Lease					
69000 - Capital Assets	158,828	122,695	168,501		Fixed Lease Contract 3% inflater
Total Operating	1,615,516	1,000,430	1,669,159	3.32%	

Total Administrative Expenses	4,025,516	2,631,760	4,346,286	7.97%	
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Retirement Benefits Paid FY 2024	444,438,589
Admin Expenses FY 2024	3,696,391
Admin Expenses as Percent of Benefits FY 2024	0.8317%

* Admin Expenses may not exceed 1.5% of
Benefits Paid

M-Trust Amortization Expenses FY2024	171,633
Depreciation Expense FY2024	34,840

4 years	Phase 3 - \$34,326.63/month through November 2023 - COMPLETE
7 years	Lease Improvements - \$2,903.34/month through December 2026

Admin Expenses Without Amt/Depr FY 2024	3,489,918
Admin Expense Percentage without Amt/Depr FY 2024	0.7852%

VII. Board Training

Discussion Items **A. Non-Discrimination in Employment and Provision of Services** – Jim Malizia will conduct Board training related to non-discrimination in employment and provision of services. The training will include a review of the TRS Non-Discrimination policy which is attached for your reference ahead of the meeting.



MONTANA TEACHERS' RETIREMENT SYSTEM

POLICY 1-0700-002

POLICY OF NON DISCRIMINATION IN EMPLOYMENT AND PROVISION OF SERVICES

Section: Governance
Implementer: TRS Legal

Effective Date: February 11, 2011
Revision Date: February 13, 2015

Purpose

As a public employer, TRS is committed to providing equal opportunity in all aspects of its employment practices. As a provider of retirement services and benefits on behalf of those persons employed in public education in the state of Montana and eligible to participate in the retirement system, TRS is committed to providing such services and benefits based solely on the participant's qualification for services and benefits as set forth in law. This policy governs the conduct of all TRS Personnel and requires compliance with applicable law prohibiting discrimination in employment and in the provision of the services and benefits of the retirement system.

Adoption of Statewide Policy

By adoption of this policy, TRS adopts the statewide *EEO, Nondiscrimination, and Harassment Prevention Policy*. This policy does not supersede or replace the statewide policy except to the extent that this policy provides greater protection.

Definitions

Board – the TRS Board of Trustees.

Organizational Policies – policies that pertain to functioning of the TRS staff and the day to day management of TRS operations.

Plan Operations – the day-to-day and periodic functions performed by and processes followed by TRS personnel in administering the retirement system, including, but not limited to: drafting of legislation, administrative rules, plan forms and letters; enrollment of members; determination of eligibility for benefits; drafting and executing agreements with third-party contractors; conducting contested case proceedings; and conducting meetings subject to the public right to participate.

Protected Class Status – an individual's actual or perceived status as having a characteristic based upon which discrimination is prohibited, including: race; color; national origin; age; physical or mental disability; marital status; religion; creed; sex; sexual orientation; political beliefs; genetic information; veteran's status; culture; social origin or condition; or ancestry.

TRS Personnel – all members of the TRS board of trustees and all employees of TRS.

Policy

1. TRS will not tolerate discrimination or harassment based on an individual's protected class status, either in the hiring or employment of TRS staff or in the provision of TRS services.
2. TRS will recruit, appoint, assign, train, evaluate, and promote personnel on the basis of merit and qualifications without regard to an individual's protected class status.
3. TRS will provide services and benefits as a public retirement system with regard only for an individual's qualifications for services and benefits, and without regard for the individual's protected class status, except to the extent that age, marital status, or physical or mental disability is appropriately considered as a qualification for services or benefits.
4. TRS will not retaliate against an individual because the individual has opposed any discriminatory practice or because the individual has filed a complaint or participated in any manner in an investigation or proceeding related to an allegation of discriminatory conduct.
5. TRS will include a provision in any contract with a third party contractor to ensure the third party contractor complies with this policy.
6. TRS will develop and implement a program for nondiscrimination training of all TRS personnel. The nondiscrimination training, at a minimum, will include education and training regarding sexual harassment, other discriminatory conduct, nondiscrimination requirements under the Americans with Disabilities Act, and retaliation, and will include specific training on TRS policies and procedures regarding nondiscrimination. The program for nondiscrimination training may utilize policies, procedures, and/or training provided by the Department of Administration, the Department of Labor and Industry and/or the Human Rights Bureau, or other state or private entities that provide training services related to Montana nondiscrimination law. Nondiscrimination training will be provided to an employee, initially, within 90 days of employment with TRS and refresher training will be provided periodically or as needed to incorporate changes to law and/or policy. The nondiscrimination training provided to each TRS employee and Board member will be documented.
7. TRS will conduct an initial review of its employment practices and plan operations to identify any discriminatory conduct that may be occurring. If discriminatory conduct is identified, a remediation process will be developed and implemented to correct the discriminatory conduct. A follow-up general review of employment practices and plan operations for compliance with nondiscrimination requirements will be conducted periodically or as needed to incorporate changes to law and/or policy. As well, any substantial modification of plan employment practices or plan operations processes must include consideration of the potential for discriminatory conduct arising therefrom, and development and implementation of a remediation process if the potential for discriminatory conduct is identified. The initial review of employment practices and plan operations, as well as the periodic follow-up reviews must be documented.

Initiating a Complaint

1. TRS personnel or any other individual may make an internal complaint to the Human Resources Manager of the Montana Department of Administration, or her/his designee, Room 102, Mitchell Building, 125 N. Roberts Street, PO Box 200108, Helena, MT 59620-0102, 406-444-0588.
2. In addition to the internal complaint process, external complaints may be filed with the following agencies:
 - a. Montana Human Rights Bureau, 1625 11th Avenue, P.O. Box 1728, Helena, MT 59624-1728, (406) 444-2884, (800) 542-0807, TTY (406) 444-0532; or
 - b. United States Equal Employment Opportunity Commission (EEOC) San Francisco District Office, 350 The Embarcadero, Suite 500, San Francisco, CA 94105-1260, (800) 669-4000, TTY (800)-669-6820.
3. Jurisdiction may vary based on the nature of the complaint. For example, neither the Human Rights Bureau nor the EEOC considers complaints based on sexual orientation, culture, social origin or condition, or ancestry.
4. The Human Rights Bureau must receive the complaint within 180 days of when the alleged discriminatory practice occurred or was discovered unless the person has filed an internal complaint. A person who files an internal complaint under these rules has 180 days from the conclusion of the internal investigation to file a complaint with the Human Rights Bureau if management completes the investigation within 120 days of when the alleged discriminatory practice occurred or was discovered. If management does not complete the investigation within 120 days, the person must file a complaint with the Human Rights Bureau within 300 days of when the alleged discriminatory practice occurred or was discovered.
5. The EEOC must receive the complaint within 300 calendar days from the date the discrimination took place if the Human Rights Bureau enforces a law prohibiting employment discrimination against the same protected class. Otherwise, the complaint must be filed with the EEOC in 180 days.

Cross References

- Montana Operations Manual (MOM) *EEO, Nondiscrimination, and Harassment Prevention Policy*, implementing Rules 2.21.4001 through 2.21.4029 of the Administrative Rules of Montana and establishing minimum standards for compliance with:
 - federal laws and regulations prohibiting illegal discrimination, including the Genetic Information Nondiscrimination Act of 2008
 - the Montana Human Rights Act (§49-2-101, et seq., MCA)
 - the Montana Governmental Code of Fair Practices (§49-3-101, et seq., MCA)
 - the Governor's Executive Order 41-2008 (Equal Employment Opportunity, Non-Discrimination, and Harassment Prevention)
- Website links as of date of policy revision:
 - [Montana Operations Manual](#)
 - [EEO, Nondiscrimination, and Harassment Prevention Policy](#)

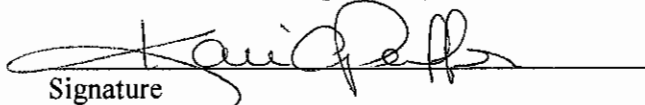
Signature

By Board action taken on **February 13, 2015**, and by my signature below, the TRS Board has authorized implementation of this original or modified policy. The effective date of this policy is:

 x the date of the Board action set forth above

 (date) February 13, 2015

BY: Board Chair: Kari A. Peiffer
(print name)


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 <https://trs.mt.gov>. 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.

VIII. Legal Counsel's Report

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

IX. Applications and Retirement Benefits

Information Item **A. Regular, Survivorship, Adjustments, and Corrections** – In your hard copy board packets you will have a listing of members who have retired from 01/01/2025 through 03/31/2025.

We had 64 retirements with average service of 14.96 years and average age of 59.73 years old.

The quarterly report is purposely excluded from your electronic board packet because it contains what could be considered personally identifiable information (PII).

X. Long Range Planning

Discussion Items

A. Strategic Planning– I have attached a copy of the updated 2023-2025 commitment worksheet for Board discussion. As a reminder, we will do a complete review and revision of our strategic plan and commitment worksheet at our upcoming August meeting.

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

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 SJ4 Study Complete 10/24/24	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, 2025.	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 (Underway – Rollout in May August of 2025)	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.	Formal Strategic 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. (Enterprise Contract for DocuSign, ID Verification roll out after web redesign is complete in FY 2026)	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. All meetings are scheduled.	Spring of 2024 (ongoing) Completed	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, SAM and MCEL 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 survey completed 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. New FTE starts 12/18/23	Fall 2023/Spring 2024 Complete December 18, 2023	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 In presentation to MASS with MPERA 457B handout/contact info.	Executive Director/Chief Legal Counsel	Staff time.

XI. Disability Applications

CLOSED MEETING

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

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

OPEN MEETING

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

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

XII. Adjournment

Action Items **A. Motion to Adjourn**