

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 December 5, 2025 board meeting.

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

AGENDA
February 13, 2026

OPEN MEETING

All Times Are Tentative

- | | | |
|-------------------------|-------------|---|
| 9:00 | I. | Call to Order |
| <i>Action Items</i> | | A. Adopt Agenda
B. Approval of Minutes – December 5, 2025 |
| 9:05 | II. | Public Comment |
| 9:10 | III. | Board Meeting Minutes |
| <i>Discussion Items</i> | | A. Recorded Minutes as Official Record
B. Public Comment |
| 9:25 | IV. | Administrative Business |
| <i>Discussion Items</i> | | A. Investment Report – Dan Trost
B. FY 2025 Annual Comprehensive Financial Report – Nolan Brilz
C. FY 2026 YTD Financial Statements and Budget Reports – Nolan Brilz
D. Personnel Committee Report – Kari Elliott and Elliott Crump
E. Tentative 2026 Meeting Dates – May 8, Aug 7, Oct 2, Dec 4
F. Public Comment |
| <i>Action Items</i> | | G. Out of State Travel
– John Noble PRISM Annual Conference (May 2026)
– Tammy Rau GFOA Conference (June 2026)
– Jim Malizia NAPPA Legal Education Conference (June 2026)
– Shawn Graham NCTR Director Meeting (June 2026) |
| <i>Information Item</i> | | H. Next Meeting Date – May 8, 2026 – TRS Board Room |
| 9:40 | V. | Executive Director's Report |
| <i>Discussion Items</i> | | A. Executive Summary
1. Staff Update
2. Operations Update
B. Legislative Interim Committee Update
C. Public Comment |
| 9:45 | VI. | TRS Responsive Website |
| <i>Discussion Items</i> | | A. Demonstration of TRS Responsive Website (Comms Team)
B. Public Comment |

**Teachers’ Retirement Board Meeting
February 13, 2026
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10:00 BREAK

10:15 VII. Legal Counsel’s Report
Information Item A. Summary of Legal Issues

10:20 VIII. Board Policy
Discussion Items A. Privacy and Security of Personal Information Revisions
B. Public Comment

10:35 IX. Applications and Benefit Adjustments
Information Item A. Regular, Survivorship, Adjustment & Corrections

10:40 X. Long Range Planning
Discussion Items A. 2025-2027 Strategic Planning Commitment Worksheet – Updates
B. Public Comment

CLOSED MEETING

10:50 XI. Disability Applications
Discussion Item A. Executive Session to Discuss Disability Applications

OPEN MEETING

Action Item B. Applications for Disability Retirement Benefits
Discussion Item C. Public Comment

11:15 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 Personnel Committee is scheduled to meet at 8:00 AM on February 13, 2026, for the purpose of conducting the Executive Director’s annual performance appraisal.

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.

Montana Teachers' Retirement System Board Meeting December 5, 2025

BOARD MEMBERS PRESENT

Kari Elliott, Chair
Dee Brown, Member (*Virtual*)
Elliott Crump, Member
Daniel Trost, Member
Brian Youngren, Member

BOARD MEMEBERS ABSENT

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
Lexi Newcomer, Communications Specialist

OTHERS PRESENT

David Severson, Montana Retired Educators' Association (*virtual*)
Dan Villa, Executive Director, Montana Board of Investments
Kevin Schooler, TRS Member

Call to Order

Chair Kari Elliott called the meeting to order at 8:33 a.m.

Adoption of the Agenda

Chair Elliott requested a motion to adopt the meeting agenda.

Motion/Vote: Member Daniel Trost moved to adopt the agenda and Member Brian Youngren seconded the motion. The motion was approved by all members present.

Approval of Minutes

Chair Elliott requested a motion to approve the October 3, 2025 minutes.

Motion/Vote: Member Elliott Crump moved to approve the meeting minutes, with Member Trost 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.

BOI Annual Report

Note: This was presented between the “Financial Statement & Budget Report” and the “P2F2 Conference Update” topics.

Board of Investments Executive Director Dan Villa presented the BOI annual report. Director Villa reviewed the strategic asset allocation and stated that this plan has been working well. There will be no changes in the upcoming calendar year to the allocation. The BOI reports no changes to their goals and investment strategies at the time of the meeting.

When comparing Montana CAPP investments and performance to similar sized public employee retirement plans in other states, Montana’s 5-year policy return of 8.5% was above the U.S. Public median of 7.7% and the peer median of 7.5%. Per Director Villa, BOI has chosen good managers and has had good results due to this.

The Growth and Opportunity Trust created in the 2025 legislative session was explained in detail to the Board. The trust is currently invested in the short-term investment pool. TRS would have access to up to 75 million dollars over 2 fiscal years if BOI was unable to achieve inception-to-date returns of the actuarial limits established by the TRS board. This funding is not applied to actuarial valuations.

Executive Director’s Report

Staff/Operations Update

Executive Director Shawn Graham shared that the newly reclassified Retired Payroll Benefit Officer role was filled by Katie Allen in November. Katie comes to TRS with 18 years of experience in payroll with the Great Falls School District.

Each fall, TRS hosts a series of presentations entitled “TRS 101” and “Ready, Set, Retire” for member education. Due to low in-person attendance in prior years, these presentations are being offered via Zoom webinars. Darla Fitzpatrick, Communication Manager, gave updates on the number of people registered for upcoming December and January webinar dates.

2026 MASS Meetings

Director Graham reported that he is scheduled to attend meetings in each Montana Association of School Superintendents (MASS) region in March through May of 2026.

SAVA Update

The State Administration and Veterans’ Affairs (SAVA) interim committee met on November 17, 2025 and Director Graham presented the results of the July 1, 2025 actuarial valuation of TRS and answered questions. The committee has not requested an interim study of the system. His next report

to the committee will likely be the results of the TRS experience study, which will be completed in May 2026.

BOI Update

As required by statute, Director Graham will attend the Board of Investments' December 10, 2025 meeting to present the TRS actuarial valuation results.

LFC Update

On December 18, 2025, TRS is scheduled to present the actuarial valuation to the Legislative Finance Committee. Chief Legal Counsel Jim Malizia will present the valuation on behalf of Director Graham.

Public Comment

Chair Elliott called for public comment on this topic. There was no public comment.

Board Training

Note: This was presented after the "Tentative 2026 Meeting Dates" topic.

Ethics/Conflict of Interest

Mr. Malizia led the Board through a review of the TRS policy on the ethical obligations of staff, which includes members of the Board. The policy document included some proposed changes to incorporate an increase in allowable gifting amounts and formatting changes consistent with federal ADA 508 Compliance requirements.

Mr. Malizia explained private interests that the Board may encounter. Board and staff members must report any violation of the policy or law or any conflict of interest of which they become aware.

The Board also discussed changes to the Policy on TRS Policy, which would improve the numbering scheme and categorical groupings for TRS Board policies.

Per Diem Election Form

Each year, members of the Board elect to receive either the TRS per diem or their regular salary for the time they spend preparing for and attending TRS Board meetings. Board members who are also public employees may not receive duplicate compensation for the same hours of service. Director Graham explained the purpose of the Board Member Per Diem Election Form and collected a signed copy from Board members attending in person.

Administrative Business

Investment Report

Member Trost reported on results of investments made by the Montana Board of Investments (BOI). He reported that the BOI has engaged the investment consulting firm RVK, Inc. to evaluate their asset allocations.

Financial Statements and Budget Reports

TRS Accounting/Fiscal Manager Nolan Brilz reviewed the October 31, 2025 fund balance sheet and compared it to the October 31, 2024 fund balance sheet. The fund is up by \$270 million, which is

similar to the growth in 2024. Mr. Brilz noted that benefit payments are the largest percentage of expenses in the TRS budget and continue to increase at the expected rate. Withdrawals and administrative costs are similar to 2024.

P2F2 Annual Conference Report

Mr. Brilz thanks the Board for the opportunity to attend the Public Pension Financial Forum (P2F2) conference to network with his counterparts and directors from other retirement systems. He attended sessions on employer reporting and stated that TRS's communication and procedures for handling wage and contribution reporting compare very favorably to most systems.

Mr. Brilz also reported that the TRS accounting team is working on a frequently asked questions section for employers that could be posted on the recently updated TRS website.

NCTR Annual Conference Report

Chair Elliott provided a report on the annual conference of the National Council on Teacher Retirement (NCTR), held in October in Salt Lake City, Utah. She commented on the wide range of attendees which include executive directors from other systems, CEOs, investment professionals, teachers, and more. Member Brown stated she is always impressed with NCTR's selection for Teacher of the Year, and the quality of presentations.

Director Graham echoed their comments and said the conference is a great opportunity for Board members to meet people and learn how other systems operate. He reported that Artificial Intelligence (AI) was one prominent topic of discussion, and several other systems are implementing AI in their call centers to assist with customer support.

Tentative 2026 Meeting Dates

Tentative dates had been set for February 13, May 1, August 7, October 2, and December 4, 2026; however, Director Graham proposed changing the May meeting to May 8 so the actuaries can travel to Montana and present experience study results to TRS and MPERA on consecutive days. Board members agreed with the proposed change and other tentative meeting dates.

Public Comment

There was no public comment.

Action Items

Chair Elliott requested a motion to approve the changes to the Policy on Policies.

Motion/Vote: Member Brown moved to approve changes to the policy along with numbering changes. Member Youngren seconded the motion, and it was approved by all members present.

Chair Elliott requested a motion to approve the changes to the Ethics and Conflict of Interest policy.

Motion/Vote: Member Trost moved to approve changes to the policy, with Member Crump seconding. The motion was approved by all members present.

Next Meeting Date

The next Board meeting is scheduled for February 13, 2026.

IT Manager Report

IT Manager John Noble provided an overview of TRS and State technology. He reported that TRS removed one server when the recently redesigned website was being developed. He also noted that most TRS staff members now use laptops rather than microcomputers. All TRS computers now have been migrated to Windows 11.

Mr. Noble and other TRS staff are working on several system enhancements, including an upgrade to the TRS online portal for active members to make the application fully responsive and accessible. TRS also is pursuing a new identity verification solution, which would provide enhanced security for the member portals.

Public Comment

There was no public comment.

Strategic Planning

Strategic Planning Summary and Commitment Worksheet Update

Director Graham reviewed the strategic planning worksheet and gave status updates on worksheet objectives. TRS is making good progress toward Section 508 compliance, including the enhancements to the Active Member portal mentioned by Mr. Noble. The estimated implementation date is early 2026.

The goal to pursue robust identity verification for the member portals is in progress, and TRS has entered into a contract with the identity verification company ID.me. The implementation of ID.me will be done in phases to provide as little disruption to members as possible.

Director Graham gave an update on succession planning for the Retired Payroll Supervisor role and creating documentation for retired payroll desk procedures. Mr. Malizia will lead this project, and Communications staff will assist in formatting.

Public Comment

There was no public comment.

Applications and Benefit Adjustments

Deputy Executive Director Tammy Rau reported that TRS staff processed 42 applications for retirement between September 1 and October 31, 2025. The average age of those retirees was 62 and they had an average of more than 15 years of service.

Legal Counsel's Report

Summary of Legal Issues

Mr. Malizia reported there are no pending legal issues.

Disability Applications

Closed Meeting

Executive Session to Discuss Disability Applications

The Board began its executive session at 10:31 a.m. to review three applications for disability retirement benefits. This session was closed to the public, as a disability applicant’s right to privacy clearly exceeds the merits of public disclosure.

Open Meeting

Applications for Disability Retirement Benefits

Chair Elliott reopened the meeting at 11:39 a.m. and requested motions for the reviewed disability applications.

Motion/Vote: Member Trost moved to table the decision on K.S.’s request for disability retirement until TRS has confirmed certain information with its medical review contractor, MMRO. Member Brown seconded the motion, and it was approved by all members present.

Motion/Vote: Member Trost moved to approve member R.H.’s request for disability retirement, with Member Youngren seconding. The motion was approved by all members present.

Motion/Vote: Member Youngren moved to approve member J.B.’s disability retirement request, with Member Trost seconding. The motion was approved by all members present.

Public Comment

No members of the public were present.

Adjournment

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

Motion/Vote: Member Trost moved to adjourn the meeting, with Member Youngren seconding. The motion was approved by all members, and the meeting was adjourned at 11:44 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. Board Meeting Minutes

Discussion Items **A. Recorded Minutes as Official Record** – Discuss adoption of the board meeting recording as the official meeting minutes of future board meetings. MPERA and BOI both currently use their recorded minutes as the official record of their meetings. In their case, the board chair makes a statement at the beginning of the meeting that the meeting is being recorded and the recording is the official record of the meeting. At the subsequent board meeting, the board adopts the recorded minutes and a written summary which provides timestamps for each agenda topic and documents any action taken by the board including motions and the vote on each action item in accordance with 2-3-212, MCA (pasted below).

Staff suggests following the approach taken by BOI. An example of BOI's summary which is electronically signed by the Board Chair and the Executive Director can be viewed by following this link:

https://investmentmt.com/_shared/Board/Meetings/2025Meetings/Board_10142025_APPR_OVED_minutes.pdf

This approach meets the statutory requirements for meeting minutes and does not require a new or revised policy or administrative rule to implement. If the Board agrees with this approach for future meetings, we will provide language to be read by the Board Chair at the beginning of every meeting and we will provide a summary similar to the BOI example above for adoption with the recorded minutes at the subsequent board meeting.

Our statutory requirements for Board minutes are as follows:

Minutes Of Meetings -- Public Inspection

2-3-212. Minutes of meetings -- public inspection. (1) Appropriate minutes of all meetings required by **2-3-203** to be open must be kept and must be available for inspection by the public. If an audio recording of a meeting is made and designated as official, the recording constitutes the official record of the meeting. If an official recording is made, a written record of the meeting must also be made and must include the information specified in subsection (2).

(2) Minutes must include without limitation:

- (a) the date, time, and place of the meeting;
- (b) a list of the individual members of the public body, agency, or organization who were in attendance;
- (c) the substance of all matters proposed, discussed, or decided; and
- (d) at the request of any member, a record of votes by individual members for any votes taken.

(3) If the minutes are recorded and designated as the official record, a log or time stamp for each main agenda item is required for the purpose of providing assistance to the public in accessing that portion of the meeting.

(4) Any time a presiding officer closes a public meeting pursuant to **2-3-203**, the presiding officer shall ensure that minutes taken in compliance with subsection (2) are kept of the closed portion of the meeting. The minutes

from the closed portion of the meeting may not be made available for inspection except pursuant to a court order.

As a reminder, TRS is required to post our audio and video recording of our meeting under 2-3-214, MCA. Since we are already recording and posting our board meetings, it might make sense to adopt the approach taken by BOI and MPERA which is more efficient and accurate. The statute requiring TRS to record and post our meetings is as follows:

Recording Of Meetings For Certain Boards

2-3-214. Recording of meetings for certain boards. (1) Except as provided in **2-3-203** and subsection (6) of this section, the following boards shall record their public meetings in an audio and video format:

- (a) the board of investments provided for in **2-15-1808**;
- (b) the public employees' retirement board provided for in **2-15-1009**;
- (c) the teachers' retirement board provided for in **2-15-1010**;
- (d) the board of public education provided for in Article X, section 9, of the Montana constitution;
- (e) the board of regents of higher education provided for in Article X, section 9, of the Montana constitution;
- (f) except as provided in subsection (7)(a), the governing board of a county provided for in Title 7, chapter 1, part 21;
- (g) except as provided in subsection (7)(b), the governing board of a first-class and second-class city provided for in Title 7, chapter 1, part 41;
- (h) a first-class or second-class school district board of trustees provided for in Article X, section 8, of the Montana constitution, **20-6-201**, and **20-6-301**; and
- (i) a local board of health provided for in Title 50, chapter 2, part 1.

(2) (a) The boards listed in subsections (1)(a) through (1)(e) shall make the audio and video recordings of meetings under subsection (1) publicly available within 1 business day after the meeting through broadcast on the state government broadcasting service as provided in **5-11-1111** or through publication of streaming audio and video content on the respective board's website.

(b) The boards listed in subsections (1)(f) through (1)(i) shall make the audio and video recordings publicly available within 5 business days after the meeting with a link to the recording on the respective board's website. If the board does not maintain a website, it shall maintain a social media page and provide a link to the recording on the social media page.

(c) The department of administration may develop a memorandum of understanding with the legislative services division for broadcasting executive branch content on the state government broadcasting service or live-streaming audio or video executive branch content over the internet.

(3) For the boards listed in subsections (1)(f) through (1)(i) that maintain minutes as required by **2-3-212**, the audio and video recordings created pursuant to this section are not required to be the official record of the meeting. If a recording is not designated as the official record, the recording may be destroyed after being

retained online for 1 year and is not subject to the requirements of Title 2, chapter 6, for public information requests.

(4) A board is not required to disrupt or reschedule a meeting if there is a technological failure of the meeting recording. If the recording is not able to be made available online, the board shall prominently post a notice in the same manner as a notice of a public meeting and shall post a notice at all locations where the meeting recording links are available. The notice must explain the reason the meeting was not recorded and describe the steps taken to remedy the failure prior to the next meeting.

(5) The requirements of this section apply only when a board is acting on a matter over which the board has supervision, control, jurisdiction, or advisory power at a public meeting as defined in **2-3-202** that has been publicly noticed as required by **2-3-103**.

(6) The requirements of this section do not apply to a board listed in subsection (1)(f) when a quorum is incidentally established as described in **7-5-2122**(4) and (5) solely on the basis of sharing a common office space.

(7) The following boards must meet the requirements of this section, except that meetings may be recorded, retained, and made available in audio format only:

- (a) the governing board of a county with a population of less than 4,500; and
- (b) the governing board of a third-class city.

(8) Expenditures by a school district on staff, consultants, equipment, software licenses, storage, or security made to fulfill the requirements of this section qualify as a school facility project under **20-9-525**.

B. Public Comment - This is an opportunity for any member of the public to comment on the Board Meeting Minutes topic.

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 December 31, 2025. TRS posted a 0.62% net return in October and the Fiscal Year to Date return was 6.12%. Our net Inception To Date return through the end of October was 7.89% which is 0.59% higher than the long-term assumption of 7.30%.

B. FY 2025 Annual Comprehensive Financial Report – Nolan Brilz, Accounting Manager for TRS, will provide an overview of our completed FY 2025 ACFR at the meeting. Each Board Member will receive a hard copy of the report. The Legislative Auditor's Opinion is located on page 9 of the electronic version of the ACFR located here: [ACFR for fiscal year ending June 30, 2025](#).

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

D. Personnel Committee Report: – Kari Elliott and Elliott Crump will provide a verbal report on the performance appraisal conducted for Executive Director, Shawn Graham, on February 13, 2026.

E. Tentative 2026 Meeting Dates – Tentative 2026 meeting dates: Feb 13, **May 8**, August 7, October 2, December 4.

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. Out of State Travel Request** – I have attached an out of state travel justification forms for the following:

- John Noble – PRISM conference May 2026
- Tammy Rau – GFOA conference June 2026
- James Malizia – NAPPA conference June 2026
- Shawn Graham – NCTR Director's Conference June 2026

Information Item **H. Next Meeting Date** – May 8, 2026.

	<u>UNITS OUTSTANDING</u>	<u>UNIT VALUE</u>	<u>MARKET VALUE\$(000)</u>	<u>ALLOCATION (%)</u>
Allocation				
TEACHERS RETIREMENT			5,609,070	100.00
SHORT TERM INVESTMENT POOL (STIP)	58,307,604.42	100.00000	58,308	1.04
Consolidated Asset Pension Pool (CAPP)	2,693,954,243.39	206.04515	5,550,762	98.96

	<u>ITD</u>	<u>INCEPTION DATE</u>
Longest Measurable Plan Return	7.89	7/1/1994

	<u>MONTH</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>	<u>Benchmark ITD</u>	<u>INCEPTION DATE</u>
Returns										
TEACHERS RETIREMENT	0.62	1.92	6.12	11.69	10.62	7.81	8.61	7.26	8.53	1/1/2011
TEACHERS RETIREMENT CUSTOM BENCHMARK (YWN2D) - BLDR	0.63	2.37	8.12	14.87	12.15	7.43	8.67	-	8.74	
SHORT TERM INVESTMENT POOL (STIP) [1]	0.35	1.06	2.21	4.46	4.98	3.32	2.32	1.92	2.54	4/1/1997
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR	0.32	1.01	2.13	4.35	5.02	3.34	2.27	1.86	2.47	
Consolidated Asset Pension Pool (CAPP)	0.62	1.94	6.17	11.79	10.69	7.87	-	-	8.62	4/1/2017
CAPP CUSTOM BENCHMARK (MONCAPP) - BLDR	0.63	2.39	8.19	15.03	12.25	7.48	-	-	8.45	

Allocation - Asset Class	Plan Market Value \$(000)	Allocation (%)
TEACHERS RETIREMENT	5,609,070	100.00
Domestic Equity - PAC	1,530,284	27.28
International Equity - PAC	901,890	16.08
Private Investments - PAC	942,311	16.80
Real Assets - PAC	327,351	5.84
Real Estate - PAC	641,713	11.44
Core Fixed Income - PAC	745,006	13.28
Non-Core Fixed Income - PAC	393,754	7.02
Cash Equivalents - PAC	68,453	1.22
PENSION CASH	58,308	1.04

Returns	MONTH	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD	INCEPTION DATE
Domestic Equity - PAC	0.01	2.39	10.80	16.45	21.63	13.14	13.80	10.35	10.71	5/1/2003
Domestic Equity - PAC Custom Blend (MONDE) - BLDR	0.01	2.42	10.87	17.25	22.38	13.30	14.42	10.86	11.38	
International Equity - PAC	3.01	4.28	10.57	29.82	16.67	7.12	8.36	5.34	5.58	4/1/1997
International Equity - PAC Custom Blend (MONIE) - I [2]	2.85	4.76	11.95	31.96	17.10	7.77	8.37	5.73	5.87	
Private Investments - PAC	0.43	1.05	2.73	3.34	4.85	11.29	11.43	10.90	12.00	5/1/2002
Private Equity PAC Custom (MONPE) - BLDR	0.26	2.43	10.33	11.38	13.42	7.93	11.06	11.14	10.83	
Real Assets - PAC	0.32	1.59	2.47	6.05	7.57	11.82	-	-	5.95	4/1/2017
Real Assets - PAC Custom Blend (MU7EBM) - BLDR	0.72	3.64	12.01	26.49	10.67	9.32	-	-	5.34	

TEACHERS RETIREMENT PLAN
SUMMARY OF POSITIONS AND RETURNS
Dec 31, 2025

MONTANA
BOARD OF INVESTMENTS

	<u>MONTH</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>	<u>ITD</u>	<u>INCEPTION DATE</u>
Returns										
Real Estate - PAC	0.28	0.34	1.54	2.82	(1.85)	4.91	5.80	-	4.10	6/1/2006
Real Estate - PAC Custom Blend (MONRE) - BLDR	0.52	0.52	1.34	3.19	(6.15)	2.59	2.40	-	3.89	
Core Fixed Income Pre and Post CAPP [3]	(0.24)	1.13	3.21	7.49	4.67	(0.11)	2.06	3.63	5.03	4/1/1995
Core Fixed Income Custom Benchmark (CFIBM1)	(0.15)	1.10	3.15	7.30	4.66	(0.36)	1.76	3.13	4.44	
Non-Core Fixed Income Pre and Post CAPP [4]	0.64	1.70	5.46	11.14	9.80	3.93	5.53	-	6.87	6/1/2009
Bloomberg U.S. HY - 2% Issuer Cap (WE6D)	0.57	1.31	3.88	8.62	10.06	4.50	6.52	-	7.75	
Cash Equivalents - PAC	0.37	1.15	1.93	4.95	5.74	3.86	-	-	2.89	5/1/2017
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR	0.32	1.01	2.13	4.35	5.02	3.34	-	-	2.53	

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
FUND BALANCE STATEMENT
as of December 31, 2025

	12/31/2025	12/31/2024
	AGENCY ACCOUNT	AGENCY ACCOUNT
REVENUE		
Contributions	101,426,020	99,549,191
Misc Revenue	72	102
Investment Revenue	303,869,064	293,872,187
TOTAL REVENUE	405,295,156	393,421,481
EXPENSES		
Benefits Paid	233,582,535	226,797,629
Withdrawals	5,412,107	5,337,874
Admin. Exp	1,829,005	1,665,254
Depreciation Exp.	17,420	17,420
Amortization Exp.	0	0
Lease Amortization Exp.	82,651	82,651
Lease Principal & Interest	19,172	20,205
OPEB Expense	0	0
Pension Expense - PERS	0	0
TOTAL EXPENSES	240,942,890	233,921,032
REV OVER EXP	164,352,266	159,500,449
REV OVER EXP	164,352,266	159,500,449
BEG FUND BAL	5,416,892,548	5,151,867,830
Adj Fund Bal	0	0
END FUND BAL	5,581,244,814	5,311,368,278

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

	12/31/2025	12/31/2024
	AGENCY ACCOUNT	AGENCY ACCOUNT
ASSETS		
Current Assets		
Cash	1,978,966	2,790,753
Accounts Receivable	17,556	42,114
Interest Receivable	0	0
Total Current Assets	1,996,521	2,832,867
Investments		
Short-term Investment Pool	58,307,604	54,383,535
Consolidated Asset Pension Pool (net)	5,525,426,082	5,257,463,674
Security Lending Collateral	0	0
Total Investments	5,583,733,686	5,311,847,210
Other Assets		
Equipment	16,286	16,286
Accumulated Depreciation Equip	(16,286)	(16,286)
Leashold Improvements	243,881	243,881
Accumulated Dep Leasehold Imp	(209,041)	(174,200)
Intangible Assets	0	0
Intangible Right to Use Bldg	2,810,123	2,810,123
Accumulated Amort Right to Use Bldg	(743,856)	(578,555)
Total Other Assets	2,101,107	2,301,249
Deferred Outflows - Pension and OPEB	451,824	424,170
TOTAL ASSETS	5,588,283,139	5,317,405,495
LIABILITIES & FUND BAL.		
Liabilities		
Accounts Payable	11,857	49,990
Standard Lease	2,285,901	2,413,081
Uncleared Collections	2,110,437	960,152
Compensated Absences	258,476	256,558
Security Lending	0	0
OPEB Implicit Rate Subsidy	89,791	54,636
Net Pension Liability - PERS	1,979,140	1,957,160
Total Liabilities	6,735,602	5,691,578
Fund Balances		
Pension Accumulation Fund	4,511,954,996	4,271,170,686
Annuity Savings Fund	904,937,551	880,697,144
Year-to-date Income/(Loss)	164,352,266	159,500,449
Adj Fund Bal	0	0
Total Fund Balance	5,581,244,814	5,311,368,278
Deferred Inflows - Pension and OPEB	302,723	345,639
TOTAL LIABILITIES & FUND BAL.	5,588,283,139	5,317,405,495

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

	12/31/2025	12/31/2024
	AGENCY ACCOUNT	AGENCY ACCOUNT
Investment Revenue:		
Short-term Investment Pool	1,210,313	1,438,938
Consolidated Asset Pension Pool		
Securities Gains/(Losses)	69,413,050	54,774,848
Investment Appreciation/(Depreciation)	233,245,701	237,658,401
Securities Lending Activity	0	0
Administrative Investment Exp.	0	0
Total Investment Rev.	303,869,064	293,872,187
Administrative Expense:		
Personal Services	1,140,418	1,109,684
Contracted Services	482,782	397,750
Supplies & Material	64,876	46,763
Communications	38,943	42,701
Travel	11,503	10,841
Rent	1,620	1,620
Repairs & Maintenance	26,773	10,099
Other Expenses	62,090	45,794
Depreciation Exp.	17,420	17,420
Amortization Exp.	0	0
Lease Amortization Exp.	82,651	82,651
Lease Interest	19,172	20,205
OPEB Expense	0	0
Pension Expense - PERS	0	0
Total Administrative Exp.	1,948,248	1,785,529

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

ACCOUNT LEVEL	ACCOUNT CATEGORY	EXPENSE FY 2025	BUDGET FY 2026	EXPENDITURE YEAR TO DATE	% BUDGET SPENT	TOTAL PROJECTED	BUDGET SURPLUS/(DEFICIT)
	PERSONAL SERVICES:						
61100	Salaries	1,759,975	2,011,027	850,486	42.3%	1,892,787	118,240
61300	Per Diem	4,800	8,000	3,200	40.0%	5,300	2,700
61403	Health Insurance	286,167	320,100	142,290	44.5%	299,863	20,237
61400	Benefits	299,653	338,000	146,291	43.3%	328,693	9,307
	Total Personal Services	2,350,595	2,677,127	1,142,267	42.7%	2,526,644	150,483
	OPERATING EXPENSES:						
62100	Contract Services	802,391	986,157	421,708	42.8%	927,969	58,188
62200	Supplies/Materials	72,377	84,300	64,876	77.0%	72,715	11,585
62300	Communications	131,280	132,210	38,943	29.5%	114,422	17,788
62400	Travel	18,379	38,000	11,503	30.3%	23,006	14,994
62500	Rent	3,241	3,500	1,620	46.3%	4,591	(1,091)
62700	Repairs/Maintenance	13,859	23,825	26,773	112.4%	26,773	(2,948)
62800	Other Expenses	92,973	112,666	62,090	55.1%	111,326	1,340
	Total Operating Expense	1,134,501	1,380,658	627,513	45.5%	1,280,800	99,858
62122	Audit Fees - Biennial Amount	93,304	120,000	61,074	50.9%	120,000	-
	Total Operating and Personal Services	3,578,399	4,177,785	1,830,855	43.8%	3,927,444	250,341
69501	Capital Lease	163,593	168,501	84,251	0.0%	168,501	-
	Subtotal Capital Lease	163,593	168,501	84,251	0.0%	168,501	-
	Totals	3,741,992	4,346,286	1,915,105	44.1%	4,095,945	250,341

Percent of FY Complete 50%
Percent of Payroll Complete 46%

Teachers' Retirement System
Budget Analysis - Contracted Services
as of November 30, 2025

ACCOUNT CODE	ACCOUNT NAME	EXPENSE FY 2025	BUDGET FY 2026	ACTUAL EXP TO DATE	% OF BUDGET
62102	Consulting & Professional	193,841	193,550	93,676	48.4%
62104	Insurance	0	3,002	2,926	97.5%
62104A	INS & Bonds - Non fixed	276	150	0	0.0%
62108	Legal Fees/Court Costs	223	37,500	0	0.0%
62113	Warrant Writing Fees	36,081	54,381	21,242	39.1%
62114	Payroll Service Fees	5,780	6,763	6,763	100.0%
62114A	Workers Comp Mgmt	443	688	697	101.3%
62115	Photographic Services	50	50	10	20.0%
62116	Medical Services	6,259	13,000	5,140	39.5%
62136	IT Consult & Prof Servs	267,741	359,000	121,283	33.8%
62145	Food Services Expense	1,188	1,000	451	45.1%
62148	SABHRS Costs/DOA	144,919	153,756	116,714	75.9%
6215A	LinedIn Charge	0	0	114	N/A
62186A	Recycling	832	850	442	51.9%
62187	Records Storage	2,933	3,000	1,496	49.9%
62190	Printing, Pub & Graphics	49,177	50,000	10,275	20.6%
62191	Printing, Other Provider	3,221	4,000	1,598	40.0%
621B1	SITSD Storage Hosting	16,822	19,000	3,518	18.5%
621B2	SITSD Server Hosting Services	30,135	35,000	9,497	27.1%
621B4	SITSD Application Services	117	700	0	0.0%
621B5	SITSD Email	2,752	3,600	1,149	31.9%
621B8	SITSD Operations Support	8,092	6,700	0	0.0%
621B9	SITSD Database Hosting	2,386	3,500	1,140	32.6%
621C2	SITSD Application Development	1,410	2,000	8,448	N/A
621C5	SITSD Enterprise Services	27,714	31,000	13,450	43.4%
621C6	SITSD Professional Services	0	1,000	0	0.0%
621C8	SITSD Email Restore	0	1,000	0	0.0%
621D9	Public Information Requests	0	1,967	1,680	85.4%
	SUBTOTAL	802,391	986,157	421,708.23	42.8%
62122	Audit Fees - Current	93,304	120,000	61,074	50.9%
	TOTAL CONTRACTED SERVICES	895,695	1,106,157	482,782	43.6%

Percent of FY Complete: 50%

**Teachers' Retirement System
Delinquent Agency Report
1/6/2025**

Employer Number	Employer Name	Reports Outstanding	Estimated Employee Contributions	Estimated Employer Contributions
010121	Lima Schools	Oct, Nov	6,000	7,000
		Total	6,000	7,000
		Total Due	13,000	

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

STATE OF MONTANA

REQUEST AND JUSTIFICATION
FOR OUT-OF-STATE TRAVEL

1) Agency Number/Name 61050-Teachers Retirement Board		2) Division Teachers' Retirement System	
3) Org Number 01	4) Employees Traveling John Noble		

5) Justification

Travel to and from annual PRISM Conference in San Diego, CA May 17-20th.

6) Alternatives**7) Itinerary**

Travel dates are May 17-20th. Conference dates are May 18-20th.

8) Lodging Rate

Within Federal Rate? If not, enter Federal and Lodging Rates If requesting travel advance, list amount

Yes Federal 234.00

No Lodging 269.00 *(Travel advances should be issued only on an exception basis)*

If rates are above the federal rate, check the items which apply below:

1. Government rates were requested and were not available at the hotel where the employee is staying; **and**
- a. Government or significantly lower rates are not available at another hotel within a reasonable distance; **or**
- b. It is necessary for purposes of accessibility and/or security to stay at the hotel in which the conference is being held; **or**
- c. Emergency or last minute travel arrangements preclude finding accommodations within the federal guidelines; **and**
2. Reimbursement at actual cost is within the agency's authorized appropriation level.

9) Estimated Cost	Transportation	Meals/Lodging	Registration	Other	Total
	<u>500.00</u>	<u>650.00</u>	<u>1,299.00</u>	<u>150.00</u>	<u>2,599.00</u>

10) Submitted By	Requested By	Title	Date
	John Noble	IT Manager	1/23/2026

Approval - to be Completed by Agency Authorized Personnel

Supervisor	Date	Administrator	Date	Dept Head/Designee	Date
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NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

STATE OF MONTANA

REQUEST AND JUSTIFICATION
FOR OUT-OF-STATE TRAVEL

1) Agency Number/Name 61050 Teachers' Retirement Board		2) Division Teacher' Retirement System	
3) Org Number 01	4) Employees Traveling Tammy Rau		

5) Justification
GFOA Conference in Chicago, IL June 28 - July 1, 2026

6) Alternatives

7) Itinerary
Helena, MT to Chicago, IL June 27- July 2, 2026

8) Lodging Rate

Within Federal Rate? If not, enter Federal and Lodging Rates If requesting travel advance, list amount

Yes Federal 234.00

No Lodging 275.00 *(Travel advances should be issued only on an exception basis)*

If rates are above the federal rate, check the items which apply below:

1. Government rates were requested and were not available at the hotel where the employee is staying; **and**
- a. Government or significantly lower rates are not available at another hotel within a reasonable distance; **or**
- b. It is necessary for purposes of accessibility and/or security to stay at the hotel in which the conference is being held; **or**
- c. Emergency or last minute travel arrangements preclude finding accommodations within the federal guidelines; **and**
2. Reimbursement at actual cost is within the agency's authorized appropriation level.

9) Estimated Cost	Transportation	Meals/Lodging	Registration	Other	Total
	<u>675.00</u>	<u>1,750.00</u>	<u>575.00</u>	<u>150.00</u>	<u>3,150.00</u>

10) Submitted By	Requested By	Title	Date
	Tammy Rau	Deputy Executive Director	1/28/2026

Approval - to be Completed by Agency Authorized Personnel

Supervisor	Date	Administrator	Date	Dept Head/Designee	Date
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NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

STATE OF MONTANA

REQUEST AND JUSTIFICATION
FOR OUT-OF-STATE TRAVEL

1) Agency Number/Name 61050-Teachers Retirement Board		2) Division Teachers' Retirement System	
3) Org Number 01	4) Employees Traveling James Malizia		

5) Justification

Travel to and from annual NAPPA's Legal Education Conference in Grand Rapids, MI, June 16 - June 19, 2026.

6) Alternatives

NAPPA Winter Conference 2027

7) Itinerary

Travel dates are June 16-19, 2026. Conference dates are June 16-19, 2026.

8) Lodging Rate

Within Federal Rate?	If not, enter Federal and Lodging Rates	If requesting travel advance, list amount
<input checked="" type="checkbox"/> Yes	Federal <u>234.00</u>	
<input type="checkbox"/> No	Lodging <u>275.00</u>	<i>(Travel advances should be issued only on an exception basis)</i>

If rates are above the federal rate, check the items which apply below:

1. Government rates were requested and were not available at the hotel where the employee is staying; **and**
- a. Government or significantly lower rates are not available at another hotel within a reasonable distance; **or**
- b. It is necessary for purposes of accessibility and/or security to stay at the hotel in which the conference is being held; **or**
- c. Emergency or last minute travel arrangements preclude finding accommodations within the federal guidelines; **and**
2. Reimbursement at actual cost is within the agency's authorized appropriation level.

9) Estimated Cost

Transportation	Meals/Lodging	Registration	Other	Total
<u>900.00</u>	<u>1,100.00</u>	<u>1,300.00</u>	<u>150</u>	<u>3,450.00</u>

10) Submitted By	Requested By	Title	Date
	Jim Malizia	Chief Legal Counsel	1/23/2026

Approval - to be Completed by Agency Authorized Personnel

Supervisor	Date	Administrator	Date	Dept Head/Designee	Date
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NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

STATE OF MONTANA

REQUEST AND JUSTIFICATION
FOR OUT-OF-STATE TRAVEL

1) Agency Number/Name 61050-Teachers Retirement Board		2) Division Teachers' Retirement System	
3) Org Number 01	4) Employees Traveling Shawn Graham		

5) Justification

Travel to and from annual NCTR Director's Meeting in Chicago, IL June 23-27th.

6) Alternatives**7) Itinerary**

Travel dates are June 23-27th. Conference dates are June 24-26th.

8) Lodging Rate

Within Federal Rate? If not, enter Federal and Lodging Rates If requesting travel advance, list amount

Yes Federal 234.00

No Lodging 275.00 *(Travel advances should be issued only on an exception basis)*

If rates are above the federal rate, check the items which apply below:

1. Government rates were requested and were not available at the hotel where the employee is staying; **and**
- a. Government or significantly lower rates are not available at another hotel within a reasonable distance; **or**
- b. It is necessary for purposes of accessibility and/or security to stay at the hotel in which the conference is being held; **or**
- c. Emergency or last minute travel arrangements preclude finding accommodations within the federal guidelines; **and**
2. Reimbursement at actual cost is within the agency's authorized appropriation level.

9) Estimated Cost	Transportation	Meals/Lodging	Registration	Other	Total
	<u>700.00</u>	<u>1,200.00</u>	<u>1,590.00</u>	<u>150.00</u>	<u>3,640.00</u>

10) Submitted By	Requested By Shawn Graham	Title Executive Director	Date 1/23/2026
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Approval - to be Completed by Agency Authorized Personnel

Supervisor	Date	Administrator	Date	Dept Head/Designee	Date
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NOTE: A travel expense voucher form must be filed within three months after incurring the travel expenses, otherwise the right to reimbursement will be waived.

V. Executive Director's Report

Information Items **A. Executive Summary**

1. **Staff Update:** Darla Fitzpatrick announced her plans to retire from TRS effective May 1, 2026. Darla has been with TRS for twelve years, including three years as a contracted technical writer on the initial phase(s) of M-Trust. As you know, Darla has helped TRS accomplish many of our strategic goals related to outreach and communication over the past 12 years. Most recently, she was responsible for rolling out our completely redesigned website which we will demo under the next agenda item. If she is willing, we should ask Darla to share a few highlights from her time with TRS and possibly what lies ahead. Please join me in congratulating Darla on her upcoming retirement and thanking her for her service to TRS!

2. **Operations Update:**

I will attend my first of nine regional MASS meetings on February 5th and I will report back to the board at future meetings on any common concerns or themes from the regions.

MASS Meeting Schedule:

Feb 5 th	Northcentral MASS in Great Falls
Mar 4 th	Southcentral MASS in Billings
Mar 11 th	Northwest MASS in Kalispell (Evergreen School)
Apr 1 st	Northeast MASS in Sidney
Apr 2 nd	Hi-Line MASS in Havre
Apr 8 th	Southeast MASS in Miles City
Apr 14 th	Central MASS in Lewistown
Apr 15 th	4 Rivers MASS in Manhattan
May 6 th	Western MASS in Missoula

The Communications Team will provide an update on recent webinar attendance.

B. Legislative Interim Committee Update: Since our last meeting, Jim Malizia presented the results of our most recent actuarial valuation to the Legislative Finance Committee as required by 19-20-216, MCA on December 18th. I don't anticipate any additional presentations to SAVA or LFC until the results of our Actuarial Experience Study are available which will be after our May 8th meeting.

We will attend the Legislative Audit Committee on April 9th or 10th for presentation of our Financial Audit Report. The report did not include any findings or recommendations so the committee is likely to adopt our report with minimal discussion.

Discussion Items

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

VI. TRS Responsive Website

Discussion Items **A. Demonstration of TRS Responsive Website** – The Communications Team will provide a demonstration of the newly redesigned TRS Website including a comparison of how screens look on a PC versus other devices like a cell phone or iPad.

B. Public Comment - This is an opportunity for any member of the public to comment on the TRS Responsive Website.

VII. Legal Counsel's Report

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

VIII. Board Policy

Discussion Items **A. Privacy and Security of Personal Information Revisions:** Jim Malizia will lead the board through a discussion of the recommended revisions to the attached Privacy and Security of Information and Notification of a Cyber/Data System Security Incident Policy. Proposed revisions are in Track Changes format. Most of the changes are related to guidance we have received from Risk Management and Tort Defense (RMTD) which we are required to follow in the event of a data incident or breach in order to preserve all of our rights under the State's cyber insurance coverage. Staff recommends aligning our policy with the RMTD requirements. We will incorporate any feedback received during this discussion/review into a final policy for approval at our May board meeting.

B. Public Comment - This is an opportunity for any member of the public to comment on the proposed revisions to the Privacy and Security of Personal Information and Notification of a Cyber/Data System Security Incident.



Montana Teachers' Retirement System
Policy 2-0500-003
Privacy and Security of Personal Information and
Notification of ~~Breach of the Security of a~~ Cyber/Data
System Security Incident

Section: Organizational

Implementer: All TRS Personnel

Effective Date: February 2, 2012

Revision Date: ~~February 21, 2020~~ May 8, 2026

Purpose:

This policy sets forth TRS's objectives for maintaining the privacy and security of personal information gathered, maintained, used, and disclosed by TRS personnel as necessary to conduct the business of TRS and to the implement Montana state policy for notification of affected individuals of a ~~breach of the security of a cyber security incident involving~~ TRS data systems.

Definitions:

Breach – the unauthorized access to or acquisition of ~~computerized~~ data ~~that materially that~~ materially compromises the security, confidentiality, or integrity of the personal information maintained by TRS or by a third party on behalf of TRS, ~~and causes or is reasonably believed to cause loss or injury to a person.~~

Cyber/Data System Security Incident (incident) – An event that raises concerns of a breach that has not been confirmed or investigated by the appropriate state authority or law enforcement.

Individual – a human being.

Person – an individual, a partnership, a corporation, an association, or a public organization of any character.

Personal information – (may be referred to as “personally identifiable information” or “PII”) —a first name or first initial with a last name in combination with any one or more of the following data elements when the name and data elements are not encrypted, except that the following data elements are not personal information if they are publicly available information that is lawfully made available to the general public from federal, state, local, or tribal government records:

- A. a social security number
- B. a tax identification number
- C. an identity protection personal identification number issued by the IRS

- D. a driver's license number
- E. an identification number issued pursuant to 61-12-501, MCA
- F. a tribal identification number or enrollment number
- G. an identification number issued by any state, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, or American Samoa
- H. an account number or credit or debit card number in combination with any required security code, access code, or password that would permit access to a person's financial account
- I. medical record information

Redact – to alter personal information contained within data to make all or a significant part of the data unreadable.

Third party – a person or another state agency who is not a TRS staff member, a third-party agent, or the member, retiree, joint annuitant, beneficiary, or alternate payee to whom the personal information pertains.

Third-party agent – a person with a contractual obligation to perform a function for TRS, which function requires disclosure by TRS to the third-party agent of some personal information data elements, or access to TRS data systems that contain personal information.

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

Truncate – ~~to provide means that~~ no more than the last four digits of an identification number ~~are accessible to a third-party agent as part of the data.~~

Policy:

A. Privacy and Security of Personal Information/Social Security Numbers

1. TRS is required to gather, maintain, use, and disclose personal information, including the social security numbers of members, retirees, joint annuitants, beneficiaries, and alternate payees, in order to administer the retirement system, including in order to comply with state and federal law pertaining to tax reporting of benefits paid by the retirement system. TRS also must obtain financial account information pertaining to individuals to whom it pays benefits for the purpose of effectuating direct deposit or other appropriate transfer of payments due to a retiree, joint annuitant, beneficiary, or alternate payee. ~~TRS will gather, maintain, use and disclose personal information, including social security numbers and financial account information, as necessary to administer the retirement system, including to comply with state and federal law pertaining to tax reporting of benefits paid.~~ TRS must obtain and may disclose medical record information for the purpose of making initial and ongoing determinations of eligibility for disability retirement benefits.

2. TRS will gather, maintain, use and disclose personal information of members, retirees, joint annuitants, beneficiaries, and alternate payees only as necessary to properly administer the retirement system, and as otherwise allowed or required by law. TRS staff shall access, use, and disclose such personal information only as necessary to perform assigned job functions.
3. ~~In order to~~ To perform assigned job functions, all TRS staff members will need to acquire personal information and access data systems and documents containing personal information, including social security numbers and financial account information, of any member, retiree, joint annuitant, beneficiary, or alternate payee. All TRS staff members are authorized to acquire and access such personal information as necessary to perform assigned job functions.
4. TRS will gather full social security numbers only as necessary to initially establish the identify of a TRS member, retiree, joint annuitant, beneficiary or alternate payee, or as necessary to verify and document the identity of a specific member, retiree, joint annuitant, beneficiary, or alternate payee related to remittance of contributions or other payments of amounts owed to the retirement system, payment of benefits, distribution of benefits under a family law order, disclosure of personal information pursuant to an authorization to disclose, or in other circumstances in which full match of name and social security number are necessary to verify the identity of the individual. In all other circumstances, TRS will gather, use, and disclose only truncated social security numbers for purposes of verifying the identity of an individual previously identified to the retirement system through submission of a full social security number.
5. TRS may disclose personal information, including full social security numbers, to a third-party agent as necessary for the third-party agent to perform the functions contracted for, and to maintain the integrity of individual identification in records maintained by TRS and the third-party agent. ~~Except as necessary for performance of the contracted functions and to maintain the integrity of individual identification in multiple record sets, TRS shall disclose only truncated social security numbers to a third-party agent.~~
6. Other than as described in this policy, TRS will not disclose personal information to any third party unless such disclosure is expressly authorized by the individual to whom the personal information pertains or by a representative of the individual acting under authority of law (~~i.e.~~, power of attorney, order of guardianship or conservatorship, order of appointment of personal representative in a probate proceeding, etc.), or as otherwise allowed or required by law.
7. In any circumstance in which any record/document that includes a full social security number is to be disclosed to a third party, TRS staff shall redact or truncate the social security number, if appropriate and as appropriate to the purpose for the disclosure.
8. TRS staff shall dispose of any record/document that contains personal information in conformity with TRS's protocols for secure disposal/shredding of personal information.

9. TRS staff will not store or maintain any unencrypted record or document that includes the personal information of any member, retiree, joint annuitant, beneficiary, or alternate payee on any portable electronic device or media (~~i.e., e.g.,~~ laptop or notebook computer, iPad/tablet, smart-phone, ~~thumb or jump~~ USB drive, computer ~~dis~~edisk, or other device or media) except as necessary to perform assigned job functions for which such personal information is necessary. Such personal information may be maintained on a portable device or media only for the period of time necessary to perform the assigned job function, and only while the portable device or media is under the active, personal control of the TRS staff member. Such personal information stored or maintained on a portable device or media must, at a minimum, be protected by a secure password and other security measures and protocols as required by applicable state and TRS security policies.
10. TRS will contractually require that all third-party agents to whom personal information is disclosed by TRS have an information security policy designed to safeguard personal information.

B. ~~Notice of Breach of Security of a~~ Reporting a Cyber/Data ~~Cyber/Data~~ System Security Incident

1. Upon discovery or notification of a potential Cyber Attack, Cyber Incident, Data System Incident:
 - a. TRS staff shall report a potential information system incident to TRS management.
 - b. TRS management shall notify the Risk Management & Tort Defense Division (RMTD) and the state's Chief Information Officer.
 - c. TRS management shall prepare and review an Incident Report using ~~the~~ a form provided by RMTD or obtained from the RMTD website at the following link and: <http://rmtd.mt.gov/claims/agenciesreportclaims>.
2. TRS management must submit the accurately completed and signed incident report to RMTD within 2 business days.
3. TRS shall not contact individuals whose information may have been released or law enforcement unless TRS management has assessed the incident with RMTD and has been directed to do so by RMTD.
4. ~~If the incident is determined to be a breach, TRS will work with RMTD to determine how and when to report the breach to law enforcement agencies in compliance with the law and the requirements of the insurance carrier for Cyber/Data security incidents. Upon discovery or notification of a breach of a TRS data system, TRS shall make reasonable efforts to notify any person whose unencrypted personal information was acquired or is reasonably believed to have been acquired by an unauthorized person. Notice will be provided in writing, without unreasonable delay, except that notice may be delayed if a law enforcement agency determines that notification will impede a criminal investigation and requests a delay of notification.~~

~~1.4.~~ TRS will contractually require that all third-party agents to whom personal information is disclosed by TRS ~~will to provide notice to TRS and persons of an incident that involves breach of of the third-party agent's data systems in conformity with (1) and~~ require the third-party agent to provide full disclosure and assistance to TRS management and RMTD in conformity with this policy.

~~2.5.~~ ~~If TRS is required to issue a notification of breach, TRS shall simultaneously submit an electronic copy of the notification and a statement providing the date and method of distribution of the notification and the number of individuals entitled to receive the notification to the Attorney General's Office of Consumer Protection. The notification to the Office of Consumer Protection shall not include any information that personally identifies any individual entitled to receive the notification. Affected individuals will be notified in accordance with RMTD guidance.~~

Cross Reference:

§§ 2-6-1501 through 2-6-~~1503~~1504, MCA

Signature:

By board action taken on (date) February 21, 2020, 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 board action set forth above

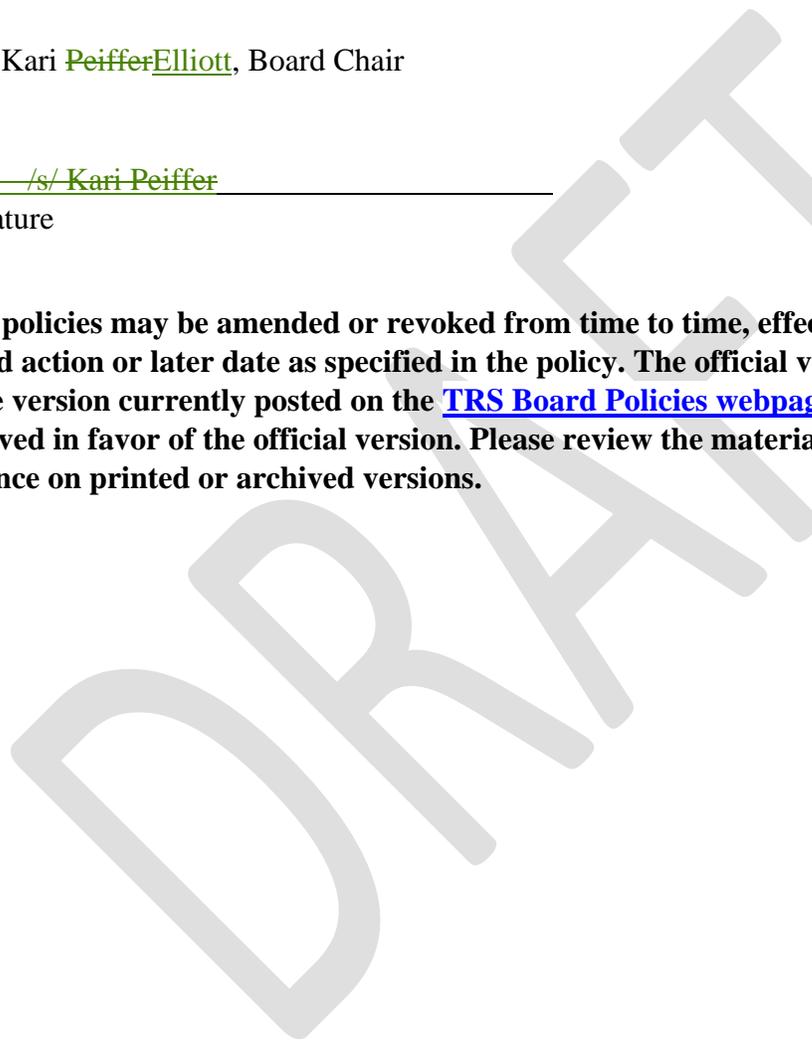
_____ (date) _____.

BY: Kari ~~Peiffer~~Elliott, Board Chair

_____ /s/ Kari Peiffer

Signature

TRS policies may be amended or revoked from time to time, 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 currently posted on the [TRS Board Policies webpage](#) and deviation will be resolved in favor of the official version. Please review the material online prior to placing reliance on printed or archived versions.



IX. Applications and Retirement Benefits

Information Item **A. Regular, Survivorship, Adjustments, and Corrections** - Attached are a list of members who have retired from 11/01/2025 through 12/31/2025 and any adjustments made during that time.

We had 28 retirees with average termination pay of \$7,982.70, average monthly benefits of \$1,222.51, average age of 62.29 and average years of service of 14.99.

The quarterly report is purposely excluded from your electronic board packet because it includes what could be considered Personally Identifiable Information (PII). The report will be included in your printed copy at the meeting.

X. Long Range Planning

Discussion Items **A. Strategic Planning**– I have attached a copy of the 2025-2027 commitment worksheet for Board discussion.

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

TRS 2025 – 2027 Strategic Planning Commitment Worksheet

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

TRS 2025 – 2027 Strategic Planning Commitment Worksheet (continued)

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