Teachers' Retirement Board

The Teachers' Retirement Board administers the Teachers' Retirement System (TRS). The Board consists of 6 members appointed by the governor to staggered 5-year terms. Membership must include:

- 3 members from the teaching profession who, when appointed, are active members of TRS, with at least 1 of the 3 actively employed as a public school classroom teacher who must hold a class 1, 2, or 4 certificate);

- 1 retired teacher who was a member of the retirement system at the time of retirement; and

- 2 representatives of the public.

The Board hires its own staff, including an executive director.

**Executive Director:** Shawn Graham, 444-3376, sgraham@mt.gov

**Website:** [https://trs.mt.gov/](https://trs.mt.gov/)

**Responsibilities**

<table>
<thead>
<tr>
<th>• Constitutionally responsible for administering TRS, including actuarial determinations, as fiduciaries of system participants and their beneficiaries.</th>
<th>• Contracts with Cavanaugh MacDonald Consulting, LLC, for actuarial services.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provides informational material to employers and members, including retirement planning seminars.</td>
<td></td>
</tr>
</tbody>
</table>

**Programs, FTE, and Budgeted Funding - FY 2018**

*Source: TRS*

<table>
<thead>
<tr>
<th>Programs</th>
<th>FTE</th>
<th>General Fund</th>
<th>State Special</th>
<th>Federal Revenue</th>
<th>Proprietary</th>
<th>Trust Funds</th>
<th>Total Funding</th>
<th>% General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teachers Retirement System</td>
<td>20.5</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$2,600,944</td>
<td>$2,600,944</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

Compiled by Sheri Scurr, Research Analyst

sscurr@mt.net

Montana Legislative Services Division

http://leg.mt.gov  (406) 444-3064
Teachers' Retirement Board

Agency Overview - Highlights

For the State Administration and Veterans' Affairs Interim Committee

Statutory Advisory Councils

• None.

Statutorily Required Reports

• Comprehensive Annual Financial Report - FY 2015-2016 - 5-11-210(11), and 19-20-201(1)(d) and (4), MCA
• Annual actuarial report - FY 2016 - 19-20-201(1)(f), MCA
• Experience study - 5-year period ending July 1, 2013 - 19-20-201(4), MCA
• Special actuarial report required by HB 377 (2013) on progress toward 100% funding. This report is included in the annual actuarial valuation.

Most Recent Legislative Audits

• Financial Compliance Audit for the Fiscal Year Ended June 30, 2016 - 16-09A. No recommendations.

Relevant Retirement Bills That PASSED - 2017 Session

* denotes By Request of TRS Board

• HB 67* - M. Ryan - Generally revise TRS
• HB 68* - M. Ryan - Revise university system retirement plan participation requirements
• SB 121 - Buttrey - Provide that volunteer positions are not reportable to TRS

Relevant Retirement Bills That FAILED - 2017 Session

• HB 72* - Lynch - Increase university system supplemental contribution to TRS
• HB 436 - Burnett - Constitutional referendum to require voter approval for employer contribution increases in retirement systems
• HB 499 - Burnett - Require actuarial report using alternative assumption for investment earnings
• SB 143 - Lang - Revise return to work provisions in TRS (vetoed)
• SB 263 - Brown - revise laws on public retirement system investments

SAVA Activities Since 2013

2014-15 Interim:

• Monitored implementation of HB 377 (2013), which provided actuarially-required funding to make the system actuarially sound.

• Monitored status of the lawsuit to void the HB 377 provision reducing the Guaranteed Annual Benefit Adjust (GABA) for retirees.

Hot Topics of 2017 Session

• None.
### Agency Overview - Highlights

**For the State Administration and Veterans' Affairs Interim Committee**

<table>
<thead>
<tr>
<th>Funded Ratio</th>
<th>Amortization period</th>
</tr>
</thead>
<tbody>
<tr>
<td>69%</td>
<td>24 yrs</td>
</tr>
</tbody>
</table>

#### Main Economic Assumptions*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Investment rate of return</td>
<td>7.75%</td>
</tr>
<tr>
<td>Wage growth</td>
<td>4.0%</td>
</tr>
<tr>
<td>Inflation</td>
<td>3.25%</td>
</tr>
</tbody>
</table>

*Note: A new experience study will be conducted in Spring 2018

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**ATTACHMENTS**
- TRS Organizational Chart
- Staff Directory

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Compiled by Sheri Scurr, Research Analyst

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Montana Legislative Services Division

http://leg.mt.gov (406) 444-3064
TRS Staff Directory

Shawn Graham
Executive Director (406) 444-3134

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Deputy Executive Director (406) 444-3134

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Chief Legal Counsel (406) 444-3134

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Communications Officer (406) 444-0139

Karla Scharf
Retired Benefits Manager (406) 444-3135

Nolan Brilz
Accounting/Fiscal Manager (406) 444-3679

John Noble
Information Systems Manager (406) 444-3395