

# Teacher Retirement System Summary of Budget Recommendations - Senate

III - 44  
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Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$6,591,501,256	\$6,663,220,004	\$71,718,748	1.1%
GR Dedicated Funds	\$68,563,729	\$73,731,309	\$5,167,580	7.5%
Total GR-Related Funds	\$6,660,064,985	\$6,736,951,313	\$76,886,328	1.2%
Federal Funds	\$721,337,761	\$0	(\$721,337,761)	(100.0%)
Other	\$375,093,829	\$480,092,043	\$104,998,214	28.0%
All Funds	\$7,756,496,575	\$7,217,043,356	(\$539,453,219)	(7.0%)

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	1,047.3	1,047.3	0.0	0.0%

## Agency Budget and Policy Issues and/or Highlights

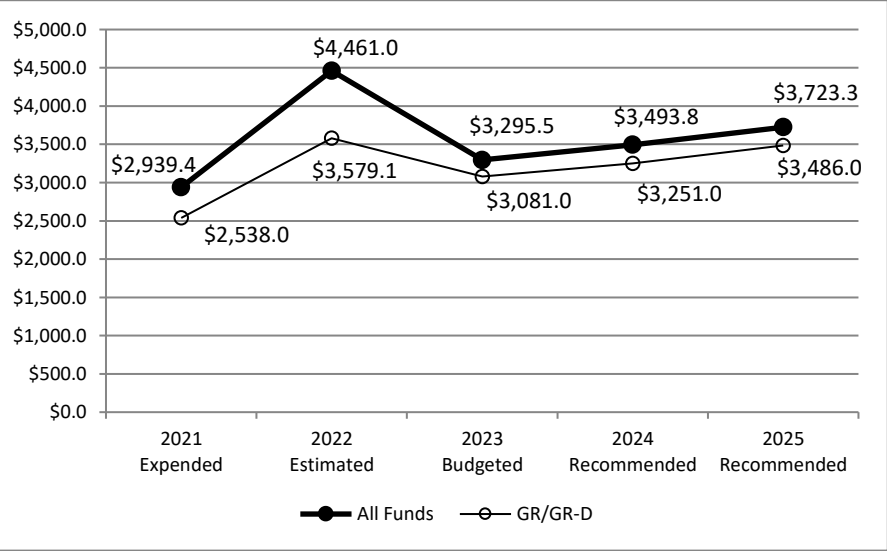
The GR and GR-Dedicated increases reflect the combined impact of an increased state contribution rate and anticipated payroll growth in public and higher education. The GR increase is offset by the removal of onetime funding for an additional annuity payment for TRS retirees in FY 2022.

The Federal Funds decrease reflects the removal of onetime appropriations in FY 2022 for TRS-Care and TRSActiveCare to prevent premium increases associated with coronavirus-related claims.

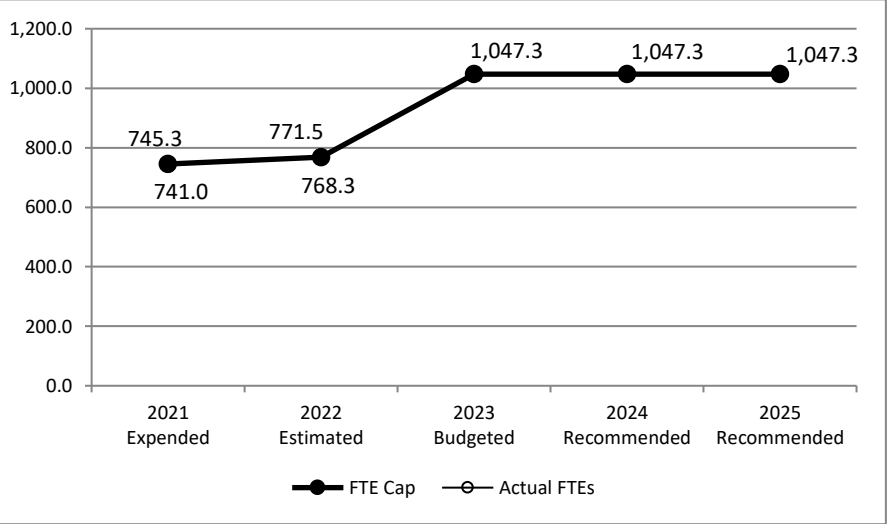
The Other Funds increase reflects administrative cost increases for the retirement program related to salaries, technology, and inflation. Administrative costs and funding for TRS-Care and TRS-ActiveCare are funded entirely with non-appropriated trust funds.

The bill pattern for this agency (2024-25 Recommended) represents an estimated 2.6% of the agency's estimated total available funds for the 2024-25 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



**Teacher Retirement System**  
**Summary of Funding Changes and Recommendations - Senate**

**Section 2**

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<b><i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i></b>							
<b>Changes Related to Payroll Growth</b>							
A)	Retirement: Increase funding for state retirement contributions for Public and Higher Education employees due to projected growth of covered payroll and an increase in the General Revenue share of state contributions to incorporate changes in other Methods of Finance.	\$423.2	\$5.9	\$0.0	\$4.7	\$433.8	A.1.1 and A.1.2
B)	Retirement: Increase funding for state retirement contributions for Public and Higher Education employees due to the impact of rate increases required by Senate Bill 12, Eighty-sixth Legislature.	\$324.6	(\$0.7)	\$0.0	\$0.0	\$323.9	A.1.1 and A.1.2
C)	TRS-Care: Increase funding for Retiree Health due to projected growth of covered payroll.	\$46.3	\$0.0	\$0.0	\$0.0	\$46.3	A.2.1
<b>Changes Related to Onetime Funding</b>							
D)	Decrease in onetime funding in fiscal year 2022 for additional annuity payment.	(\$701.1)	\$0.0	\$0.0	\$0.0	(\$701.1)	A.1.4
E)	Decrease in onetime funding for TRS-Care and TRS-ActiveCare programs in fiscal year 2022 to prevent premium increases associated with coronavirus-related claims.	\$0.0	\$0.0	(\$721.3)	\$0.0	(\$721.3)	A.3.1
<b>Changes Related to Administrative Operations</b>							
F)	Continue funding for Investment Data Modernization Program and Fraud Detection and Prevention tool.	\$0.0	\$0.0	\$0.0	\$21.0	\$21.0	A.1.3
G)	Increase in Other Funds (Pension Trust Fund) to reflect the full biennial cost of additional 264.0 FTEs, added via TRS Board action during fiscal year 2023.	\$0.0	\$0.0	\$0.0	\$25.3	\$25.3	A.1.3
H)	Increase in Other Funds (Pension Trust Fund) to reflect the full biennial cost of existing staff salaries and salary increases provided during the 2022-23 biennium.	\$0.0	\$0.0	\$0.0	\$27.0	\$27.0	A.1.3
I)	Increase in Other Funds (Pension Trust Fund) for Method of Finance swap to transition salaries for existing Investment staff from Commission Credits brokerage account to Pension Trust Funds.	\$0.0	\$0.0	\$0.0	\$6.0	\$6.0	A.1.3
J)	Increase in Other Funds (Pension Trust Fund) to reflect increased costs related to inflation, including contracts, utilities, and travel.	\$0.0	\$0.0	\$0.0	\$11.4	\$11.4	A.1.3
K)	Decrease in Other Funds (Pension Trust Fund) to reflect the termination of the South Congress building lease in fiscal year 2023.	\$0.0	\$0.0	\$0.0	(\$9.6)	(\$9.6)	A.1.3

**Teacher Retirement System**  
**Summary of Funding Changes and Recommendations - Senate**

**Section 2**

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
L)	Decrease in funding due to onetime settle up appropriation to TRS-Care in fiscal year 2023.	(\$21.3)	\$0.0	\$0.0	\$0.0	(\$21.3)	A.3.1
M)	Increase in Other Funds (Pension Trust Fund) to reflect increase in travel resumed after the coronavirus pandemic.	\$0.0	\$0.0	\$0.0	\$1.1	\$1.1	A.1.3
N)	Increase in Other Funds (Pension Trust Fund) to reflect increase in utility costs related to the overlap of building occupancy.	\$0.0	\$0.0	\$0.0	\$1.8	\$1.8	A.1.3
O)	Increase in Other Funds (Pension Trust Fund) to reflect general state employee salary increase.	\$0.0	\$0.0	\$0.0	\$16.2	\$16.2	B.1.1
<b>TOTAL SIGNIFICANT &amp; OTHER Funding Changes and Recommendations (in millions)</b>		<b>\$71.7</b>	<b>\$5.2</b>	<b>(\$721.3)</b>	<b>\$105.0</b>	<b>(\$539.5)</b>	As Listed
<i>SIGNIFICANT &amp; OTHER Funding Increases</i>		\$794.1	\$5.9	\$0.0	\$114.6	\$913.8	As Listed
<i>SIGNIFICANT &amp; OTHER Funding Decreases</i>		(\$722.4)	(\$0.7)	(\$721.3)	(\$9.6)	(\$1,453.3)	As Listed

NOTE: Totals may not sum due to rounding.

Teacher Retirement System  
Selected Fiscal and Policy Issues - Senate

1. **Payroll Growth Assumptions for Retirement and TRS-Care.** Funding recommendations for estimated state retirement contributions total \$5.8 billion in All Funds in 2024-25, a \$753.0 million increase from the 2022-23 base. The increase is attributable to the combined impact of anticipated payroll growth and Senate Bill 12, Eighty-sixth Legislature, Regular Session, 2019, which raised the state contribution rate from 6.8 percent in 2019 to 8.25 percent in 2024 (see item 2 below).

Funding recommendations for estimated, statutorily required state contributions to Public Education Retirement total \$5.1 billion in General Revenue in 2024-25, a \$673.0 million increase from the 2022-23 base. This funding level provides a state contribution to Public Education Retirement equal to 8.25 percent of salaries, an increase of 0.25 percent from the 2022-23 biennium. Recommendations assume 3.6 percent annual payroll growth in Public Education Retirement. These assumptions are based on five-year payroll growth trends, excluding onetime, significant pay raises in fiscal year 2020 following the enactment of House Bill 3, Eighty-sixth Legislature, Regular Session, 2019. Recommendations assume 1.6 percent growth of the General Revenue share of contributions for Public Education Retirement to reflect increases in other funding sources such as the Statutory Minimum Contribution and Federal Funds.

Funding recommendations for estimated, statutorily required state contributions to Higher Education Retirement total \$661.4 million in All Funds in 2024-25, an \$84.8 million increase from the 2022-23 base. This funding level provides a state contribution to Higher Education Retirement equal to 8.25 percent of salaries, an increase of 0.25 percent from the 2022-23 biennium. Recommendations assume 6.0 percent annual payroll growth in Higher Education Retirement. Recommendations assume 4.8 percent growth of the General Revenue share of contributions and 3.7 percent growth of the General Revenue-Dedicated share of contributions for Higher Education Retirement. These assumptions are based on five-year trends for payroll growth and the actual General Revenue and General Revenue-Dedicated share of contributions, reflecting increases in other funding sources such as Non-Educational and General Funds.

Funding recommendations for estimated, statutorily required state contributions to TRS-Care total \$960.2 million in General Revenue in 2024-25, a \$46.3 million increase from the 2022-23 base. This funding level provides a state contribution to TRS-Care equal to 1.25 percent of salaries, the same rate as the 2022-23 biennium. Recommendations assume 3.6 percent annual payroll growth and 2.5 percent growth of General Revenue contributions for TRS-Care. These assumptions are based on five-year payroll growth trends, excluding onetime, significant pay raises in fiscal year 2020 following the enactment of House Bill 3, Eighty-sixth Legislature, Regular Session, 2019.

2. **Senate Bill 12 State Contribution Rate Increases for Retirement.** Recommendations include an estimated \$323.9 million related to increases in the state contribution rates to TRS Retirement. The state contribution rate to the Teacher Retirement System has increased following the enactment of Senate Bill 12, Eighty-sixth Legislature. The following table shows the contribution rate by fiscal year.

Fiscal Year	State Contribution	Local (Employer) Contribution	Employee Contribution
2019	6.8%	1.5%	7.7%
2020	7.5%	1.5%	7.7%
2021	7.5%	1.6%	7.7%
2022	7.75%	1.7%	8.0%
2023	8.0%	1.8%	8.0%
2024	8.25%	1.9%	8.25%
2025	8.25%	2.0%	8.25%

3. **FTE and salary increase.** Recommendations include \$25.3 million in Other Funds for increased salary costs related to 264.0 additional FTEs added by the TRS Board in fiscal year 2023. The TRS Board of Trustees issued a fiduciary finding on August 12, 2022, to increase the FTE cap, pursuant to TRS Rider 20, *Exception to*

*FTE Limitation for Board Fiduciary Finding.* Rider 20 authorizes the TRS Board to increase the FTE cap upon a finding that such an increase is necessary to carry out the fiduciary duties of the Board. The FTE cap was increased by 264.0, from 783.3 to 1047.3, which includes 181.0 additional FTEs for the customer service improvement initiative and 83.0 additional FTEs to expand the number of in-house investment professionals.

Recommendations also include \$43.2 million in Other Funds for increased payroll costs for existing staff. Of this amount, \$17.0 million reflects the full biennial cost of existing FTEs that were not fully filled in the 2022-23 biennium. Additionally, \$10.0 million funds the full biennial cost of an increase in salaries to reflect the new employee classification plan, adopted by the TRS Board in fiscal year 2022, and \$16.2 million funds the general state employee salary increase. Recommendations do not include a base request of \$5.7 million increase to fund merit salary increases for Investment Management Division (IMD) staff ranging from 5.0 percent to 10.0 percent.

4. **Method of Finance Swap.** Recommendations include an increase of \$6.0 million in Other Funds to reflect a Method of Finance swap from Commission Credits to the Pension Trust Fund. Commission Credits are brokerage commissions incurred during trade execution. The recommended increase in funding provides for the salaries of 25.0 existing Investment Management Division (IMD) staff who were previously paid using Commission Credits. In fiscal year 2023, funding for the brokerage accounts decreased by \$6.5 million and the TRS Board transitioned these costs to the Pension Trust Fund. The recommended increase funds the full biennial cost of these staff for the 2024-25 biennium. Recommendations do not include a base request of \$8.7 million increase for investment professional services related to the Method of Finance swap from Commission Credits.
5. **Investment Technology Programs.** Through the fiscal year 2023 fiduciary finding (see item # 3 above), the TRS Board approved an \$8.1 million increase to the fiscal year 2023 operating budget for two new capital projects: an Investment Data Modernization (IDM) program and a new fraud detection and prevention tool. Recommendations total \$29.1 million in Other Funds in the 2024-25 biennium for both projects, a \$21.0 million increase from the 2022-23 biennium, which includes a \$20.5 million increase in Other Funds for the IDM project and a \$0.5 million increase in Other Funds for the fraud detection and prevention tool.

IDM is a five-year project to modernize TRS's investment data platform and systems to improve trust asset monitoring and fiduciary oversight. The TRS Board adopted \$5.3 million in fiscal year 2023 for the first year of the IDM project. The agency notes that the project will cost \$25.8 million in the 2024-25 biennium. Recommendations do not include requested new rider, *Investment Data Modernization Program*, which would exempt any FTEs associated with the IDM program from the current FTE limitation, until the program is fully implemented. The fraud detection and prevention tool will use artificial intelligence to help detect unusual patterns and activity in the pension member system to help protect pension funds and member data. The TRS Board adopted \$2.8 million in fiscal year 2023 for the first year of the fraud detection and prevention tool. The agency notes that the project will cost \$3.3 million in the 2024-25 biennium.

6. **TRS-ActiveCare Affordability.** TRS-ActiveCare is a healthcare benefits program for certain public school district employees enacted by the Seventy-seventh Legislature in 2001. Prior to fiscal year 2023, school districts with less than 500 employees were required to participate in ActiveCare, while larger districts could join voluntarily. Member districts were also statutorily prohibited from leaving the program. As of as of August, 2022 there are approximately 450,443 participants in TRS-ActiveCare, representing 56.0 percent of public education employees. Senate Bill 1444, Eighty-seventh Legislature, Regular Session, 2021, amends the Texas Insurance Code to prohibit participating entities from offering healthcare benefits outside of ActiveCare and authorizes all participating and eligible entities to leave or join ActiveCare, regardless of their size, for a minimum period of five years. TRS reports that 114 districts, or about 10.0 percent of participating districts filed their notice to leave ActiveCare, effective September 1, 2022. The overall cost impact has been neutral.

State law requires a minimum contribution by the state of \$75 per employee per month, which is distributed through the Foundation School Program. Participating districts are required to contribute a minimum of \$150 per employee per month toward the premiums of participating members. Minimum state and employer contributions have not changed since the program was established. About 842, or 82.0 percent of districts contribute more than the minimum. These districts generally contribute between \$225 and \$250 or less per employee per month.

Significant growth in the cost of healthcare without an increase in state and employer contributions since the program's inception has reduced the affordability of ActiveCare plans. Senate Bill 8 of the Eighty-seventh Legislature, Third Called Session, 2021, appropriated \$203.0 million to TRS-ActiveCare. CARES Act funding

awarded through the Governor’s office totaled \$435.0 million for ActiveCare. Both onetime funding sources helped contain and, in some cases, reduce participant premiums for the 2022-23 school year. TRS reports that without additional funding, premiums for the lowest cost plan option are anticipated to increase by between \$87 and \$294, or 22.0 percent in fiscal year 2024. Recommendations do not include agency exceptional item request of \$1.4 billion to hold premiums constant for the 2024 and 2025 plan years.

- 7. **Executive Director Salary Classification.** Recommendations include the Executive Director salary of \$400,000, which was increased from \$355,000 in fiscal year 2022. The Executive Director salary reflects TRS board action taken pursuant to Rider 8, *Exempt Positions*, of the TRS bill pattern, which authorizes the Board to set the salaries of exempt positions without limitation. The Executive Director is eligible for leadership and investment management oversight incentive compensation. Leadership incentive compensation is based on performance in leadership effectiveness, culture and engagement, and operational effectiveness; investment management oversight incentive compensation is based on investment performance and capped at 30.0 percent of base salary. The evaluation period aligns with the fiscal year and the evaluation process and bonus calculation are conducted in December and January. The bonus payment is awarded in February and spans over two years. As of June 30, 2022, the Executive Director’s additional pay totaled \$32,609 in fiscal year 2022.
- 8. **Update on TRS Office Relocation.** Recommendations include a \$9.6 million decrease to reflect the termination of the South Congress Avenue office lease in fiscal year 2023. TRS is moving their headquarters to two new buildings in the Mueller neighborhood in Austin. The current TRS headquarters building is located on Red River Street and houses all agency operations except the Investment Management Division (IMD), which is housed in a separate leased space on South Congress Avenue. In fiscal year 2021, the agency’s lease costs totaled \$4.3 million. On December 29, 2021, TRS purchased the Alpha building, the first of the two Mueller buildings for \$121.7 million. The purchase of the second building, Bravo, is pending, but estimated not to exceed \$144.7 million. On October 4, 2022, TRS sold their building located on Red River for \$108 million. TRS indicates that they will begin to move the IMD and Healthcare staff into the Alpha building in the summer of 2023. Remaining staff will continue to occupy the Red River building until the Bravo building is completed and ready for move-in, which is anticipated to occur in late 2024. Information about the size of each building is provided below:

Building Location	Square Feet
Red River	217,976
Congress	76,786
Alpha (Mueller)	210,428
Bravo (Mueller)	241,292

- 9. **Inflationary Cost Increases.** Recommendations include an \$11.4 million increase in Other Funds for administrative cost increases related to inflation. Significant increases include contract rates for consulting services such as outside legal counsel, IT services, and call center overflow services. Other inflationary increases include travel, utilities, and IT infrastructure cost growth.

**Teacher Retirement System  
Rider Highlights - Senate**

**New Riders**

21. **Contingent Appropriation for Teacher Retirement System (TRS) Retiree Benefit Enhancement.** Recommendations include the addition of this rider to express the intent of the Eighty-eighth Legislature to fund a benefit enhancement to TRS retirees, contingent on the actuarial soundness of the TRS Pension Trust Fund.

**Deleted Riders**

21. **Alternative Delivery Methods for TRS-ActiveCare.** Recommendations include deletion of this rider as the report to examine alternative methods to deliver the current benefits supplied under TRS-ActiveCare was published in August of 2022.

Teacher Retirement System  
Items Not Included in Recommendations - Senate

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Item Requests Not Included							
1)	Funding to hold TRS-ActiveCare premiums constant for the 2024 and 2025 plan years.		\$ 1,404,021,000	0.0	No	No	TBD
TOTAL Items Not Included in Recommendations			\$ 1,404,021,000	0.0			TBD
Agency Rider Edit Requests Not Included							
2)	Limitation on Funds Appropriated to the Teacher Retirement System (TRS). Agency requests deletion of this rider. This would give the agency authority to hire an external communications consultant.	\$0.0	\$0.0	0.0	No	No	\$0
Agency New Rider Requests Not Included							
3)	Contingent Appropriation of Pension Trust Funds to Consider an Additional Regional Office. Agency requests the addition of the rider to authorize the TRS Board to spend pension funds and increase the FTE cap, should the Legislature wish for TRS to open an additional regional office.	\$0.0	\$0.0	0.0	No	No	\$0



Teacher Retirement System  
Appendices - Senate

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\* Appendix is not included - no significant information to report

**Teacher Retirement System**  
**Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS**

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
TRS - PUBLIC EDUCATION RETIREMENT A.1.1	\$4,456,574,920	\$5,129,535,700	\$672,960,780	15.1%	Recommendations provide an increase in state contributions resulting from the enactment of Senate Bill 12, Eighty-sixth Legislature, Regular Session, 2019, which increased the state contribution rate from 7.75 percent in FY 2022 and 8.0 percent in FY 2023 to 8.25 percent in FY 2024 and 2025. Estimated appropriations reflect a payroll growth assumption of 3.6 percent and a GR growth assumption of 1.6 percent.
TRS - HIGHER EDUCATION RETIREMENT A.1.2	\$576,576,920	\$661,356,960	\$84,780,040	14.7%	Recommendations provide an increase in state contributions resulting from the enactment of Senate Bill 12, Eighty-sixth Legislature, Regular Session, 2019, which increased the state contribution rate from 7.75 percent in FY 2022 and 8.0 percent in FY 2023 to 8.25 percent in FY 2024 and 2025. Estimated appropriations reflect a payroll growth assumption of 6.0 percent, a GR growth assumption of 4.8 percent, and a GR-D growth assumption of 3.7 percent.
ADMINISTRATIVE OPERATIONS A.1.3	\$365,655,201	\$449,678,900	\$84,023,699	23.0%	TRS Administrative Operations are funded with Other Funds (Pension Trust Fund 960). The increase reflects \$25.3 million in salary costs for 264.0 additional FTEs authorized by the TRS Board and \$27.0 million in existing staff salary costs and increases. \$21.0 million is associated with the costs of the new IDM and fraud detection and prevention tool. \$11.4 million is related to inflation, including increases in contract rates, travel, utility, and IT costs. \$6.0 million reflects staff salaries related to a Method of Finance swap. \$2.8 million reflects increased travel costs associated with the increase in travel after the coronavirus pandemic and increased utility costs associated with the overlap of occupancy in the Red River building and the new Mueller headquarters. The increases are offset by a decrease of \$9.6 million related to the South Congress office lease termination that will occur at the end of fiscal year 2023.
TRS RETIREMENT-ADDITIONAL PAYMENT 1.1.4	\$701,100,535	\$0	(\$701,100,535)	(100.0%)	Senate Bill 7 and House Bill 5, Eighty-seventh Legislature, Second Called Session, 2021, provided \$701.1 million for a onetime additional annuity payment for TRS retirees. Recommendations do not include funding for an additional annuity payment in the 2024-25 biennium.

Teacher Retirement System					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
RETIREE HEALTH - STATUTORY FUNDS A.2.1	\$913,966,124	\$960,235,659	\$46,269,535	5.1%	Recommendations provide a state contribution rate of 1.25 percent of payroll and assume payroll growth of 3.6 percent and GR growth assumption of 2.5 percent.
RETIREE HEALTH - SUPPLEMENTAL FUNDS 1.3.1	\$742,622,875	\$0	(\$742,622,875)	(100.0%)	Senate Bill 8 of the Eighty-seventh Legislature, Third Called Session, 2021 provided \$286.3 million in onetime supplemental GR funding for TRS-Care and ActiveCare. The Office of the Governor awarded an additional \$435 million in CARES Act funding for TRS-ActiveCare in fiscal year 2022. The fiscal year 2022 TRS settle up provided \$21.3 million for TRS-Care, appropriated in fiscal year 2023. Recommendations do not include supplemental funding for TRS-Care.
Total, Goal 1, TEACHER RETIREMENT SYSTEM	\$7,756,496,575	\$7,200,807,219	(\$555,689,356)	(7.2%)	
SALARY ADJUSTMENTS B.1.1	\$0	\$16,236,137	\$16,236,137	100.0%	Recommendations provide for general state employee salary increase for TRS employees.
Total, Goal B, SALARY ADJUSTMENTS	\$0	\$16,236,137	\$16,236,137	100.0%	
Grand Total, All Strategies	\$7,756,496,575	\$7,217,043,356	(\$539,453,219)	(7.0%)	

Teacher Retirement System  
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2021	Estimated 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	745.3	768.3	1,047.3	1,047.3	1,047.3
Actual/Budgeted	741.0	771.5	1,047.3	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director	\$355,000	\$400,000	\$400,000	\$400,000	\$400,000
Chief Investment Officer	\$551,250	\$551,250	\$551,250	\$551,250	\$551,250
Deputy Director Investment Officer	\$410,000	\$410,000	\$410,000	\$410,000	\$410,000

Notes:

a) On August 12th, 2022, TRS issued a fiduciary finding, authorized by Rider 20, *Exception to FTE Limitation for Board Fiduciary Finding* , which grants the agency authority to increase the number of FTEs if the Board of Trustees determines that additional staff are necessary to perform the fiduciary duties of the Board. The FTE cap was increased by 264.0 FTEs, including 181.0 additional FTEs for the customer service improvement initiative and 83.0 FTEs to continue to hire in-house investment professionals.

b) The Executive Director salary was increased in fiscal year 2022, pursuant to Rider 8, *Exempt Positions* , which grants the TRS Board the authority to determine the salaries of exempt positions without limitation.