Texas Pension Review Board

BOARD MEETING
SEPTEMBER 30, 2026

TEXAS PENSION REVIEW BOARD
P.O. BOX 13498
AUSTIN, TX 78711-3498

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WWW.PRB.TEXAS.GOV

TEXAS PENSION REVIEW BOARD
MEETING AGENDA

Wednesday, September 30th, 2026 – 10:00 AM
William P. Clements Building, Fourth Floor, Room 402
300 W 15th St, Austin, TX, 78701

Board members may attend this meeting by videoconference pursuant to Section 551.127, Texas Government Code. One or more board members, including the presiding officer, will be physically present at the physical location of the meeting listed above. The meeting will be accessible to the public at the physical location listed above. The public may access the meeting virtually by joining via the Zoom link: https://us02web.zoom.us/j/87853379753. A livestream of this meeting, materials of the meeting, and a recording of the meeting will be made available at www.prb.texas.gov.

The board may discuss or take action regarding any of the items on this agenda.

1. Meeting called to order
2. Roll call of board members
3. Administrative items
    a. Consideration and possible action to approve July 23, 2026, board meeting minutes
4. Discussion of personnel matters, including but not limited to the appointment, employment, compensation, evaluation, reassignment, retirement, resignation, duties, discipline, and/or dismissal of the executive director.
    a. Recognition of Amy Cardona
    b. Appointment of interim executive director
    c. Discuss matters related to the search for and appointment of a new executive director
5. Opening remarks from board members
6. Public comment
7. Actuarial Committee
    a. Actuarial Valuation Report and Funding Soundness Restoration Plan (FSRP) Report, including compliance
    b. Consideration and possible action to adopt amendments to 40 T.A.C. Chapter 610, pertaining to funding soundness restoration plans

c. Consideration and possible action to adopt legislative recommendations on funding soundness restoration plans

d. *Intensive Study: FSRP Submission Timeline*

e. Public retirement system reporting and compliance, including noncompliant retirement systems under Section 801.209, Texas Government Code

8. Education Committee

   a. Consideration and possible action to adopt recommendations for changes to the Minimum Educational Training program

9. Draft updates to *Model Ethics and Conflict-of-Interest Policy for Texas Public Retirement Systems*

10. IT Projects Update

11. Executive Director's Report

    a. Legislative update

    b. Update on conferences

    c. 2025-2026 Biennial Report

12. Future meetings: Agenda items, dates, locations, and other arrangements

13. Adjournment

NOTE: The board may go into closed session concerning any item on this agenda as authorized under the Texas Open Meetings Act, Chapter 551, Texas Government Code. Persons with disabilities who plan to attend this meeting and who may need special assistance are requested to contact Jessimond McLaughlin at (512) 463-1736 as far in advance as possible, but no less than three business days prior to the meeting date so that appropriate arrangements can be made.

How to provide public comment: Members of the public who wish to provide public comment to the board may attend the meeting in person at the address above or using the Zoom link provided above. If you wish to provide comment remotely by Zoom, you must contact Jessimond McLaughlin (jessimond.mclaughlin@prb.texas.gov) no later than Monday, September 28, 2026. Note that public comments will be limited to no more than three minutes.

Item 3a. July 23, 2026, meeting minutes

TEXAS PENSION REVIEW BOARD

Board Meeting Minutes
July 23, 2026

1. Meeting called to order (00:00:00)

Chair Stephanie Leibe recognized that a quorum of the board was present and called the Pension Review Board (PRB) meeting to order at 10:03 a.m., Thursday, July 23, 2026, in the William P. Clements Building, Fourth Floor, Room 402, 300 W. 15th St., Austin, Texas, 78701.

2. Roll call of board members and consideration to excuse absence (00:00:10)

Jessimond McLaughlin, administrative coordinator, called roll. The following board members were present: Chair Stephanie Leibe, Marcia Dush, Chris Gonzales, Daniel Harper, and Christopher Zook. Christopher Gonzales and Christopher Zook attended virtually.

Chair Leibe entertained a motion to excuse Mr. Brainard and Mr. Rodriguez's absences. The motion was made by Mr. Zook and seconded by Ms. Dush.

The motion passed unanimously.

3. Administrative items (00:01:18)

a. Consideration and possible action to approve February 25, 2026, board meeting minutes

Chair Leibe entertained a motion to approve the minutes of February 25, 2026, board meeting as circulated. The motion was made by Ms. Dush and seconded by Mr. Gonzales.

The motion passed unanimously.

4. Opening remarks from board members (00:02:05)

No opening remarks were provided by board members.

5. Public comment (00:02:28)

No comments were provided by members of the public.

6. Actuarial Committee (00:02:48)

a. Actuarial Valuation Report and Funding Soundness Restoration Plan (FSRP) report, including compliance

PRB Chief Actuary David Fee presented the actuarial valuation and FSRP report. He summarized system funded status changes and significant economic assumption changes since the February meeting. He reviewed six-year funding trends showing a declining average discount rate and growing numbers of systems meeting the board's 2040 target funding period, along with lists of outlier systems by funding period and funded ratio. Mr. Fee also presented an overview of funding periods and funded ratios by system type. Most TLFFRA and municipal systems have funding periods between 15 and 30 years and decreased their funding periods by 10 years or more over the last six years.

Mr. Fee presented an update on the TLFFRA sponsor contribution consideration from the February meeting. PRB staff sent a letter in March at the request of the board and received positive response. He also presented an update on FSRPs, stating that no systems are currently subject to FSRPs.

b. Consideration and possible action to adopt rule review of 40 T.A.C. Chapter 610, pertaining to funding soundness restoration plans

PRB General Counsel Tamara Aronstein and Mr. Fee provided background on the review and proposed revisions to the Funding Soundness Restoration Plan (FSRP) rules. Staff explained that the rule review and stakeholder engagement process began earlier in the year, with informal and formal opportunities for feedback. Four stakeholders submitted informal comments, generally supporting the proposed changes and raising suggestions related to standardized forms, sponsor involvement, model timelines, and transparency for investment-advisor reviews. No stakeholder comments opposed the proposed rule changes.

Ms. Dush entertained a motion to adopt the rule review of 40. T.A.C Chapter 610, pertaining to funding soundness restoration plans. The motion was made by Mr. Zook and seconded by Chair Leibe.

The motion passed unanimously.

c. Consideration and possible action to propose amendments to 40 T.A.C. Chapter 610, pertaining to funding soundness restoration plans

Ms. Aronstein and Mr. Fee detailed several proposed amendments to Chapter 610, focusing on improving clarity, consistency, and oversight of the FSRP process. Key changes would include a new model notice for systems with inadequate funding, a standardized progress update form requiring participation and signatures from both the pension system and sponsor, clearer FSRP submission timelines, and more precise language regarding funding corridors. The revisions would also remove outdated provisions related to voluntary and legacy FSRPs and make several technical corrections. The new forms are intended to make existing requirements easier to monitor and apply consistently.

Ms. Dush entertained a motion to approve the publication in the Texas Register of the proposed amendments to 40 Texas Administrative Code Chapter 610 as presented, pertaining to the funding soundness restoration plan requirement.

Mr. Zook made the motion, Chair Leibe seconded.

The motion passed unanimously.

d. Consideration and possible action to adopt legislative recommendations on funding soundness restoration plans

Ms. Aronstein and Mr. Fee presented potential statutory recommendations for future consideration. One recommendation would authorize the PRB to specify FSRP submission requirements in rule. A narrower alternative would specifically eliminate the requirement for additional formal action to adopt an FSRP when new legislation has already addressed the matter. Additional recommendations would establish separate compliance and progress report requirements for the PRB, to keep state leadership and legislative committees informed about FSRP compliance and developments.

Ms. Aronstein suggested the board hold any action pertaining to legislative recommendations until the September 2026 board meeting. Ms. Dush agreed.

e. Update on Draft Intensive Study, Steps to Complete FSRPs with Model Timelines

Bryan Burnham, the PRB analytical services team lead, presented an update on the PRB's study to establish a clearer timeline for pension systems completing and submitting FSRPs under the current two-year deadline. The study will examine the key steps involved after an FSRP is triggered, including the development and negotiation of plan changes between systems and their sponsors, and assess how much time each step typically requires. Drawing on five FSRPs completed under the prior requirements, staff will identify reasonable or ideal timelines that can help systems plan for timely compliance. Staff will also interview the five systems to validate the findings, with the final study expected to be presented to the board in September.

f. Public retirement system reporting and compliance, including noncompliant retirement systems under Section 801.209, Texas Government Code

Mr. Burnham noted the University Park Firemen's Relief and Retirement Fund has completed its outstanding reporting requirements and was removed from the noncompliant list. The Nacogdoches County Hospital District Retirement Plan remains the only system on the list, with outstanding annual financial reports for fiscal years 2024 and 2025 due to difficulties securing an auditor. He noted that the system continues to experience financial challenges and that the PRB will continue to monitor the situation and seek periodic updates.

Mr. Burnham also reported that the Laredo Firefighters Retirement System remains outstanding on its actuarial audit requirement. The City of Laredo has reportedly hired an independent actuary, but no completion timeline is currently available.

g. Discussion and possible adoption of changes to the Policy for Regulation of Non-Compliant Retirement Systems

Mr. Burnham presented proposed updates to the agency's Policy for Regulation of Non-Compliant Retirement Systems, which was originally adopted in 1996 and last substantially updated in 2013. He noted the revisions were intended to align the policy language with current practices and expand its scope to include all required reporting requirements, including additional minimum educational training (MET) forms and reports implemented since 2013. The changes do not alter current compliance practices, which include advance deadline reminders, late notices, notification to sponsoring entities when a system remains noncompliant for 60 days, and regular compliance updates to the board. FSRP requirements were excluded because they are addressed under a separate compliance policy adopted in 2022. Mr. Burnham explained the Actuarial Committee discussed the proposed revisions in April and shared with stakeholders in May, and the agency received no feedback. Mr. Burnham noted that the board could adopt the updated policy if no further changes were requested.

Ms. Dush entertained a motion to adopt the changes to the Policy for Regulation of Non-Compliant Retirement Systems, now titled the Policy for Promoting Compliance With Required Reporting. The motion was made by Mr. Harper and seconded by Mr. Zook.

The motion passed unanimously.

7. Education Committee (00:50:40)

a. Overview of potential changes to the Minimum Educational Training program to improve compliance

Jasmin Loomis, the PRB education and communications specialist, provided an update on the MET program compliance improvement project, which was initiated following the board's direction in December 2025 to explore statutory and agency actions to improve trustee compliance. She reported improved compliance with the reporting requirements, with only four systems receiving noncompliance letters for missing the April 1 reporting deadline by more than 60 days, and two of those systems subsequently becoming compliant. Ms. Loomis also highlighted the recent launch of enhancements to the Pension Online Reporting Tool, which provides administrators with greater visibility into trustee compliance, allows them to update trustee information and submit training electronically, and streamlines report corrections and approvals.

Ms. Loomis presented potential statutory and non-statutory recommendations developed by staff and through stakeholder and Education Committee feedback. The board discussed the importance of strong MET compliance while considering potential operational impacts, particularly for smaller systems and newly appointed trustees.

Ms. Loomis and PRB staff will revise the proposal based on the board's discussion and circulate the options for a final round of stakeholder feedback. Final statutory and non-statutory recommendations will be presented to the board in September for potential adoption, with any adopted statutory recommendations to be included in the November 2026 Biennial Report to the Legislature.

Mr. Zook suggested a break at 12:06 p.m. Chair Leibe approved. The meeting resumed at 12:18 p.m.

8. Investment Committee (02:15:08)

a. Investment Data Report

Robert Munter, PRB senior investment analyst, presented the Investment Data Report, noting that early annual reports indicate generally strong investment performance among systems, with more systems exceeding or coming within 1 percent of their investment return assumptions compared with prior reporting periods. He discussed potential enhancements to future reports, including the use of a standardized passive blended benchmark to provide additional context for system performance and a new metric to illustrate the long-term compounded impact of changes in investment return assumptions. He also provided preliminary information on portfolio liquidity, noting that most systems maintain highly liquid portfolios, while larger systems generally have higher allocations to illiquid investments. Mr. Munter noted staff will continue refining these measures and plan to present proposed enhancements to the Investment Committee in September, with additional information expected in future board reports.

9. Customer Service Survey (02:32:33)

Jenn Kirsner, PRB communications specialist, presented the results of the 2026 Customer Service Survey, which received 44 responses during its four-week survey period. Overall, respondents expressed satisfaction with the agency, with all but two of the 15 survey questions receiving average scores that indicated satisfaction. Ms. Kirsner highlighted feedback regarding the experience of remotely viewing PRB meetings, communication about upcoming training opportunities, the difficulty of completing PRB-2000 forms, and the need for additional MET courses. In response, PRB staff has improved meeting audio and visual equipment, increased communications regarding training opportunities, implemented online portal enhancements to streamline MET reporting, and plans to expand and update MET courses and training provider relationships. The survey results also included positive feedback regarding agency staff, leadership, and the website.

10. Executive Director’s Report (02:41:23)

a. 2027–2031 Strategic Plan

PRB Executive Director Amy Cardona provided an update on the completion of the PRB’s 2027–2031 Strategic Plan, which was completed ahead of the statutory June 1 deadline. The plan reflects priorities previously established by the board and ongoing agency initiatives, including IT enhancements, and incorporates required components such as the agency’s mission, goals, action plans, and customer service survey results.

b. 2028–2029 Legislative Appropriations Request

Ms. Cardona presented an update on the 2028–2029 Legislative Appropriations Request (LAR), which will inform the legislature’s budget process for the next biennium beginning September 2027. She noted that the LAR requires the agency to propose a schedule of 3 percent reductions to its base funding, while still allowing requests for exceptional items. Staff is working with the board chair on a limited request for performance-based salary increases and does not anticipate requesting additional IT funding at this time.

Chair Leibe entertained a motion to direct staff to work with the chair and vice chair to finalize and submit 2028-2029 Legislative Appropriations Request. The motion was made by Mr. Zook and seconded by Ms. Dush.

The motion passed unanimously.

c. SAO Audit Update

Ms. Cardona provided an update on the PRB efficiency audit conducted by the State Auditor's Office, which concluded in April. She reported progress on implementing the audit recommendations, including the disposal of 110 excess property items, continued efforts to automate agency processes through ongoing IT enhancement projects, and evaluation of the report review process, including a pilot of an AI tool to improve review efficiency.

d. Update on conferences

Ms. Cardona also provided an update on the agency's participation in industry conferences and educational events, noting recent presentations by staff at TEXPERS and the TLFFRA peer review and upcoming presentations at the annual conference in October. She emphasized the PRB's continued efforts to provide stakeholder education through both online MET courses and in-person industry conferences.

e. Updated Fiscal Year 2026 Operating Budget

Ms. Cardona reviewed the updated fiscal year 2026 operating budget and expenditures.

f. Approval of Fiscal Year 2027 Operating Budget

Ms. Cardona presented the fiscal year 2027 operating budget and expenditures for board approval.

Chair Leibe entertained a motion to approve the fiscal year 2027 operating budget as presented. The motion was made by Mr. Harper and seconded by Ms. Dush.

The motion passed unanimously.

11. Future meetings: Agenda items, dates, locations, and other arrangements (02:48:53)

Chair Leibe announced the next full Pension Review Board meeting on September 30, 2026, at 10 a.m. in William P Clements Building, room 402, and the next Investment Committee meeting on September 30, 2026, at 2p.m. in the same location. The PRB website will be updated with meeting location information.

12. Adjournment (02:49:47)

There being no further business, Chair Leibe adjourned the meeting at 12:53 p.m.

PRB staff in attendance:

Jessimond McLaughlin

David Fee

Amy Cardona

Bryan Burnham

Tamara Aronstein

Ashley Rendon

Tony Araguz

Austin Pace

Robert Munter

Jenn Kirsner

Members of public in attendance:

Terry Bratton – Houston Police Officers’ Pension System

Christina Ramirez – El Paso Firemen & Policemen's Pension Fund

John Posey – Legislative Budget Board

Lily Tu – Sage Advisory

Scott Olguin – Dimensional Fund Advisors

Kyle Straube – Dimensional Fund Advisors

Eddie Solis

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Chair, Stephanie Leibe

Item 7a: AV Report and FSRP Report

David Fee

Summary

- AV report
  - Changes since July board meeting
    - System news
    - Major assumption changes
  - Funding progress
  - System overview
  - Lists of systems with outlier statistics
  - TLFFRA long-term joint funding agreements
- FSRP Report
  - FSRP status changes since July board meeting
  - FSRP status by category

Actuarial Valuation Report

Texas Public Pension System News

- Amarillo Fire
  - Remained under 15-year funding period after benefit increases:
    - Eliminated second benefit tier and restored equal benefits to all members
    - Ad hoc COLAs varied by retirement length
- Dallas Police & Fire
  - Increasing illiquid investment allocation
    - In response to steady incoming sponsor contributions

Texas Public Pension System News (continued)

- San Angelo Fire
  - City increased contributions:
    - Contribution rate increase from 20.2 percent to 26 percent over four years, starting with 21.7 percent in 2027
    - Funding period would have been 50.6 years, now will be under 30

Significant Economic Assumption Changes

Results of Valuation Reports Processed Between July 23, 2026, and September 30, 2026

System	Prior Discount Rate	Current Discount Rate
Conroe Fire	7.25%	7.00%
Plainview Fire	7.50%	7.25%
Sweeny Community Hospital	5.75%	5.00%

Funding Progress: Changes Since Previous Board Meeting – New Milestones (>30 years)

Results of Valuation Reports Processed Between July 23, 2026, and September 30, 2026

Systems Now Over 30 Years

System	Prior Funding Period	Current Funding Period	Prior Funded Ratio	Current Funded Ratio
Conroe Fire	29	47*	63%	68%

*Funding period is 37 years using market value of assets

Funding Progress: Changes Since Previous Board Meeting – New Milestones (≤30 years)

Results of Valuation Reports Processed Between July 23, 2026, and September 30, 2026

Systems Now 30 Years and Under

System	Prior Funding Period	Current Funding Period	Prior Funded Ratio	Current Funded Ratio
Austin Fire	31	23	77%	81%
Beaumont Fire	35	25	54%	52%
Texarkana Fire	Infinite	24	81%	79%

Funding Progress: Changes Since Previous Board Meeting – ADC with Closed Amortization

Results of Valuation Reports Processed Between July 23, 2026, and September 30, 2026

System	Prior Funding Period	Current Funding Period	Prior Funded Ratio	Current Funded Ratio
Austin Employees	29	28	61%	63%
Brownsville Navigation District	0	0	113%	124%
San Antonio Metro	17	16	70%	71%
Sweeny Community Hospital	13	12	86%	96%

Funding Progress: Changes Since Previous Board Meeting – ADC with Layered/Other Amortization

Results of Valuation Reports Processed Between July 23, 2026, and September 30, 2026

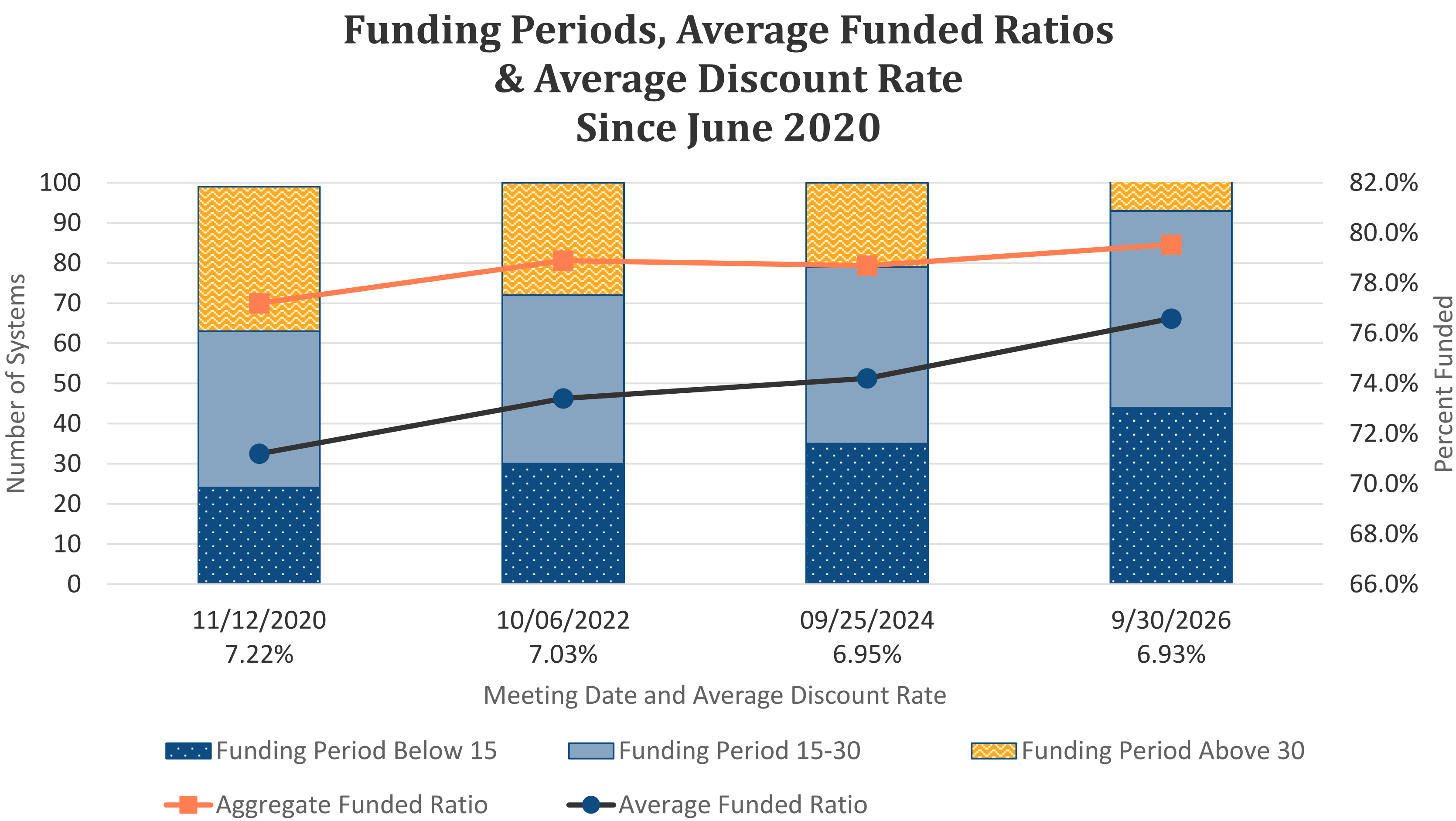
System	Prior Funding Period	Current Funding Period	Prior Funded Ratio	Current Funded Ratio
Colorado River Municipal Water	5	4	83%	89%
DFW Airport Board	11	10	86%	88%
DFW Airport Board DPS	11	10	83%	85%
Floresville Electric	26	25	63%	63%
Fort Worth Employees Staff Plan	25	24	80%	80%
Harris County Hospital District	11	8	86%	90%
Irving Fire	21	20	88%	89%
Irving Supplemental	0	0	102%	103%
Midland Fire	29	28	70%	71%

Funding Progress: Changes Since Previous Board Meeting – All Others

Results of Valuation Reports Processed Between July 23, 2026, and September 30, 2026

System	Prior Funding Period	Current Funding Period	Prior Funded Ratio	Current Funded Ratio
Amarillo Fire	6	12	95%	90%
Denison Fire	15	16	77%	76%
Galveston Police	13	13	47%	50%
Guadalupe Medical Center	0	0	102%	102%
Longview Fire	30	26	69%	72%
Plainview Fire	33	32	43%	41%
San Antonio Fire & Police	21	21	85%	85%

Funding Progress Nov 2020–Sep 2026



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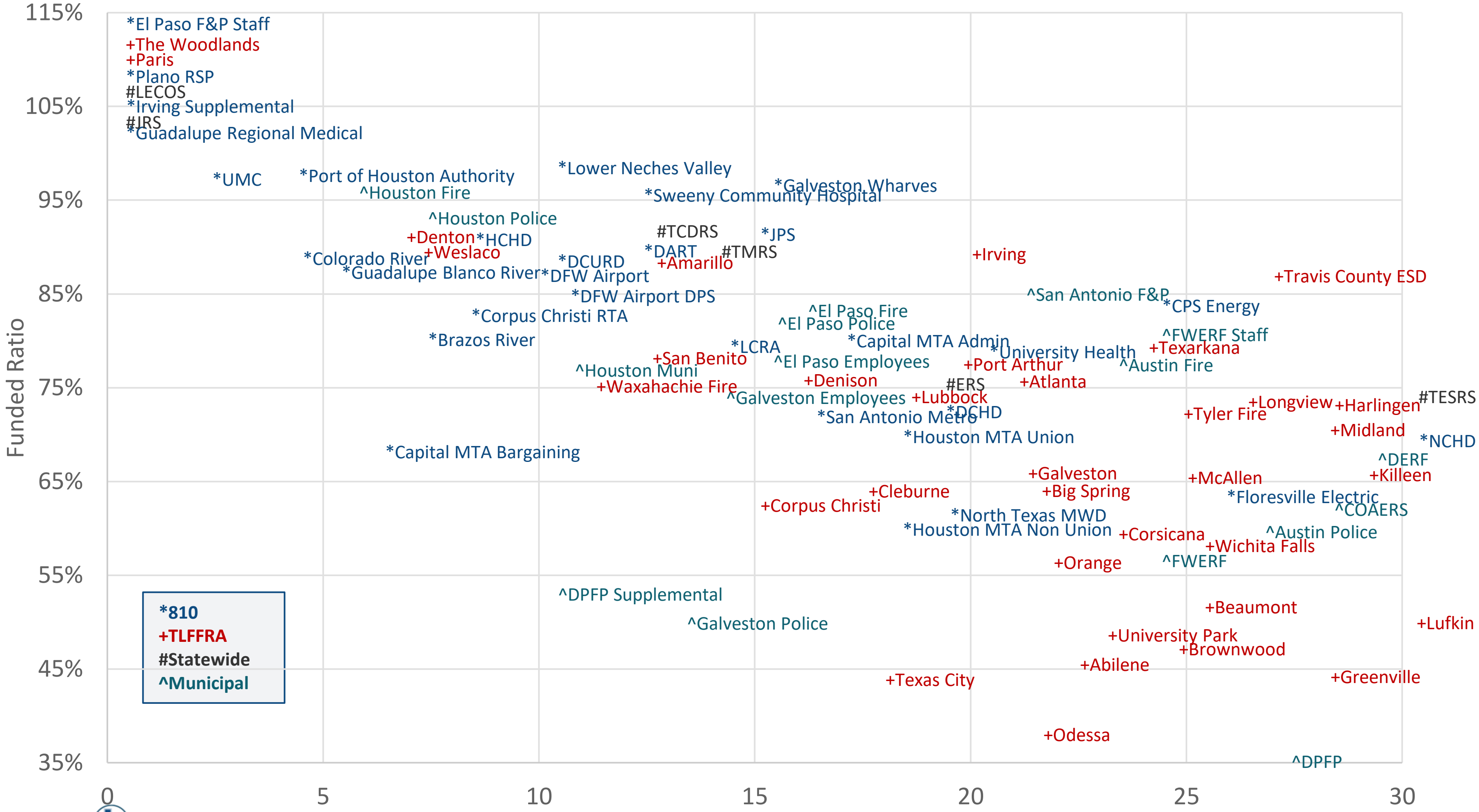
Funding Progress By System
Funding Periods 30 Years and Below



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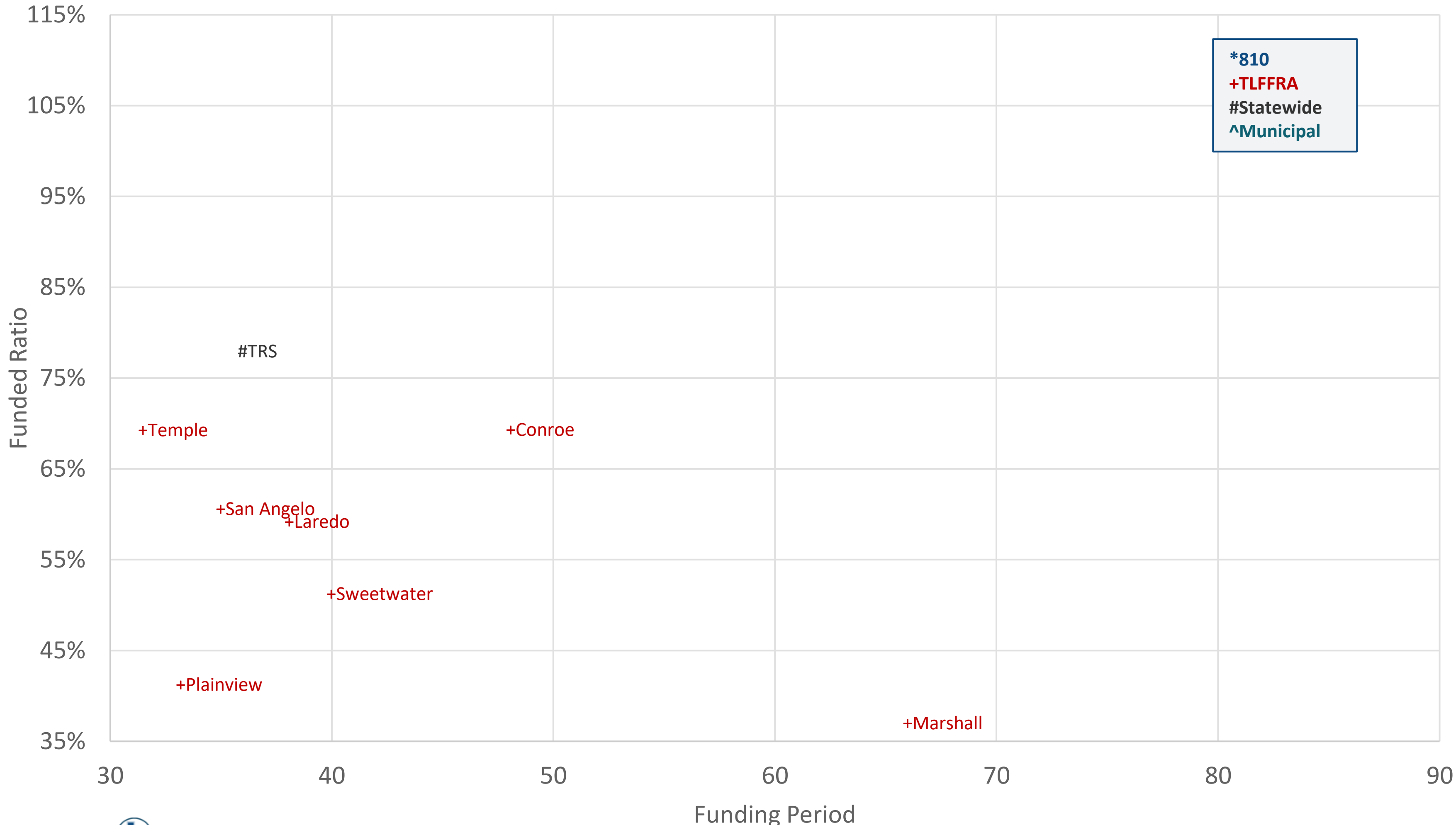
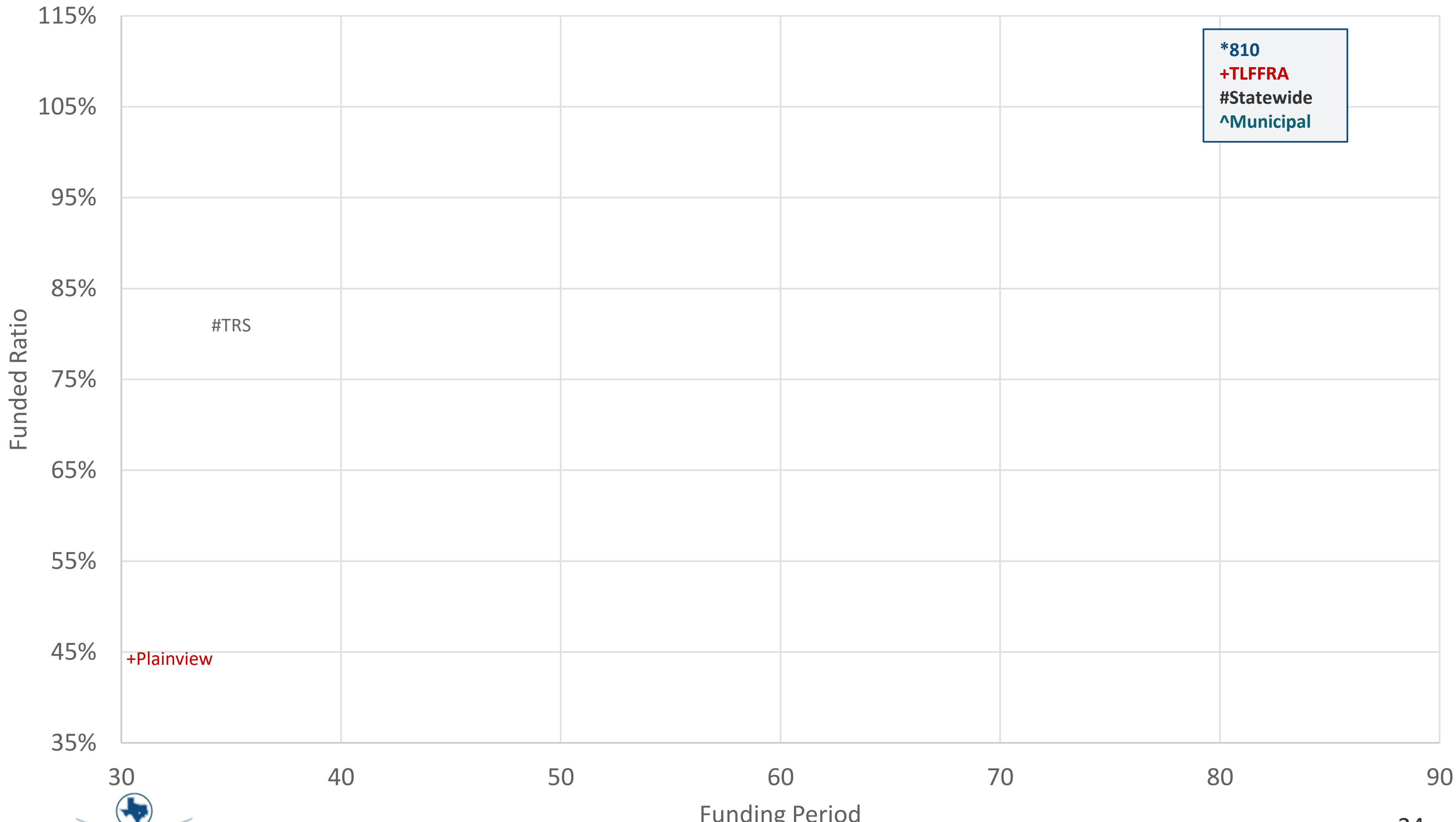
Funding Progress By System
Funding Periods Over 30 Years



Funding Periods Over 30 Years With No Substantial Changes Since Most Recent Actuarial Valuation Report



System Overview by Type - Current

Type	Count	Median Expected Return	Median Funding Period	Median Funded Ratio
Statewide	7	7.00%	13	90%
TLFFRA	42	7.25%	23V	66%
Muni	17	7.00%	16	77%
810	35	6.50%	10	89%^

Awaiting good news:

- Two TLFFRA systems remain above 7.5 percent expected returns

We've got great news!

- 25 systems are over 90 percent funded
- Over half of systems have funding periods below 18 years
- The TLFFRA median funding period decreased from 25 years in July to 23 years in September
- The 810 median funded ratio increased from 86 percent in July to 89 percent in September

^ Increased since last board meeting
V Decreased since last board meeting

System Overview by Type – Six-Year Trend

System Type	Count	Average Expected Return	Average Funding Period	Average Funded Ratio
Statewide	7	(0.39%)	(16.7)	7.2%
TLFFRA	42	(0.27%)	(15.3)	5.8%
Muni	17	(0.09%)	(13.7)	3.1%
810	35	(0.32%)	(5.8)	7.6%

Awaiting good news:

- Two systems had the expected full funding year increase from before 2055 to after 2055

We've got great news!

- 22 systems decreased from a funding period over 40 years to below 30 years
  - 10 of those were infinite
- The average funding periods for statewide, TLFFRA, and municipal systems all decreased from over 30 years to 23 years or less
- 10 systems decreased expected returns from over 7.5 percent to 7.5 percent or below
  - Five of those decreased to 7.3 percent or below

Systems With Funding Periods > 40 Years

System Name	Funding Period	System Type	Notes
Conroe Fire	47.1	TLFFRA	At Risk of FSRP*
Marshall Fire	65.0	TLFFRA	Completed FSRP

*Conroe Fire has not triggered an FSRP with a funding period over 40 years since the funding period using the market value of assets is under 40 years and their funded ratio is above 65 percent.

Conroe Fire was added to the list since the previous report.
Texarkana Fire was removed from the list since the previous report.

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Systems With Funded Ratios Below 65 Percent and Funding Periods Above 30 Years

System Name	Funded Ratio	Funding Period	System Type	Notes
Marshall Firemen's Relief & Retirement Fund	37.1%	65.0	TLFFRA	Completed FSRP
Sweetwater Firemen's Relief & Retirement Fund	51.3%	39.0	TLFFRA	Completed FSRP
Laredo Firefighters Retirement System	59.3%	37.1	TLFFRA	Under 30 using MVA
San Angelo Firemen's Relief & Retirement Fund	60.7%	34.0	TLFFRA	Increased contributions
Plainview Firemen's Relief & Retirement Fund	41.3%	32.2	TLFFRA	Legacy FSRP in place

Beaumont Fire was removed from the list since the previous report.

TLFFRA Long-Term Joint Funding Agreements

- Without a long-term joint funding agreement, contribution and benefit decisions can become disjointed
  - Example 1: Sponsor plans to decrease contributions after improved funding while system plans to restore Tier 1 benefits to Tier 2 members after improved funding
  - Example 2: System expects sponsor to increase contributions as necessary following a down investment year while sponsor expects members to also increase contributions
- Current agreements
  - Seven systems with ADCs
  - Three systems with other long-term joint funding agreements
  - 32 systems with no long-term joint funding agreements

TLFFRA Agreement Summary

Systems With ADCs and/or Long-Term Joint Funding Agreements

Retiree Funded Ratio	Funding Period 15 & Under	Funding Period Over 15
Under 100	N/A	Beaumont, Marshall, Odessa, University Park
100 & Over	Denton, Paris	Galveston, Irving, Midland, Longview

Systems Without Long-Term Joint Funding Agreements

Retiree Funded Ratio	Funding Period 15 & Under	Funding Period Over 15
Under 100	N/A	Abilene, Brownwood, Greenville, Orange, Plainview, Sweetwater, Texas City
100 & Over	Amarillo, Corpus Christi, San Benito, The Woodlands, Waxahachie, Weslaco	Atlanta, Big Spring, Cleburne, Conroe, Corsicana, Denison, Harlingen, Killeen, Laredo, Lubbock, Lufkin, McAllen, Port Arthur, San Angelo, Temple, Texarkana, Travis County ESD, Tyler, Wichita Falls

FSRP Updates

September 30, 2026

FSRP Status Changes

Status	Added	Removed
Systems Immediately Subject to 30-Year FSRP Formulation Requirement	N/A	N/A
Systems at Risk of 30-Year FSRP Formulation Requirement	Conroe Fire	Texarkana Fire

Systems Immediately Subject to 30-Year FSRP Formulation Requirement

These systems triggered FSRPs under one of the following conditions:

- The funding period exceeded 30 years for three consecutive annual valuations or two consecutive biennial valuations, or, for a single valuation:
  - The funding period exceeded 40 years, or
  - The funding period exceeded 30 years, and the funded ratio was less than 65 percent.

An FSRP must now be developed under the new law, targeting 30 years within two years of the triggering AV**,** and must be developed by the public retirement system and the associated governmental entity in accordance with the system's governing statute.

Systems Immediately Subject to an FSRP Formulation Requirement							
Retirement System	**Am Period**	**Date of AV**	**Am Period**	**Date of AV**	**Am Period**	**Date of most recent AV**	**FSRP Due Date**
No systems are immediately subject to an FSRP formulation							

[1] Previously submitted an FSRP or Revised FSRP under previous law.

[2] Previously adhering to Legacy FSRP.

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Teal font indicates the triggering valuation.

Systems at Risk of 30-Year FSRP Formulation Requirement

These at-risk systems' most recent actuarial valuation shows an amortization period that exceeds the applicable threshold but does not yet trigger the FSRP requirement.

Systems at Risk of an FSRP – Not Yet Subject to FSRP Requirement							
Retirement System	**Am Period**	**Date of AV**	**Am Period**	**Date of AV**	**Am Period**	**Date of AV**	**Funded Ratio**
Conroe Fire Fighters' Relief & Retirement Fund	34.3	12/31/2021	29.0	12/31/2023	36.5^	12/31/2025	68.4%
San Angelo Firemen's Relief & Retirement Fund	37.6	12/31/2019	29.7	12/31/2021	34.0^	12/31/2023	60.7%[v]

^ amortization period above the applicable threshold.

[v] funded ratio less than 65%.

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Progress Report on Previously Submitted FSRPs – Legacy FSRPs

The following systems formulated and submitted an FSRP before Sept. 1, 2021. The table below outlines their progress towards the FSRP requirement.

Systems Still Working Towards Meeting the Target Amortization Period Requirement						
Retirement System	**Funding Period at Trigger Date**	**Trigger Date**	**Most Recent Funding Period**	**Most Recent Valuation Date**	**Target Date[1]**	**Next Expected Valuation**
Plainview Firemen's Relief & Retirement Fund	79.7	12/31/2019	32.2	12/31/2025	2031	2028

[1] The year in which a system must reach an amortization period target.

Systems That Previously Completed FSRP Requirement – Prior Statute

The following systems have submitted an FSRP or subsequent actuarial valuation that has demonstrated projected full funding prior to September 1, 2055. They could trigger a 30-year FSRP for the first time if they cross certain funding period and/or funded ratio thresholds.

Systems that Have Submitted Post-FSRP Actuarial Valuations Showing Funding Period at or Below 30 Years				
System	**Funding Period at Trigger Date**	**Trigger Date**	**Funding Period After Completion**	**Completion Date[1]**
Fort Worth Employees' Retirement Fund	72.5	12/31/2015	29	12/31/2024
Galveston Employees' Retirement Plan for Police	55.1	1/1/2014	27	1/1/2021
Irving Firemen's Relief & Retirement Fund - Revised FSRP	63.4	1/1/2014	27.3[2]	12/31/2021
Orange Firemen's Relief & Retirement Fund – Second Revised FSRP	Infinite	1/1/2019	20.7	1/1/2021
University Park Firemen's Relief & Retirement Fund – Revised FSRP	81.3	12/31/2012	26.8	12/31/2020

[1] Based on the valuation in which the system completed its FSRP requirement.

[2] Based on the market value of assets.

Systems That Previously Completed FSRP Requirement By 9/1/2025– Current Statute

The following systems have submitted a 30-year FSRP that has demonstrated projected full funding prior to September 1, 2055. They are protected from Revised 25-year FSRPs as long as they remain within established compliance corridors.

Systems that Have Submitted Post-FSRP Actuarial Valuations Showing Funding Period at or Below 30 Years				
System	**Funding Period at Trigger Date**	**Trigger Date**	**Funding Period After Completion**	**Completion Date[1]**
Atlanta Firemen's Relief & Retirement Fund	Infinite	12/31/2020	26.6	12/31/2022
Austin Firefighters Retirement System[3]	N/A	N/A	17.9[2]	12/31/2024
Beaumont Firemen's Relief & Retirement Fund	52.8	12/31/2018	26[2]	12/31/2024
Brownwood Firemen's Relief & Retirement Fund	52.8	12/31/2021	31[2]	12/31/2021
Dallas Employees' Retirement Fund	65.0	12/31/2019	31[2]	12/31/2023
Galveston Firefighter's Relief & Retirement Fund	51.6	12/31/2021	30[2]	12/31/2021
Laredo Firefighters Retirement System	56.8	9/30/2020	26[2]	9/30/2020
Longview Firefighter's Relief & Retirement Fund	Infinite	12/31/2018	27.5[2]	12/31/2021
Midland Firemen's Relief & Retirement Fund	Infinite	12/31/2017	29[2]	12/31/2023
Nacogdoches County Hospital District	Infinite	07/01/2023	30[2]	07/01/2024
Sweetwater Firemen's Relief & Retirement Fund	68.9	12/31/2020	29[2]	12/31/2024
Wichita Falls Firemen's Relief & Retirement Fund	56.7	01/01/2024	29.6[2]	01/01/2025

[1] Based on the valuation in which the system completed its FSRP requirement.

[2] Based on the additional analysis provided with the FSRP submission.

[3] Voluntary FSRP.

Systems That Completed FSRP Requirement After 9/1/2025– Current Statute

The following systems have submitted an FSRP that has demonstrated projected full funding within 30 years. They do not have the same protections from revised FSRPs as systems that submitted FSRPs prior to September 1, 2025.

Systems that Have Submitted Post-FSRP Actuarial Valuations Showing Funding Period at or Below 30 Years				
System	**Funding Period at Trigger Date**	**Trigger Date**	**Funding Period at Completion**	**Completion Date[1]**
Dallas Police & Fire Pension System (Combined Plan)	68	01/01/2022	28	01/01/2025
Marshall Firemen's Relief & Retirement Fund[1]	72	12/31/2022	29[2]	12/31/2024

[1] Based on the valuation in which the system completed its FSRP requirement.

[2] Based on the additional analysis provided with the FSRP submission.

PENSION REVIEW BOARD

Appendix

Valuation Averages

Plan Status	Age	Service	Discount Rate
Active	41.3	11.3	7.1%
Frozen/Closed	52.6	22.1	6.4%

- Members in frozen plans are no longer accruing benefits
- Members in closed plans still accrue benefits
  - But the plan does not allow any new members
- Members in both frozen and closed plans are closer to retirement on average
  - Results in more conservative investments and lower expected returns
- Most frozen/closed plans are 810 plans

Valuation Timing

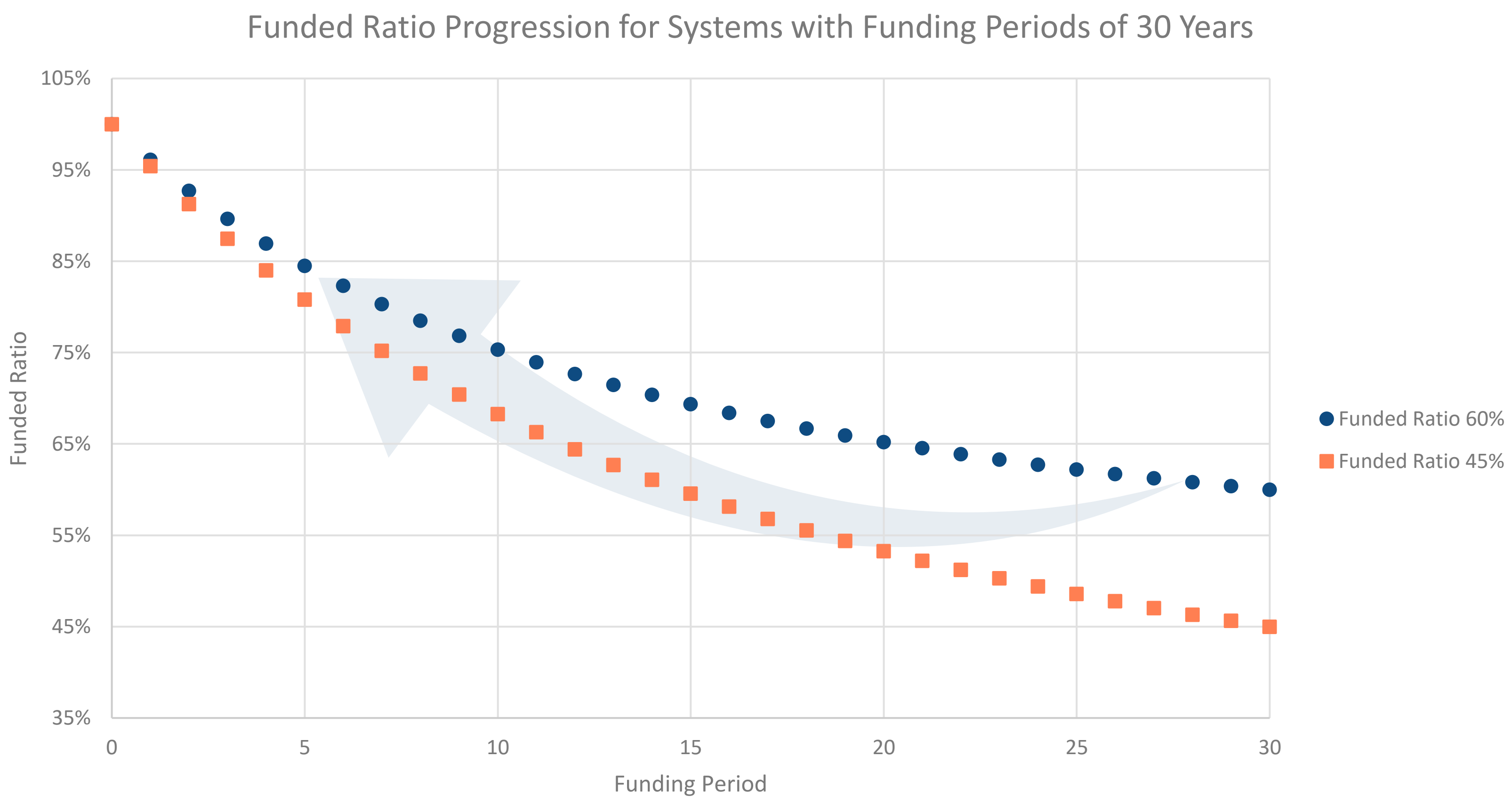
Frequency	System Count	Average Time To Reach PRB	Longest Span Since Last Valuation	Average Span Since Last Valuation
Annual	60	7 months	1.50 years	0.83 years
Biennial	41	9 months	2.50 years	1.83 years

Asset Size	Annual	Biennial
Under $100M	41%	59%
Over $100M	81%	19%

Funded %	Annual	Biennial
Under 65%	43%	57%
Over 65%	66%	34%

Valuation Date	System Count
December 31 / January 1	73
September 30 / October 1	13
June 30 / July 1	4
August 31 / September 1	6
Other	5

Expected Funding Pattern



PENSION REVIEW BOARD

Illustration of 30-Year Amortization Period

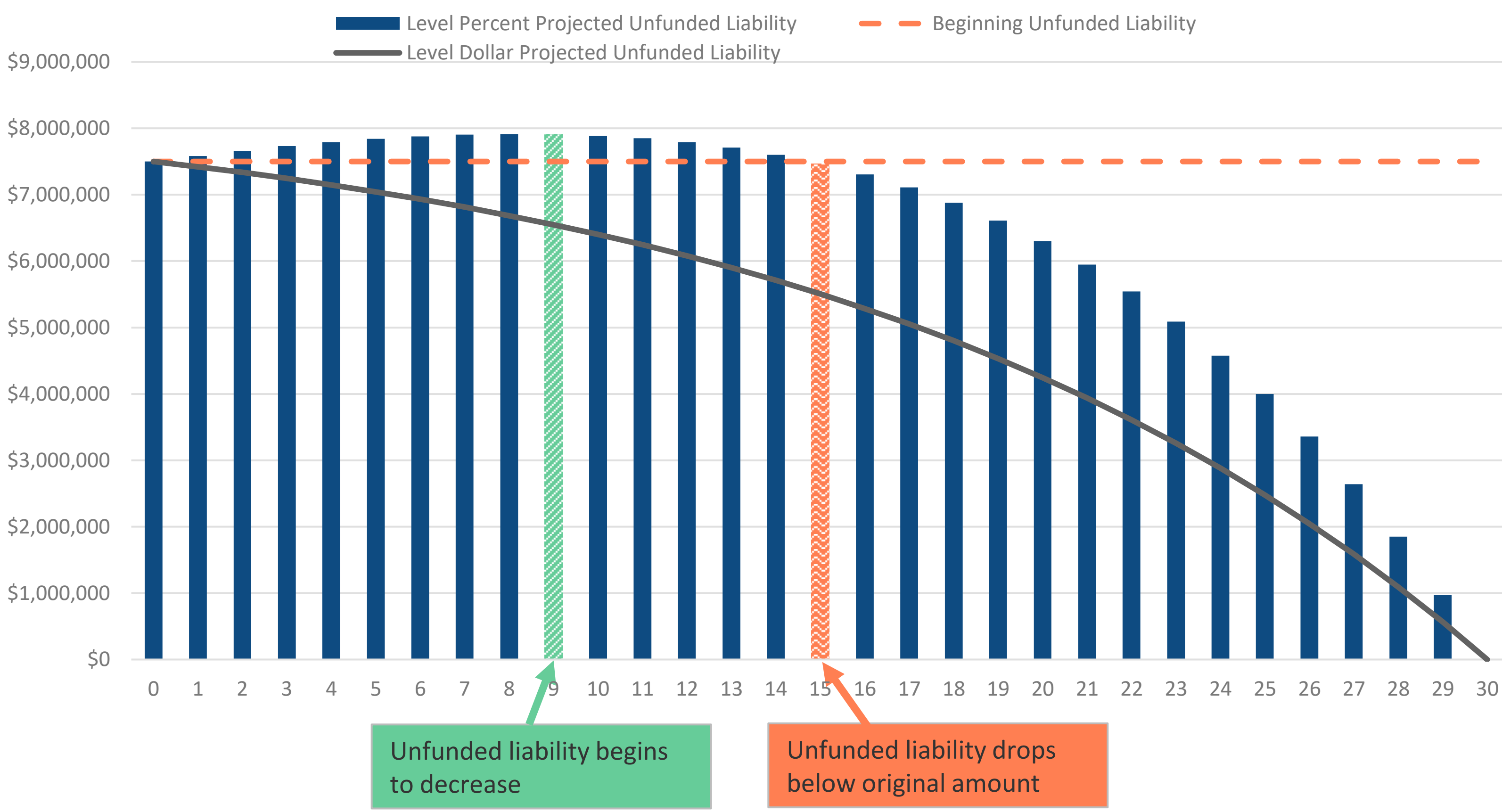


Chart illustrates amortization of $7.5 million unfunded liability using 7 percent expected returns and 3 percent payroll growth

Pension Review Board

Funding Period To Avoid Negative Amortization

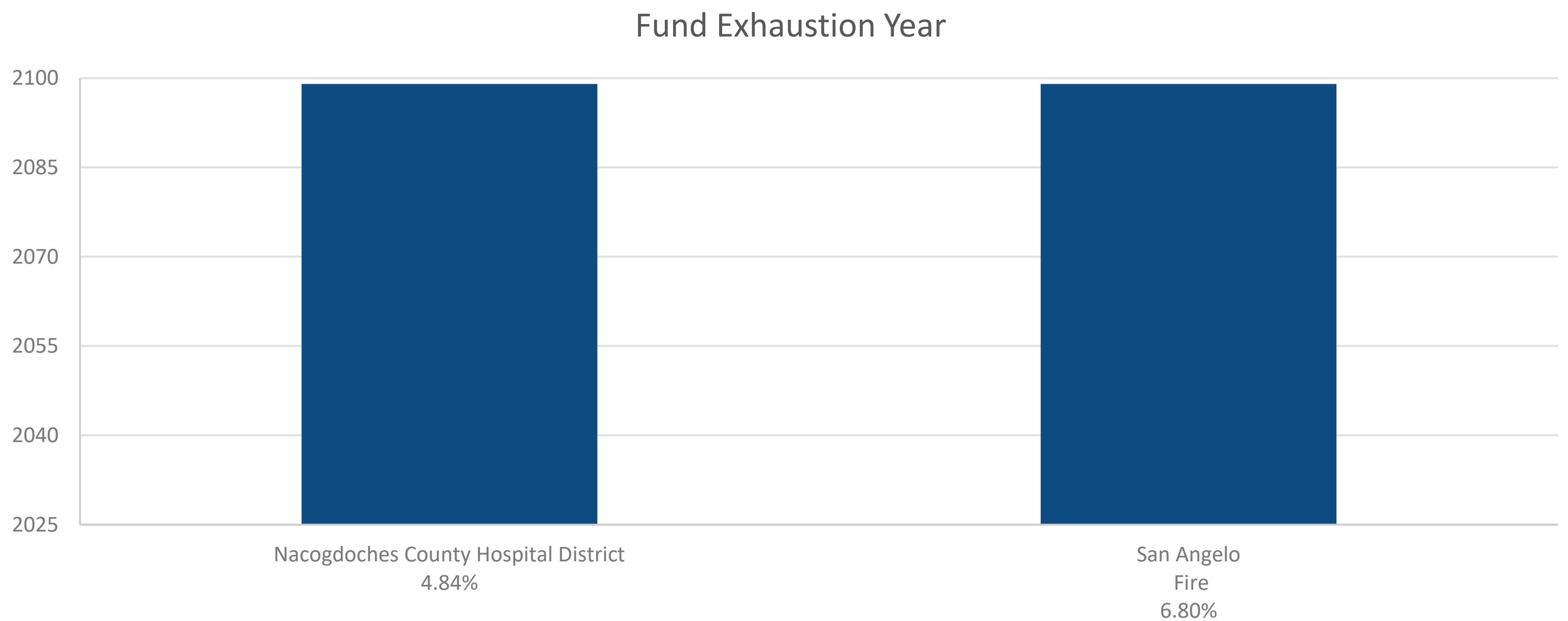
Expected Payroll Growth

	6.75%	7.00%	7.25%	7.50%	7.75%
4.25% 4.50%	18	18	(18) Temple Fire	18	18
4.00%	20	(19) Conroe, Waxahachie Fire	(19) Greenville Fire	18	18
3.75%	20	20	19	19	19
3.50%	(21) Citizens Medical Ctr	(20) DFW Airport, Galveston Police	(20) Paris Fire	20 Harlingen Fire	(19) San Angelo Fire
3.25%	21	(21) San Antonio Metro, University Health	(21) Beaumont, Big Spring, Marshall, Plainview, Weslaco Fire	(20) Lubbock Fire	20
3.00%	(22) Denton Fire	(22) FWERF, Houston, Laredo, Midland, Odessa, San Benito Fire	(21) Austin Police, San Antonio F&P, Texas City Fire	(21) Abilene, Cleburne, Longview, Sweetwater, TCDRS, Wichita Falls Fire	21
2.75%	(23) Atlanta, Irving Supplemental, Plano, TMRS	(23) Brownwood, Houston Muni, Houston Police, Irving, Tyler Fire	(22) Galveston Employees, Killeen, Lufkin, Port Arthur, Texarkana Fire	(22) Amarillo, Galveston Fire	(21) El Paso, El Paso Police, El Paso Staff

All other amortization periods greater than 40 have legacy FSRPs

Plainview Fire changed from 20 years to 21 years

Systems With Fund Exhaustion Year



Midland Fire, Texarkana Fire, and Wichita Falls Fire have been removed since the previous report.

2099 is a placeholder for Nacogdoches County Hospital and San Angelo Fire.
Blended discount rate is shown for systems using placeholder.
Lower blended discount rates signify a potentially earlier fund exhaustion year than higher blended discount rates.

Systems with Funded Ratios < 50 Percent

System Name	Total Funded Ratio	Retiree Funded Ratio	System Type
Dallas Police & Fire Pension System-Combined Plan[1]	35.2	57.0	Muni
Marshall Firemen's Relief & Retirement Fund	37.1	60.3	TLFFRA
Odessa Firemen's Relief & Retirement Fund[1]	38.1	58.4	TLFFRA
Texas City Firemen's Relief & Retirement Fund[1]	43.9	62.8	TLFFRA
Plainview Firemen's Relief & Retirement Fund[2]	41.3	71.7	TLFFRA
Greenville Firemen's Relief & Retirement Fund[1]	44.2	90.2	TLFFRA
Abilene Firemen's Relief & Retirement Fund[1]	45.5	68.9	TLFFRA
Brownwood Firemen's Relief & Retirement Fund[1]	47.2	87.6	TLFFRA
University Park Firemen's Relief & Retirement Fund[1]	48.7	83.7	TLFFRA
Galveston Employees' Retirement Plan for Police[1]	49.9	85.2	Muni

[1] Amortization period is under 30.
[2] Operating under a legacy FSRP.

Additional Systems with Retiree Funded Ratios < 100 Percent

System Name	Total Funded Ratio	Retiree Funded Ratio	System Type
Sweetwater Firemen’s Relief & Retirement Fund	51.3	75.6	TLFFRA
Dallas Police & Fire – Supplemental Plan[1]	53.0	77.6	Muni
Beaumont Firemen's Relief & Retirement Fund	51.7	93.6	TLFFRA
Orange Firemen’s Relief & Retirement Fund[1]	56.4	96.8	TLFFRA
Fort Worth Employees’ Retirement Fund[1]	57.1	98.7	Muni
Austin Police Retirement System[1]	59.7	99.0	Muni
Dallas Employees’ Retirement Fund[1]	67.4	98.1	Muni
Capital MTA Bargaining[1]	68.2	81.5	810
Nacogdoches County Hospital District[1]	69.4	89.9	810
Houston MTA Workers Union Pension Plan[1]	69.8	99.5	810

[1] Amortization period is under 30.
[2] Operating under a legacy FSRP.

Floresville Electric has been removed since the previous report.

Systems With Employer Normal Costs < 1 Percent

System Name	Employer Normal Cost	Normalized Employer Normal Cost	Social Security	Second Tier	System Type
El Paso Police	**-3.3%**	**-1.1%**	**N**	**Y**	Muni
Texas City Fire	**-2.8%**	**-2.1%**	**N**	**Y**	TLFFRA
Abilene Fire	**-1.5%**	**-0.1%**	**N**	**Y**	TLFFRA
Galveston Police	**-1.0%**	**-1.0%**	Y	**Y**	Muni
Orange Fire	**-0.9%**	1.1%	Y	N	TLFFRA
Longview Fire	**-0.5%**	1.1%	**N**	**Y**	TLFFRA
Wichita Falls Fire	**-0.4%**	0.9%	Y	**Y**	TLFFRA
El Paso Fire	**-0.1%**	2.7%	**N**	**Y**	Muni
Corsicana Fire	0.3%	0.3%	Y	N	TLFFRA
Odessa Fire	0.5%	0.5%	Y	N	TLFFRA
Plainview Fire	0.9%	1.7%	**N**	**Y**	TLFFRA

Normalized employer normal cost is based on an estimated normal cost if the system had assumed 7 percent expected returns.

Systems with Expected Return Over 7.5 Percent

System Name	Discount Rate	System Type
San Angelo Firemen's Relief & Retirement Fund	7.80%	TLFFRA
El Paso Firemen & Policemen's Pension Staff Plan	7.75%	810
El Paso Firemen's Pension Fund	7.75%	Muni
El Paso Police Pension Fund	7.75%	Muni
Orange Firemen's Relief & Retirement Fund	7.75%	TLFFRA

The three El Paso systems and San Angelo Fire are expected to use 7.5% in the next actuarial valuation report.

Systems With Actual 10-Year Payroll Growth Missing Expectations by More Than 75 bp

System Name	Expected Payroll Growth Rate	Actual Payroll Growth Rate	City Population Growth Rate[1]	Expected Inflation[2]	System Type
Big Spring Fire	3.25%	1.48%	-0.43%	2.50%	TLFFRA
Houston Fire	3.00%	1.77%	0.94%	2.25%	Muni
Marshall Fire	3.25%	2.47%	-0.06%	2.50%	TLFFRA
Plainview Fire	3.25%	2.11%	-0.94%	2.50%	TLFFRA

Plainview Fire was added since the previous report.
Austin Police, Harlingen Fire, and San Benito Fire were removed since the previous report.

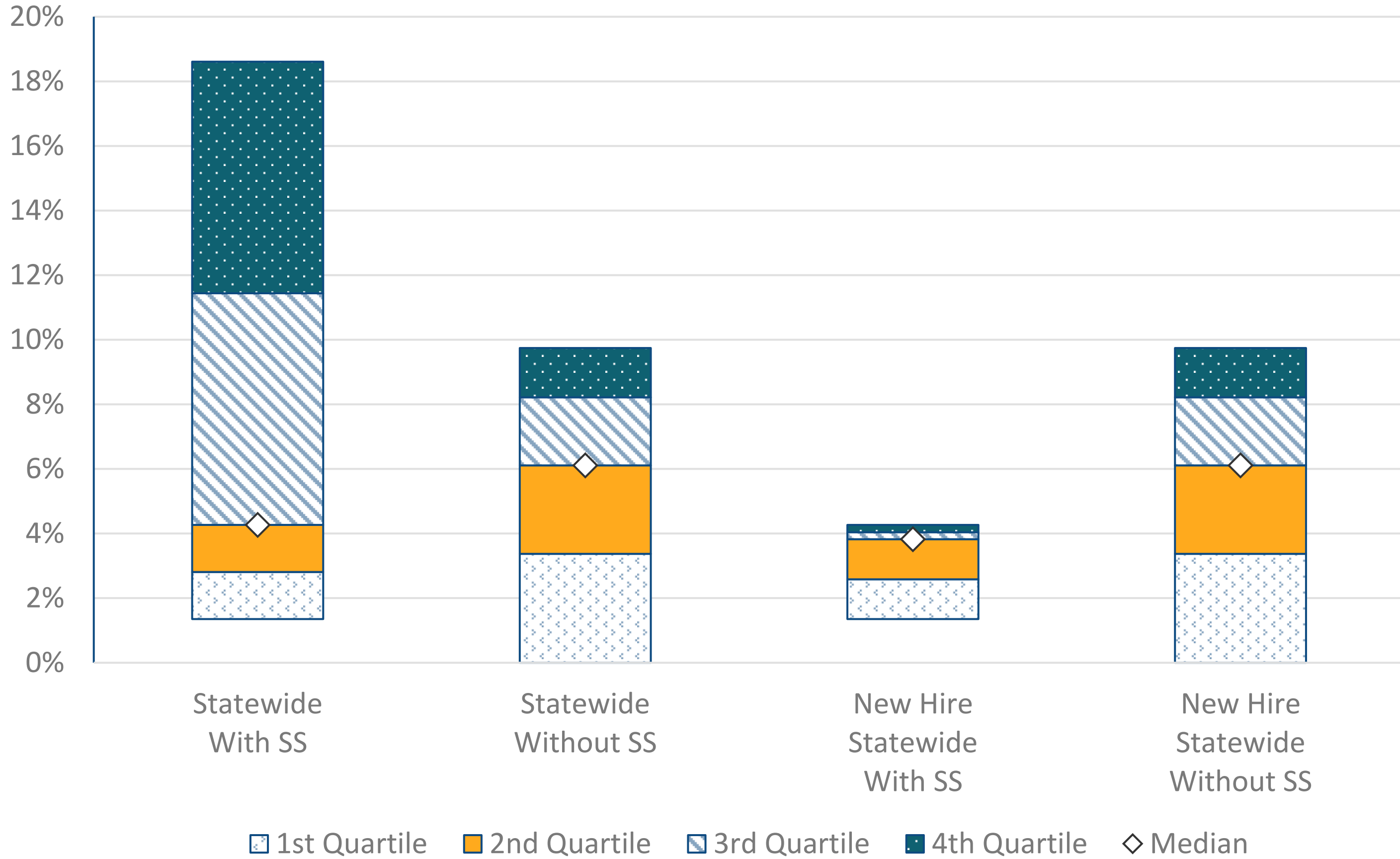
[1] A growing city supports a higher payroll growth assumption.
[2] A payroll growth assumption equal to expected inflation may not be considered aggressive.

Systems With UAAL as Percent of Pay > 300 Percent and Funding Period >30

System Name	UAAL % of Pay	Funding Period	System Type
Marshall Firemen's Relief & Retirement Fund	498%	65.0	TLFFRA
Sweetwater Firemen’s Relief & Retirement Fund	385%	39.0	TLFFRA
Laredo Firefighters Retirement System	319%	37.1	TLFFRA
San Angelo Firemen’s Relief & Retirement Fund	342%	34.0	TLFFRA
Plainview Firemen's Relief & Retirement Fund	440%	32.2	TLFFRA

Beaumont Fire was removed since the previous report.

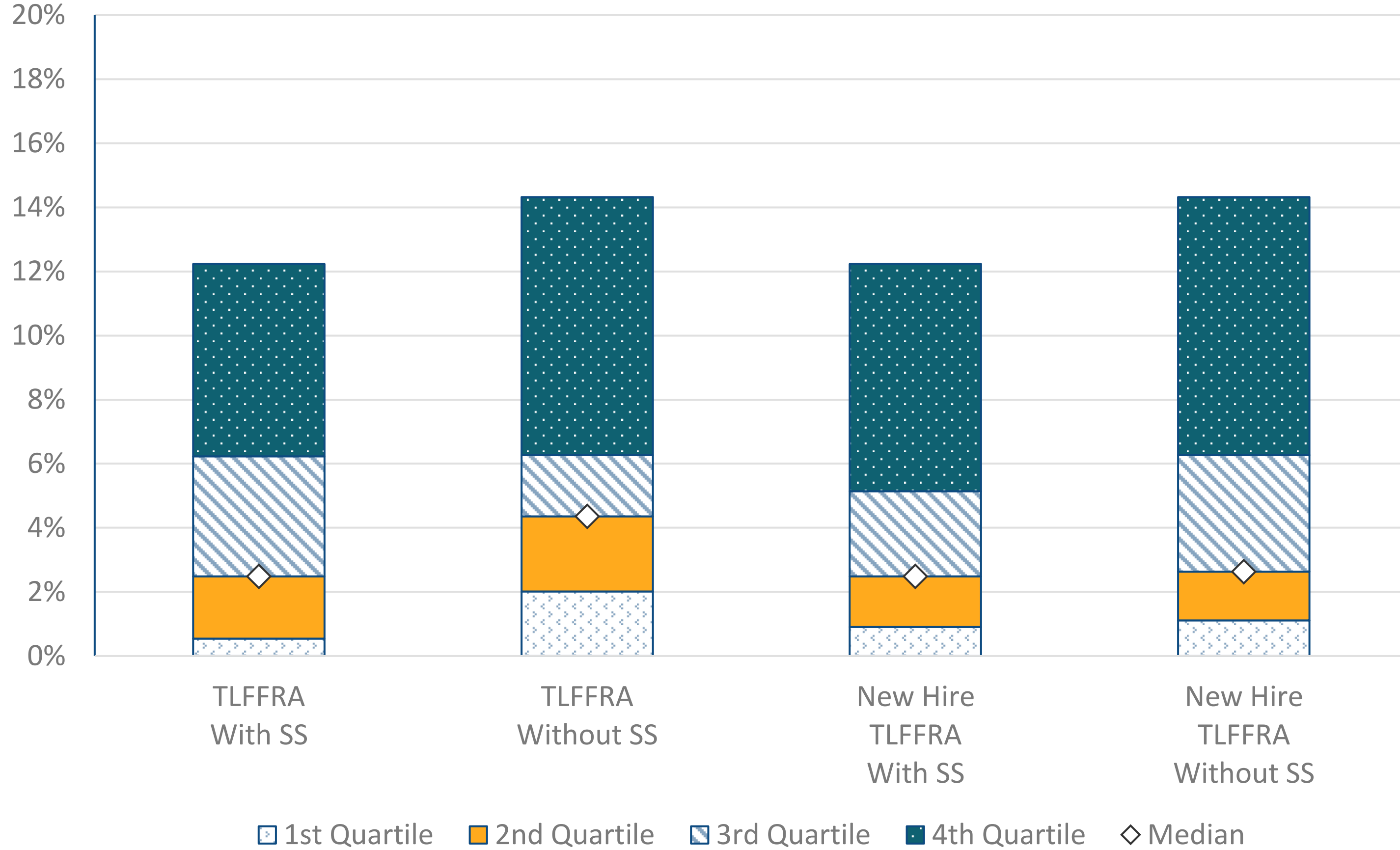
Employer Normal Cost – Statewide Systems



**SS = Social Security*

Pension Review Board

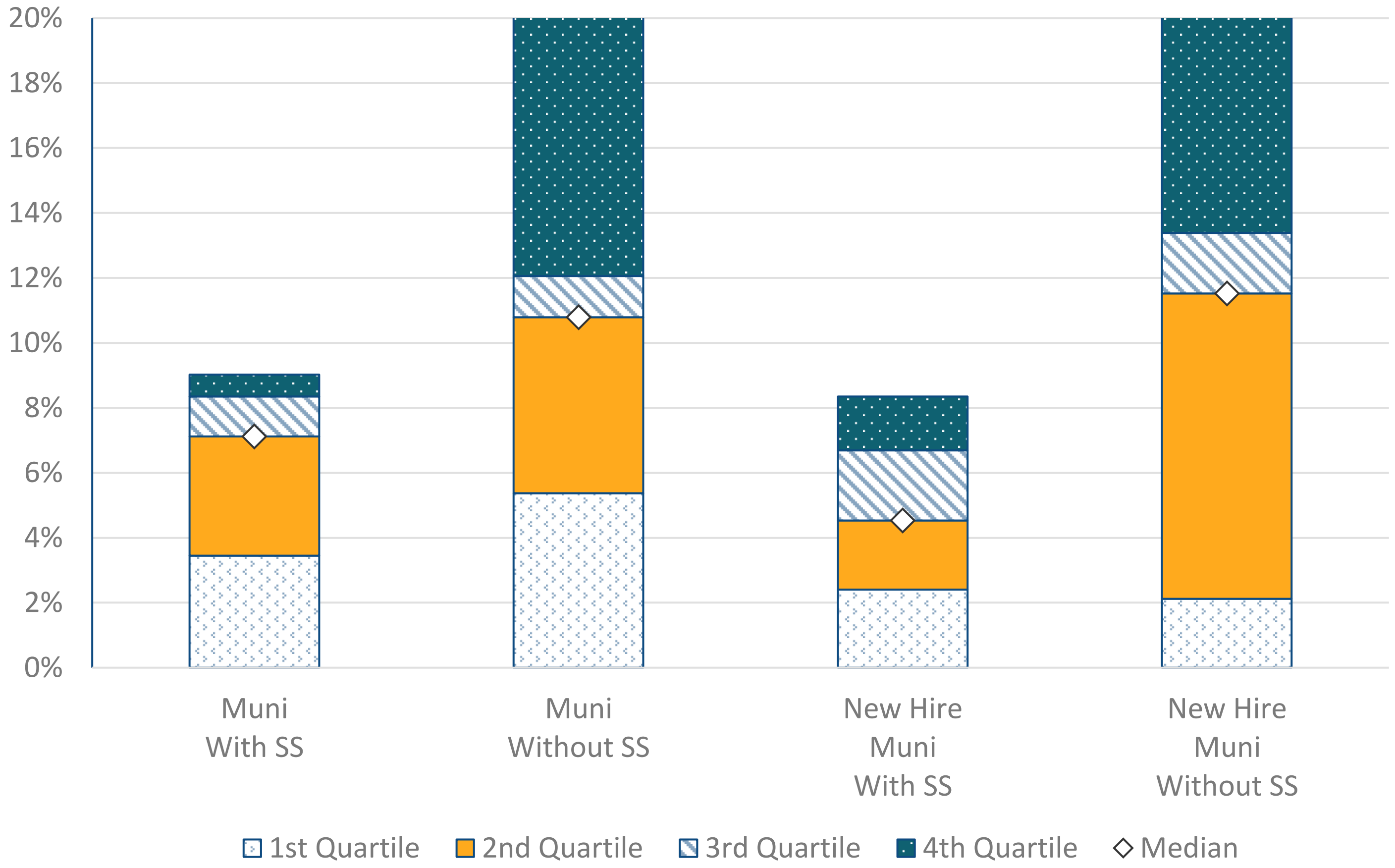
Employer Normal Cost – TLFFRA Systems



PENSION REVIEW BOARD

SS = Social Security

Employer Normal Cost – Municipal Systems



**SS = Social Security*

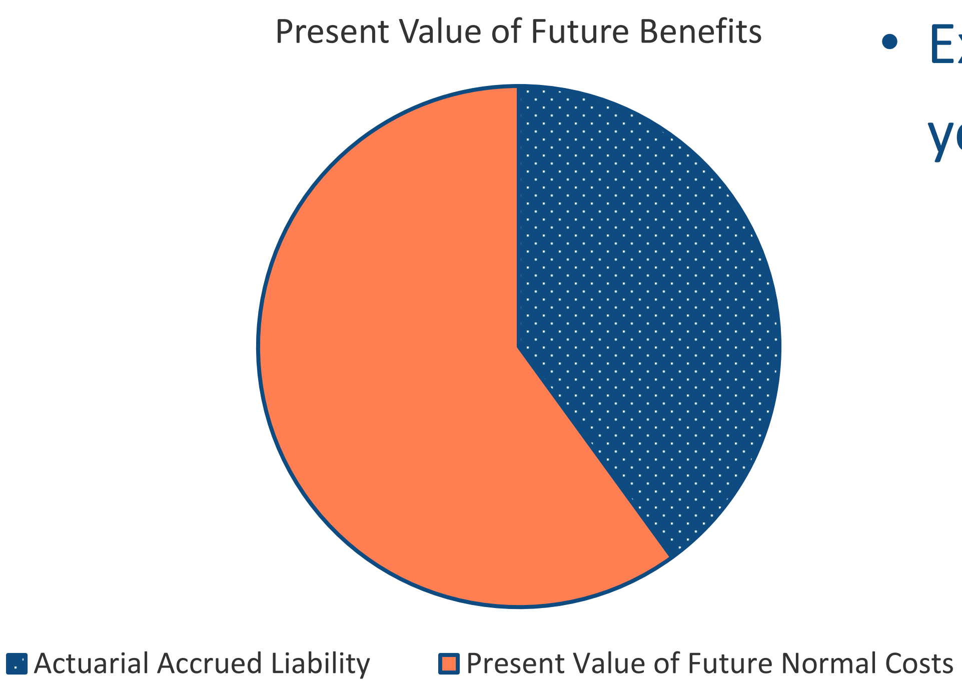
Pension Review Board

Employer Normal Cost – 810 Systems

SS = Social Security

PENSION REVIEW BOARD

Actuarial Terminology



- Example: Member with 10 years of service
  - Expected to retire with 25 years of service
  - Present value of future benefits (PVFB) is the whole pie (25 years)
  - Actuarial accrued liability is the blue section of pie only (10 years)
  - The remainder of the PVFB will be recognized over 15 future years through normal cost

What if payroll growth is less than expected?

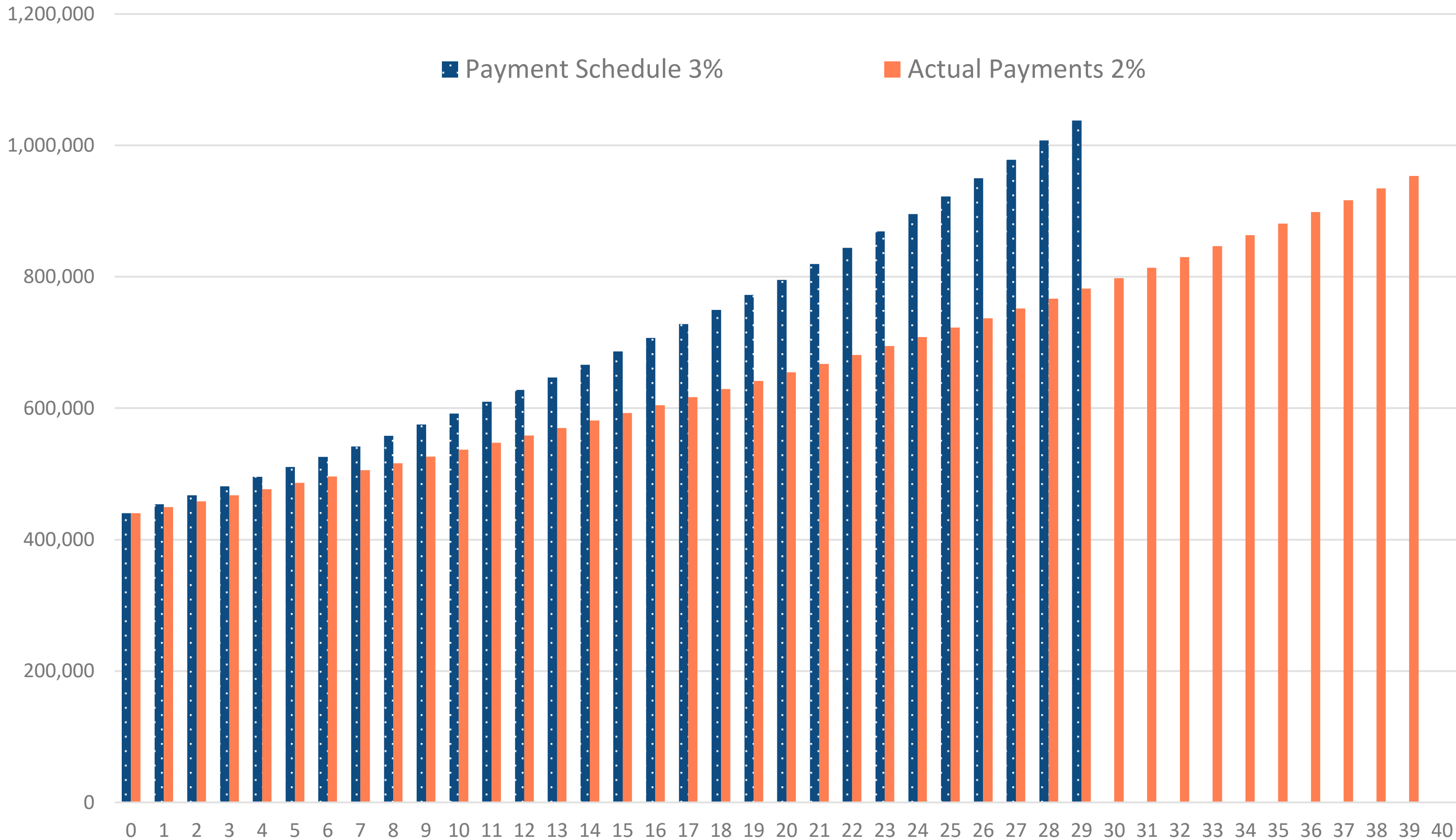


Chart illustrates amortization of $7.5 million unfunded liability using 7 percent expected returns and 3 percent payroll growth.

Avoiding Negative Amortization

- Unfunded liability growth over next year
  - The unfunded liability will grow with:
    - Interest
    - Normal cost
  - The unfunded liability will decrease with:
    - Contributions
- To avoid an expected increase in unfunded liability
  - Expected contributions must cover:
    - Interest on the unfunded liability
      - To avoid growth in the existing unfunded liability
    - Normal cost
      - To avoid creating new unfunded liability

Actuarial Valuation Report
September 30, 2026

Summary of Key Statistics

Assets and Liabilities

Measure	Current Actuarial Valuation 9/30/2026	Current Actuarial Valuation 7/23/2026	Prior Actuarial Valuation
Market Value of Assets (MVA)	$ 431,868,220,162	$ 430,496,731,103	$ 396,627,742,716
Actuarial Value of Assets (AVA)	$ 415,833,141,745	$ 415,129,390,777	$ 391,801,883,224
Actuarial Accrued Liability (AAL)	$ 522,828,274,992	$ 522,139,861,615	$ 522,828,274,992
Unfunded Actuarial Accrued Liability (UAAL = AAL − AVA)	$ 106,995,133,247	$ 107,010,470,838	$ 131,026,391,768

Funded Ratios

Funded Ratio	Current Actuarial Valuation 9/30/2026	Current Actuarial Valuation 7/23/2026	Prior Actuarial Valuation
Aggregate	79.5%	79.5%	74.9%
Lowest	35.2%	35.2%	33.7%
Highest	125.0%	125.0%	121.1%
Average	76.6%	76.2%	74.8%
National Average[1]	77.4%	76.7%	71.8%

Funding Periods

Funding Period Range	Current Actuarial Valuation 9/30/2026 For 101 Systems	Current Actuarial Valuation 7/23/2026 For 101 Systems	Prior Actuarial Valuation
Infinite	0	1	4
>= 40 years, but not infinite	2	1	3
> 30 years, < 40 years	6	8	9
> 25 years, <= 30 years	14	15	19
>= 10 years, <= 25 years	54	52	43
> 0 years, < 10 years	13	12	12
0 years	12	12	11

System Discount Rates

Discount Rate Range	Current Actuarial Valuation 9/30/2026 For 101 Systems	Current Actuarial Valuation 7/23/2026 For 101 Systems	Prior Actuarial Valuation
>=8%	0	0	0
> 7.50%, < 8.00%	5	5	8
7.50%	7	8	9
> 7.00%, < 7.50%	26	26	25
7.00%	30	29	27
> 6.50%, < 7.00%	12	12	11
<= 6.50%	21	21	21

Measure	Current Actuarial Valuation 9/30/2026	Current Actuarial Valuation 7/23/2026	Prior Actuarial Valuation
Average	6.93%	6.94%	6.97%
Standard Deviation	0.51%	0.49%	0.51%
Median	7.00%	7.00%	7.00%
National Average[1]	6.92%	6.92%	6.92%

[1] Source: https://publicplansdata.org/

Actuarial Valuation Report
September 30, 2026

Plan Name	Plan Status (1)	Effective Date	Discount Rate	Effective Amort Period (2)	Funded Ratio	Market Value of Assets (MVA)	Actuarial Value of Assets (AVA)	Unfunded Actuarial Accrued Liability (UAAL) (3)	UAAL as % of Payroll	Prior Effective Date	Prior Effective Amort Period (2)	Prior Funded Ratio
Marshall Firemen's Relief & Retirement Fund (7)	Active	12/31/2024	7.25%	65.0	37.1%	$ 9,244,997	$ 9,244,997	$ 15,677,997	498.34%	12/31/2022	72.0	33.7%
Conroe Fire Fighters' Retirement Fund (6)	Active	12/31/2025	7.00%	47.1	68.4%	$ 62,191,713	$ 58,782,907	$ 27,113,487	165.09%	12/31/2023	29.0	63.4%
Sweetwater Firemen's Relief & Retirement Fund (7)	Active	12/31/2024	7.50%	39.0	51.3%	$ 9,133,855	$ 10,041,404	$ 9,515,678	385.21%	12/31/2022	Infinite	55.1%
Laredo Firefighters Retirement System (6)	Active	9/30/2024	7.10%	37.1	59.3%	$ 247,851,777	$ 227,287,139	$ 156,189,849	319.27%	9/30/2022	31.1	59.1%
Teacher Retirement System of Texas	Active	8/31/2025	7.00%	35.0	77.5%	$ 226,328,300,601	$ 223,633,551,164	$ 64,902,482,558	99.94%	8/31/2024	28.0	77.8%
San Angelo Firemen's Relief & Retirement Fund	Active	12/31/2023	7.80%	34.0	60.7%	$ 75,929,194	$ 83,522,113	$ 54,125,673	342.09%	12/31/2021	29.7	65.0%
Plainview Firemen's Relief & Retirement Fund	Active	12/31/2025	7.25%	32.2	41.3%	$ 8,485,745	$ 8,239,431	$ 11,698,733	440.40%	12/31/2023	33.1	42.9%
Temple Firemen's Relief & Retirement Fund (6)	Active	9/30/2024	7.30%	30.5	69.4%	$ 63,199,144	$ 59,374,207	$ 26,213,564	211.29%	9/30/2022	25.6	71.0%
Texas Emergency Services Retirement System	Active	8/31/2025	7.00%	30.0	74.1%	$ 152,259,760	$ 148,808,422	$ 52,073,196	0.00%	8/31/2024	Infinite	76.0%
Nacogdoches County Hospital District (8)	Frozen	7/1/2025	6.75%	30.0	69.4%	$ 29,848,047	$ 28,817,682	$ 12,725,999	0.00%	7/1/2024	Infinite	73.5%
Lufkin Firemen's Relief & Retirement Fund	Active	12/31/2024	7.25%	29.9	50.0%	$ 24,629,219	$ 24,771,546	$ 24,786,547	392.09%	12/31/2022	28.0	51.3%
Dallas Employees' Retirement Fund	Active	12/31/2025	7.25%	29.0	67.4%	$ 3,970,633,000	$ 3,834,475,000	$ 1,851,794,000	321.64%	12/31/2024	30.0	66.9%
Killeen Firemen's Relief & Retirement Fund	Active	9/30/2024	7.25%	28.8	66.3%	$ 74,651,683	$ 71,885,198	$ 36,566,402	168.13%	9/30/2022	21.0	70.6%
Austin Employees' Retirement System	Active	12/31/2025	6.75%	28.0	63.1%	$ 4,085,892,671	$ 3,917,188,586	$ 2,293,848,779	206.30%	12/31/2024	29.0	61.2%
Harlingen Firemen's Relief & Retirement Fund	Active	9/30/2025	7.50%	28.0	70.7%	$ 48,264,917	$ 48,264,917	$ 20,018,728	228.61%	9/30/2023	45.0	62.3%
Midland Firemen's Relief & Retirement Fund	Active	12/31/2025	7.00%	27.9	70.5%	$ 155,394,037	$ 153,376,515	$ 64,091,933	239.08%	12/31/2024	28.8	69.6%
Greenville Firemen's Relief & Retirement Fund	Active	12/31/2024	7.25%	27.9	44.2%	$ 18,088,404	$ 18,514,863	$ 23,358,212	342.49%	12/31/2022	35.0	41.0%
Dallas Police & Fire Pension System-Combined Plan	Active	1/1/2026	6.50%	27.0	35.2%	$ 2,251,124,585	$ 2,025,998,519	$ 3,734,490,525	597.34%	1/1/2025	28.0	34.1%
Travis County ESD #6 FRRF	Active	12/31/2023	6.50%	26.6	86.9%	$ 48,884,210	$ 50,697,322	$ 7,620,753	82.43%	12/31/2021	5.9	91.0%
Austin Police Retirement System	Active	12/31/2025	7.25%	26.4	59.7%	$ 1,211,288,721	$ 1,168,849,998	$ 790,107,667	431.50%	12/31/2024	27.4	58.3%
Longview Firemen's Relief & Retirement Fund	Active	12/31/2025	7.50%	26.0	72.0%	$ 108,284,998	$ 104,330,471	$ 40,509,985	208.16%	12/31/2024	29.6	68.8%
Floresville Electric Light and Power System Pension Plan	Active	1/1/2026	6.50%	25.5	63.4%	$ 13,823,961	$ 13,585,946	$ 7,833,135	202.20%	1/1/2025	26.4	62.9%
Beaumont Firemen's Relief & Retirement Fund (7)	Active	12/31/2025	7.25%	25.0	51.7%	$ 124,834,571	$ 123,970,679	$ 116,031,027	394.71%	12/31/2024	35.0	54.1%
Wichita Falls Firemen's Relief & Retirement Fund (7)	Active	1/1/2026	7.50%	25.0	59.2%	$ 66,787,888	$ 66,787,888	$ 46,069,790	288.83%	1/1/2025	36.7	54.9%
McAllen Firemen's Relief & Retirement Fund	Active	9/30/2024	7.25%	24.6	65.4%	$ 66,044,393	$ 66,967,508	$ 35,367,481	225.31%	9/30/2022	34.6	68.7%
Tyler Firefighters' Relief & Retirement Fund	Active	12/31/2023	7.00%	24.5	72.3%	$ 83,352,048	$ 88,322,414	$ 33,889,848	222.14%	12/31/2021	26.8	73.0%
Brownwood Firemen's Relief & Retirement Fund	Active	12/31/2023	7.00%	24.4	47.2%	$ 5,411,905	$ 5,851,411	$ 6,545,658	278.92%	12/31/2021	52.8	46.2%
Fort Worth Employees' Retirement Fund	Active	12/31/2025	7.00%	24.0	57.1%	$ 3,317,861,069	$ 3,168,759,468	$ 2,383,635,387	326.01%	12/31/2024	29.0	55.1%
CPS Energy Pension Plan	Active	1/1/2025	7.00%	24.0	83.8%	$ 2,406,772,230	$ 2,300,427,425	$ 445,131,209	113.94%	1/1/2024	25.0	82.4%

This report is a compilation of pension data reported by retirement systems in their most recent AVs, sorted by amortization period.

Actuarial Valuation Report
September 30, 2026

Plan Name	Plan Status (1)	Effective Date	Discount Rate	Effective Amort Period (2)	Funded Ratio	Market Value of Assets (MVA)	Actuarial Value of Assets (AVA)	Unfunded Actuarial Accrued Liability (UAAL) (3)	UAAL as % of Payroll	Prior Effective Date	Prior Effective Amort Period (2)	Prior Funded Ratio
Fort Worth Employees' Retirement Fund Staff Plan (5)	Active	12/31/2025	7.00%	24.0	80.2%	$ 12,260,921	$ 11,686,192	$ 2,885,145	106.70%	12/31/2024	25.0	79.7%
Texarkana Firemen's Relief & Retirement Fund	Active	12/31/2025	7.25%	23.7	79.3%	$ 46,208,023	$ 44,880,584	$ 11,696,257	207.61%	12/31/2023	Infinite	81.3%
Austin Firefighters Retirement Fund	Active	12/31/2025	7.30%	23.0	77.4%	$ 1,260,063,638	$ 1,201,840,087	$ 350,133,307	280.35%	12/31/2024	31.0	76.9%
Corsicana Firemen's Relief & Retirement Fund	Active	12/31/2024	7.00%	23.0	59.5%	$ 13,457,341	$ 14,069,413	$ 9,593,019	197.06%	12/31/2022	25.0	55.6%
University Park Firemen's Relief & Retirement Fund	Closed	12/31/2024	7.00%	22.8	48.7%	$ 14,336,824	$ 14,830,988	$ 15,644,551	474.10%	12/31/2022	24.8	44.9%
Abilene Firemen's Relief & Retirement Fund	Active	10/1/2024	7.50%	22.1	45.5%	$ 63,815,815	$ 61,938,823	$ 74,165,082	350.26%	10/1/2023	29.4	45.3%
Orange Firemen's Relief & Retirement Fund	Active	1/1/2025	7.75%	21.5	56.4%	$ 10,253,215	$ 10,253,215	$ 7,927,827	257.05%	1/1/2023	34.5	47.8%
Odessa Firemen's Relief & Retirement Fund	Active	10/1/2025	7.00%	21.3	38.1%	$ 59,099,954	$ 59,482,598	$ 96,826,447	365.27%	1/1/2024	22.7	36.4%
Big Spring Firemen's Relief & Retirement Fund	Active	1/1/2025	7.25%	21.2	64.1%	$ 16,998,683	$ 17,205,997	$ 9,647,331	229.25%	1/1/2023	19.1	62.8%
Galveston Firefighter's Relief & Retirement Fund	Active	12/31/2025	7.45%	20.9	65.9%	$ 66,318,847	$ 64,487,994	$ 33,304,391	267.87%	12/31/2024	23.9	65.9%
San Antonio Fire & Police Pension Fund	Active	1/1/2026	7.25%	20.9	85.0%	$ 4,493,775,950	$ 4,400,644,391	$ 775,775,633	178.81%	1/1/2025	20.6	85.4%
Atlanta Firemen's Relief & Retirement Fund	Active	12/31/2024	6.75%	20.7	75.7%	$ 4,740,055	$ 4,926,578	$ 1,577,958	184.21%	12/31/2022	26.6	72.6%
University Health System Pension Plan	Active	1/1/2025	7.00%	20.0	78.8%	$ 651,920,792	$ 665,403,067	$ 178,554,861	25.43%	1/1/2024	21.0	78.2%
Irving Firemen's Relief & Retirement Fund (5)	Active	12/31/2025	7.00%	19.6	89.3%	$ 306,917,240	$ 296,803,100	$ 35,544,658	65.10%	12/31/2024	20.9	87.8%
Port Arthur Firemen's Relief & Retirement Fund	Active	12/31/2023	7.25%	19.4	77.5%	$ 54,623,751	$ 58,951,245	$ 17,087,962	156.89%	12/31/2021	19.7	77.8%
North Texas Municipal Water District Retirement Plan	Active	1/1/2025	7.25%	19.1	61.0%	$ 149,871,541	$ 152,789,792	$ 97,869,771	136.31%	1/1/2024	20.0	59.7%
Employees Retirement System of Texas	Active	8/31/2025	7.00%	19.0	74.4%	$ 40,119,382,709	$ 38,425,639,560	$ 13,204,550,536	129.31%	8/31/2024	30.0	72.0%
Dallas Co. Hospital Dist. Retirement Income Plan	Closed	1/1/2025	6.00%	19.0	72.9%	$ 1,880,971,794	$ 1,901,728,734	$ 705,532,433	71.54%	1/1/2024	20.0	73.6%
Lubbock Fire Pension Fund	Active	12/31/2024	7.50%	18.2	74.3%	$ 277,774,223	$ 277,952,529	$ 96,264,563	202.29%	12/31/2022	24.8	70.8%
Houston MTA Workers Union Pension Plan	Closed	1/1/2025	6.25%	18.0	69.8%	$ 304,440,635	$ 321,863,901	$ 139,214,731	228.93%	1/1/2024	19.0	71.1%
Houston MTA Non-Union Pension Plan	Closed	1/1/2025	6.25%	18.0	59.9%	$ 198,492,018	$ 206,962,822	$ 138,294,863	420.39%	1/1/2024	19.0	62.1%
Texas City Firemen's Relief & Retirement Fund	Active	12/31/2024	7.25%	17.6	43.9%	$ 17,509,772	$ 18,202,676	$ 23,249,248	270.13%	12/31/2022	19.4	42.2%
Cleburne Firemen's Relief & Retirement Fund	Active	12/31/2024	7.35%	17.2	64.0%	$ 29,708,406	$ 29,939,461	$ 16,816,428	234.70%	12/31/2022	25.6	60.7%
Capital MTA Admin Employees	Active	1/1/2025	6.75%	16.7	80.5%	$ 68,074,058	$ 67,988,476	$ 16,429,754	28.31%	1/1/2024	15.7	78.7%
San Antonio Metropolitan Transit Retirement Plan	Closed	10/1/2025	7.00%	16.0	70.9%	$ 397,046,458	$ 383,769,034	$ 157,372,766	349.95%	10/1/2024	17.0	70.2%
El Paso Firemen's Pension Fund	Active	1/1/2024	7.75%	15.8	82.8%	$ 740,283,478	$ 781,397,952	$ 162,892,676	209.80%	1/1/2022	16.6	82.6%
Denison Firemen's Relief & Retirement Fund	Active	12/31/2025	7.25%	15.7	76.4%	$ 26,731,832	$ 26,278,553	$ 8,131,578	133.41%	12/31/2023	15.3	76.7%
El Paso Police Pension Fund	Active	1/1/2024	7.75%	15.1	81.6%	$ 1,054,931,421	$ 1,112,054,469	$ 250,217,688	232.83%	1/1/2022	16.4	81.8%
City of El Paso Employees Retirement Trust	Active	9/1/2025	7.25%	15.0	77.9%	$ 1,056,679,256	$ 1,058,293,157	$ 301,107,619	126.35%	9/1/2024	16.0	76.3%

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Plan Name	Plan Status (1)	Effective Date	Discount Rate	Effective Amort Period (2)	Funded Ratio	Market Value of Assets (MVA)	Actuarial Value of Assets (AVA)	Unfunded Actuarial Accrued Liability (UAAL) (3)	UAAL as % of Payroll	Prior Effective Date	Prior Effective Amort Period (2)	Prior Funded Ratio
Galveston Wharves Pension Plan	Closed	1/1/2026	7.00%	15.0	96.6%	$ 16,761,650	$ 15,901,566	$ 556,244	48.90%	1/1/2025	16.0	95.1%
JPS - Tarrant County Hospital District	Active	10/1/2025	6.75%	14.7	91.4%	$ 616,431,152	$ 555,954,505	$ 52,536,870	19.31%	10/1/2024	10.8	92.8%
Corpus Christi Fire Fighters' Retirement System	Active	12/31/2024	7.00%	14.7	62.5%	$ 194,664,003	$ 206,641,980	$ 124,044,187	263.99%	12/31/2022	17.2	63.0%
Lower Colorado River Authority Retirement Plan	Closed	1/1/2026	7.00%	14.0	79.4%	$ 546,700,322	$ 511,680,021	$ 132,493,731	148.70%	1/1/2025	15.0	77.1%
Galveston Employees' Retirement Fund	Active	12/31/2025	7.25%	13.9	75.0%	$ 89,157,027	$ 84,666,621	$ 28,259,510	76.02%	12/31/2024	13.2	73.3%
Texas Municipal Retirement System (4)	Active	12/31/2025	6.75%	13.3	90.4%	$ 49,405,467,577	$ 46,236,587,574	$ 4,934,759,196	49.02%	12/31/2024	13.9	89.4%
Galveston Employees' Retirement Plan for Police	Active	1/1/2026	7.00%	13.0	49.9%	$ 35,274,332	$ 33,437,671	$ 33,533,284	199.02%	1/1/2025	13.0	47.1%
Texas County & District Retirement System (4)	Active	12/31/2025	7.50%	12.3	90.8%	$ 56,480,183,596	$ 49,988,066,985	$ 5,096,328,613	45.72%	12/31/2024	13.6	89.9%
Amarillo Firemen's Relief & Retirement Fund	Active	12/31/2025	7.35%	12.3	90.4%	$ 266,734,341	$ 271,589,237	$ 28,848,236	90.26%	12/31/2023	5.9	95.2%
San Benito Firemen Relief & Retirement Fund	Active	9/30/2025	7.00%	12.2	78.2%	$ 6,491,617	$ 6,491,617	$ 1,807,934	90.73%	9/30/2023	32.0	62.2%
DART Employees (5)	Closed	10/1/2025	6.25%	12.0	89.6%	$ 226,521,452	$ 222,651,430	$ 25,776,430	820.98%	10/1/2024	12.6	90.5%
Sweeny Community Hospital	Closed	1/1/2026	5.00%	12.0	95.6%	$ 2,982,054	$ 2,852,212	$ 132,156	218.72%	1/1/2025	13.0	85.7%
Waxahachie Firemen's Relief & Retirement Fund	Active	10/1/2024	7.00%	10.9	75.2%	$ 27,880,838	$ 27,880,838	$ 9,184,263	99.27%	10/1/2022	27.1	63.0%
Houston Municipal Employees Pension System	Active	7/1/2025	7.00%	10.4	76.9%	$ 4,723,001,000	$ 4,478,433,000	$ 1,343,896,000	180.45%	7/1/2024	13.0	72.7%
DFW Airport Board DPS (5)	Active	1/1/2026	7.00%	10.3	84.8%	$ 327,501,812	$ 319,103,205	$ 57,201,087	134.36%	1/1/2025	11.3	83.2%
Dallas Police & Fire Pension System-Supplemental	Active	1/1/2026	6.50%	10.0	53.0%	$ 25,889,202	$ 25,889,202	$ 22,957,090	915.42%	1/1/2025	11.0	50.0%
Lower Neches Valley	Frozen	1/1/2026	6.50%	10.0	98.5%	$ 19,427,259	$ 19,427,259	$ 303,041	0.00%	1/1/2025	10.0	85.4%
Dallas County Utility and Reclamation District	Active	1/1/2026	6.50%	10.0	87.0%	$ 11,562,203	$ 11,562,203	$ 1,724,267	64.95%	1/1/2024	10.0	76.9%
DFW Airport Board (5)	Active	1/1/2026	7.00%	9.6	88.0%	$ 703,303,562	$ 685,607,104	$ 93,531,907	315.50%	1/1/2025	10.9	85.8%
Harris County Hospital District Pension Plan (5)	Closed	1/1/2026	5.75%	8.1	90.3%	$ 1,191,556,058	$ 1,112,657,602	$ 119,291,617	101.53%	1/1/2025	10.6	86.0%
Corpus Christi Regional Transportation Authority	Active	1/1/2026	6.75%	8.0	82.7%	$ 57,776,852	$ 55,609,357	$ 11,601,510	77.12%	1/1/2025	9.0	82.6%
Houston Police Officers' Pension System	Active	7/1/2025	7.00%	7.0	94.2%	$ 8,269,542,000	$ 7,885,492,000	$ 489,831,000	91.20%	7/1/2024	12.3	92.1%
Brazos River Authority Retirement Plan	Frozen	3/1/2025	6.50%	7.0	80.1%	$ 25,055,362	$ 24,213,476	$ 5,999,410	0.00%	3/1/2024	8.0	76.8%
Denton Firemen's Relief & Retirement Fund	Active	12/31/2023	6.75%	6.5	91.2%	$ 152,072,995	$ 152,516,894	$ 14,816,720	51.17%	12/31/2021	9.1	88.8%
Weslaco Firemen's Relief & Retirement Fund	Active	9/30/2024	7.25%	6.4	89.5%	$ 22,212,968	$ 19,991,671	$ 2,343,169	45.60%	9/30/2022	14.5	77.3%
Capital MTA Bargaining	Frozen	1/1/2025	6.50%	6.0	68.2%	$ 41,713,495	$ 40,793,201	$ 19,015,526	0.00%	1/1/2024	8.0	65.7%
Houston Firefighters' Relief & Retirement Fund	Active	7/1/2025	7.00%	5.4	95.4%	$ 5,799,107,000	$ 5,660,055,000	$ 274,546,000	78.73%	7/1/2024	9.1	93.3%
Guadalupe-Blanco River Authority	Frozen	1/1/2025	6.25%	5.0	89.4%	$ 33,957,381	$ 35,887,412	$ 4,272,274	0.00%	1/1/2024	5.0	88.8%
Colorado River Municipal Water Dist. (5)	Active	1/1/2026	6.00%	4.1	88.8%	$ 10,696,190	$ 10,696,190	$ 1,346,426	26.31%	1/1/2025	4.8	83.3%

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Actuarial Valuation Report
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Plan Name	Plan Status (1)	Effective Date	Discount Rate	Effective Amort Period (2)	Funded Ratio	Market Value of Assets (MVA)	Actuarial Value of Assets (AVA)	Unfunded Actuarial Accrued Liability (UAAL) (3)	UAAL as % of Payroll	Prior Effective Date	Prior Effective Amort Period (2)	Prior Funded Ratio
Port of Houston Authority Retirement Plan	Closed	8/1/2025	6.00%	4.0	96.6%	$ 233,137,483	$ 233,137,483	$ 8,132,937	31.47%	8/1/2024	2.0	98.4%
Supplemental Retirement Plan of University Medical Center	Active	1/1/2026	5.00%	2.0	97.3%	$ 6,491,043	$ 6,491,043	$ 182,671	0.00%	1/1/2025	3.0	88.5%
Law Enforcement & Custodial Off Sup. Ret. Fund	Active	8/31/2025	7.00%	0.0	102.1%	$ 2,126,538,367	$ 2,039,152,901	$ (42,476,411)	-1.81%	8/31/2024	0.0	101.5%
Judicial Retirement System of Texas Plan Two	Active	8/31/2025	7.00%	0.0	101.9%	$ 853,602,167	$ 818,620,528	$ (15,021,769)	-12.08%	8/31/2024	6.0	99.3%
Plano Retirement Security Plan	Active	12/31/2024	6.75%	0.0	104.2%	$ 236,469,503	$ 234,236,572	$ (9,505,364)	-4.90%	12/31/2023	0.0	101.5%
Citizens Medical Center	Active	3/1/2025	6.75%	0.0	116.4%	$ 180,519,814	$ 172,689,793	$ (24,285,266)	-32.57%	3/1/2024	0.0	112.4%
Guadalupe Regional Medical Center	Active	1/1/2026	6.75%	0.0	102.2%	$ 144,165,299	$ 132,292,614	$ (2,867,153)	-6.42%	1/1/2025	0.0	101.6%
Irving Supplemental Benefit Plan	Active	1/1/2026	6.75%	0.0	102.5%	$ 130,560,617	$ 126,583,928	$ (3,140,011)	-1.98%	1/1/2025	0.0	102.2%
The Woodlands Firefighters' Retirement System	Active	12/31/2025	7.00%	0.0	105.2%	$ 95,243,847	$ 89,477,053	$ (4,387,470)	-25.49%	12/31/2023	0.0	103.8%
San Jacinto River Authority Pension Plan	Active	11/1/2025	6.00%	0.0	125.0%	$ 31,221,411	$ 31,221,411	$ (6,240,685)	-93.77%	11/1/2024	0.0	115.3%
Paris Firefighters' Relief & Retirement Fund	Frozen	12/31/2024	7.25%	0.0	105.1%	$ 16,785,850	$ 16,066,366	$ (774,649)	-22.74%	12/31/2022	0.0	108.4%
Employees of Brownsville Navigation District (5)	Active	1/1/2026	6.00%	0.0	124.4%	$ 15,950,163	$ 15,062,076	$ (2,953,999)	-46.32%	1/1/2025	0.0	112.5%
El Paso Firemen & Policemen's Pension Staff Plan	Active	1/1/2024	7.75%	0.0	107.8%	$ 1,371,883	$ 1,432,994	$ (103,934)	-9.42%	1/1/2022	0.0	121.1%
Refugio County Memorial Hospital (5)	Frozen	11/1/2025	6.00%	0.0	115.6%	$ 1,379,422	$ 1,379,422	$ (186,231)	0.00%	11/1/2024	0.0	105.6%

Notes

(1) Plan status indicates whether a plan is active (admitting new hires), closed to new hires (but still accruing benefits), or frozen (not accruing benefits).

(2) The effective amortization period is the number of years it would take to theoretically eliminate the UAAL assuming no future gains or losses and taking into account both the plan's stated and historical contribution policy.

(3) The unfunded actuarial accrued liability equals the actuarial accrued liability less the actuarial value of assets

(4) Amortization period is calculated using system-wide aggregate UAAL and payroll amounts.

(5) Amortization period is calculated by the PRB.

(6) Amortization period is below 30 using market value of assets.

(7) Results shown do not reflect FSRP submitted after actuarial valuation.

(8) Amortization period is calculated by the PRB. Results shown do not reflect FSRP submitted after actuarial valuation.

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Plan Name	Plan Status (1)	Fiscal Year End	Covered Payroll	(a) Total NC (2)	(b) EE Cont	(c) = (a) − (b) ER Normal Cost (3)	(d) Amort Pmt	(e) = (c) + (d) ER Rec Cont (4),(5)	(f) Actual ER Cont (6)	Actual ER Cont Type	(f) ÷ (e) Percent of Rec Cont Paid (7)
Dallas Employees' Retirement Fund	Active	12/31/2025	$ 582,371,000	20.05%	13.60%	6.45%	21.82%	28.27%	14.87%	Other	53%
Sweetwater Firemen's Relief & Retirement Fund	Active	12/31/2024	$ 2,275,771	21.18%	17.00%	4.18%	25.29%	29.47%	18.95%	Fixed	64%
Marshall Firemen's Relief & Retirement Fund	Active	12/31/2024	$ 3,526,019	18.06%	16.00%	2.06%	27.80%	29.86%	21.80%	Fixed	73%
University Health System Pension Plan	Active	12/31/2025	$ 724,842,563	4.80%	2.65%	2.15%	2.50%	4.65%	3.40%	Actuarial	73%
El Paso Firemen & Policemen's Pension Staff Plan	Active	12/31/2025	$ 1,203,140	10.67%	5.00%	5.67%	4.40%	10.07%	7.53%	Actuarial	75%
Beaumont Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 27,678,166	21.43%	18.00%	3.43%	23.78%	27.21%	21.69%	Fixed	80%
Texarkana Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 5,662,970	24.84%	13.50%	11.34%	12.66%	24.00%	19.50%	Fixed	81%
Dallas Police & Fire Pension System-Combined Plan	Active	12/31/2025	$ 546,919,000	23.53%	13.50%	10.03%	37.25%	47.28%	39.32%	Actuarial	83%
Harlingen Firemen's Relief & Retirement Fund	Active	9/30/2025	$ 8,428,940	18.53%	15.00%	3.53%	16.26%	19.79%	17.01%	Fixed	86%
Floresville Electric Light and Power System Pension Plan	Active	12/31/2025	$ 4,265,882	9.30%	6.00%	3.30%	16.00%	19.30%	16.69%	Actuarial	86%
Austin Firefighters Retirement Fund	Active	12/31/2025	$ 121,843,674	31.32%	18.70%	12.62%	12.64%	25.26%	22.05%	Actuarial	87%
Odessa Firemen's Relief & Retirement Fund	Active	9/30/2025	$ 24,892,372	16.29%	16.00%	0.29%	23.51%	23.80%	21.08%	Fixed	89%
Fort Worth Employees' Retirement Fund	Active	9/30/2025	$ 664,764,931	17.19%	12.69%	4.50%	25.71%	30.21%	26.87%	Actuarial	89%
Greenville Firemen's Relief & Retirement Fund	Active	12/31/2024	$ 6,439,767	19.49%	16.30%	3.19%	20.65%	23.84%	21.30%	Fixed	89%
Wichita Falls Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 14,953,069	12.93%	13.00%	0.00%	19.51%	19.44%	17.50%	Fixed	90%
CPS Energy Pension Plan	Active	12/31/2025	$ 389,109,746	16.01%	5.00%	11.01%	11.69%	22.70%	20.64%	Actuarial	91%
Austin Employees' Retirement System	Active	12/31/2025	$ 1,037,789,000	18.50%	10.00%	8.50%	12.55%	21.05%	19.15%	Actuarial	91%
Laredo Firefighters Retirement System	Active	9/30/2025	$ 48,879,025	22.09%	16.00%	6.09%	18.29%	24.38%	22.34%	Fixed	92%
DART Employees	Closed	9/30/2025	$ 4,034,000	8.28%	0.00%	8.28%	74.51%	82.79%	77.05%	Actuarial	93%
Lufkin Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 6,593,873	15.30%	14.20%	1.10%	25.39%	26.49%	24.70%	Fixed	93%
Houston MTA Workers Union Pension Plan	Closed	12/31/2025	$ 65,086,719	3.15%	0.19%	2.96%	21.73%	24.69%	23.07%	Actuarial	93%
Houston Municipal Employees Pension System	Active	6/30/2025	$ 785,812,834	11.35%	3.00%	8.35%	20.94%	29.29%	27.41%	Actuarial	94%
Houston MTA Non-Union Pension Plan	Closed	12/31/2025	$ 35,050,818	13.88%	0.00%	13.88%	40.42%	54.30%	51.02%	Actuarial	94%
San Angelo Firemen's Relief & Retirement Fund	Active	12/31/2024	$ 16,259,389	21.58%	18.50%	3.08%	18.38%	21.46%	20.25%	Fixed	94%
Orange Firemen's Relief & Retirement Fund	Active	12/31/2024	$ 2,988,106	12.90%	13.80%	0.00%	20.83%	19.93%	18.88%	Fixed	95%
McAllen Firemen's Relief & Retirement Fund	Active	9/30/2025	$ 15,951,539	17.48%	15.00%	2.48%	14.55%	17.03%	16.20%	Fixed	95%
San Antonio Metropolitan Transit Retirement Plan	Closed	9/30/2025	$ 46,778,924	12.78%	6.42%	6.36%	26.69%	33.05%	31.50%	Actuarial	95%
Killeen Firemen's Relief & Retirement Fund	Active	9/30/2025	$ 22,881,067	16.68%	12.00%	4.68%	10.89%	15.57%	15.00%	Fixed	96%
DFW Airport Board DPS	Active	12/31/2025	$ 42,572,000	24.20%	7.00%	17.20%	16.17%	33.37%	32.39%	Actuarial	97%

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Plan Name	Plan Status (1)	Fiscal Year End	Covered Payroll	(a) Total NC (2)	(b) EE Cont	(c) = (a) − (b) ER Normal Cost (3)	(d) Amort Pmt	(e) = (c) + (d) ER Rec Cont (4),(5)	(f) Actual ER Cont (6)	Actual ER Cont Type	(f) ÷ (e) Percent of Rec Cont Paid (7)
Corpus Christi Regional Transportation Authority	Active	12/31/2025	$ 15,044,002	9.78%	0.00%	9.78%	10.78%	20.56%	20.05%	Actuarial	98%
Plainview Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 2,524,793	15.78%	15.00%	0.78%	25.42%	26.20%	25.56%	Fixed	98%
San Benito Firemen Relief & Retirement Fund	Active	9/30/2025	$ 1,959,350	13.09%	12.00%	1.09%	11.21%	12.30%	12.00%	Fixed	98%
El Paso Firemen's Pension Fund	Active	12/31/2025	$ 88,918,944	17.94%	18.00%	0.00%	18.76%	18.70%	18.25%	Fixed	98%
Colorado River Municipal Water Dist.	Active	12/31/2025	$ 5,223,728	9.63%	0.00%	9.63%	9.49%	19.12%	18.74%	Actuarial	98%
Capital MTA Admin Employees	Active	12/31/2024	$ 58,033,748	9.20%	0.00%	9.20%	2.31%	11.51%	11.29%	Actuarial	98%
Dallas County Utility and Reclamation District	Active	9/30/2024	$ 2,718,870	9.11%	0.00%	9.11%	10.14%	19.25%	18.94%	Actuarial	98%
Fort Worth Employees' Retirement Fund Staff Plan	Active	9/30/2025	$ 2,433,710	21.34%	10.50%	10.84%	9.70%	20.54%	20.30%	Actuarial	99%
Temple Firemen's Relief & Retirement Fund	Active	9/30/2025	$ 12,434,006	21.59%	16.00%	5.59%	10.76%	16.35%	16.19%	Fixed	99%
Travis County ESD #6 FRRF	Active	12/31/2025	$ 11,205,435	34.32%	20.00%	14.32%	4.95%	19.27%	19.18%	Fixed	100%
Houston Firefighters' Relief & Retirement Fund	Active	6/30/2025	$ 325,277,000	25.03%	10.50%	14.53%	12.36%	26.89%	26.78%	Actuarial	100%
El Paso Police Pension Fund	Active	12/31/2025	$ 119,621,494	14.69%	18.00%	0.00%	21.51%	18.20%	18.15%	Fixed	100%
JPS - Tarrant County Hospital District	Active	9/30/2025	$ 280,290,039	6.03%	1.89%	4.14%	2.11%	6.25%	6.25%	Other	100%
Denison Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 6,255,611	19.08%	13.25%	5.83%	12.17%	18.00%	18.00%	Fixed	100%
The Woodlands Firefighters' Retirement System	Active	12/31/2025	$ 16,905,483	23.63%	12.00%	11.63%	2.37%	14.00%	14.00%	Fixed	100%
Sweeny Community Hospital	Closed	12/31/2025	$ 56,829	168.97%	0.00%	168.97%	94.39%	263.36%	263.36%	Actuarial	100%
Big Spring Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 4,843,439	15.49%	13.00%	2.49%	16.54%	19.03%	19.03%	Fixed	100%
Tyler Firefighters' Relief & Retirement Fund	Active	12/31/2024	$ 15,885,193	21.96%	13.50%	8.46%	14.03%	22.49%	22.50%	Fixed	100%
Guadalupe Regional Medical Center	Active	12/31/2025	$ 43,466,019	11.39%	4.00%	7.39%	0.24%	7.63%	7.63%	Other	100%
Citizens Medical Center	Active	2/29/2024	$ 69,803,876	8.15%	3.97%	4.18%	-1.56%	2.62%	2.62%	Other	100%
University Park Firemen's Relief & Retirement Fund	Closed	12/31/2024	$ 3,365,930	16.33%	10.00%	6.33%	37.16%	43.49%	43.53%	Actuarial	100%
Judicial Retirement System of Texas Plan Two	Active	8/31/2025	$ 99,002,185	30.09%	9.36%	20.73%	-1.48%	19.25%	19.32%	Fixed	100%
Employees Retirement System of Texas	Active	8/31/2025	$ 9,757,086,636	13.15%	8.80%	4.35%	10.98%	15.33%	15.52%	Actuarial	101%
Conroe Fire Fighters' Retirement Fund	Active	12/31/2024	$ 15,843,232	22.81%	15.50%	7.31%	8.79%	16.10%	16.30%	Fixed	101%
Brownwood Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 2,440,609	15.72%	14.00%	1.72%	17.61%	19.33%	19.63%	Fixed	102%
DFW Airport Board	Active	12/31/2025	$ 29,646,000	18.62%	0.00%	18.62%	48.60%	67.22%	68.48%	Actuarial	102%
Teacher Retirement System of Texas	Active	8/31/2025	$ 61,735,837,503	12.24%	8.25%	3.99%	5.44%	9.43%	9.62%	Fixed	102%
Austin Police Retirement System	Active	12/31/2025	$ 171,604,067	24.54%	15.00%	9.54%	25.97%	35.51%	36.34%	Actuarial	102%
Longview Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 18,723,021	15.51%	16.13%	0.00%	13.50%	12.88%	13.28%	Fixed	103%

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Dallas Police & Fire Pension System-Supplemental	Active	12/31/2025	$ 1,838,000	62.69%	13.50%	49.19%	127.13%	176.32%	182.49%	Actuarial	103%
Dallas Co. Hospital Dist. Retirement Income Plan	Closed	12/31/2024	$ 986,204,000	10.40%	6.20%	4.20%	4.29%	8.49%	8.91%	Actuarial	105%
Plano Retirement Security Plan	Active	12/31/2025	$ 203,930,541	3.52%	0.00%	3.52%	0.00%	3.52%	3.70%	Actuarial	105%
North Texas Municipal Water District Retirement Plan	Active	12/31/2025	$ 78,958,000	11.65%	2.41%	9.24%	10.81%	20.05%	21.12%	Actuarial	105%
Law Enforcement & Custodial Off Sup. Ret. Fund	Active	8/31/2025	$ 2,024,974,732	2.20%	0.82%	1.38%	0.98%	2.36%	2.49%	Other	105%
Irving Supplemental Benefit Plan	Active	12/31/2025	$ 154,518,520	3.20%	2.50%	0.70%	0.00%	0.70%	0.74%	Actuarial	106%
Irving Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 51,914,632	20.22%	12.78%	7.44%	4.63%	12.07%	12.77%	Actuarial	106%
Port of Houston Authority Retirement Plan	Closed	7/31/2025	$ 25,842,841	12.96%	0.00%	12.96%	7.25%	20.21%	21.42%	Actuarial	106%
San Antonio Fire & Police Pension Fund	Active	12/31/2025	$ 417,732,000	22.96%	12.32%	10.64%	12.51%	23.15%	24.64%	Fixed	106%
Texas County & District Retirement System	Active	12/31/2025	$ 11,147,000,000	14.48%	6.78%	7.70%	4.19%	11.89%	13.15%	Actuarial	111%
Texas Municipal Retirement System	Active	12/31/2025	$ 10,066,121,887	16.24%	6.72%	9.52%	4.90%	14.42%	15.98%	Actuarial	111%
Galveston Firefighter's Relief & Retirement Fund	Active	12/31/2025	$ 11,968,872	21.16%	19.50%	1.66%	17.34%	19.00%	21.99%	Fixed	116%
Atlanta Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 864,533	19.44%	13.00%	6.44%	10.91%	17.35%	20.21%	Actuarial	116%
Lubbock Fire Pension Fund	Active	12/31/2025	$ 50,263,398	20.78%	14.98%	5.80%	12.78%	18.58%	21.87%	Fixed	118%
Corsicana Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 5,114,879	14.33%	14.00%	0.33%	12.76%	13.09%	16.33%	Fixed	125%
Cleburne Firemen's Relief & Retirement Fund	Active	12/31/2024	$ 7,070,420	19.36%	15.00%	4.36%	13.95%	18.31%	22.95%	Other	125%
Abilene Firemen's Relief & Retirement Fund	Active	9/30/2025	$ 21,251,124	13.72%	15.20%	0.00%	18.42%	16.94%	21.25%	Fixed	125%
Galveston Employees' Retirement Fund	Active	12/31/2025	$ 36,011,633	11.38%	6.00%	5.38%	5.24%	10.62%	13.35%	Fixed	126%
Texas City Firemen's Relief & Retirement Fund	Active	12/31/2024	$ 8,325,218	15.14%	17.00%	0.00%	16.72%	14.86%	19.00%	Fixed	128%
City of El Paso Employees Retirement Trust	Active	8/31/2025	$ 241,808,641	11.55%	8.95%	2.60%	9.52%	12.12%	15.94%	Fixed	131%
Port Arthur Firemen's Relief & Retirement Fund	Active	12/31/2024	$ 11,361,561	16.12%	15.00%	1.12%	10.16%	11.28%	15.12%	Other	134%
Lower Colorado River Authority Retirement Plan	Closed	12/31/2025	$ 90,387,000	5.84%	0.00%	5.84%	17.36%	23.20%	32.64%	Actuarial	141%
Denton Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 32,541,619	22.16%	12.60%	9.56%	3.77%	13.33%	18.88%	Actuarial	142%
Waxahachie Firemen's Relief & Retirement Fund	Active	9/30/2025	$ 9,416,550	18.23%	12.00%	6.23%	6.01%	12.24%	17.37%	Other	142%
Houston Police Officers' Pension System	Active	6/30/2025	$ 528,275,000	24.95%	10.50%	14.45%	8.13%	22.58%	32.13%	Actuarial	142%
Amarillo Firemen's Relief & Retirement Fund	Active	12/31/2025	$ 31,009,021	24.72%	14.00%	10.72%	3.20%	13.92%	20.74%	Fixed	149%
Weslaco Firemen's Relief & Retirement Fund	Active	9/30/2025	$ 5,868,667	15.75%	12.00%	3.75%	4.05%	7.80%	12.00%	Fixed	154%
Galveston Employees' Retirement Plan for Police	Active	12/31/2025	$ 16,407,067	11.24%	12.00%	0.00%	11.92%	11.16%	19.24%	Actuarial	172%
Corpus Christi Fire Fighters' Retirement System	Active	12/31/2025	$ 31,583,219	16.47%	14.10%	2.37%	16.59%	18.96%	39.89%	Fixed	210%

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Lower Neches Valley	Frozen	12/31/2025	$ 2,878,455	6.40%	0.00%	6.40%	11.27%	17.67%	37.52%	Actuarial	212%
Harris County Hospital District Pension Plan	Closed	12/31/2025	$ 123,035,000	7.51%	0.00%	7.51%	19.26%	26.77%	57.71%	Actuarial	216%
Galveston Wharves Pension Plan	Closed	12/31/2025	$ 1,036,080	11.99%	0.00%	11.99%	8.41%	20.40%	48.74%	Actuarial	239%
Employees of Brownsville Navigation District	Active	12/31/2025	$ 7,088,416	6.34%	4.00%	2.34%	0.44%	2.78%	20.28%	Actuarial	730%
Midland Firemen's Relief & Retirement Fund (9)	Active	12/31/2025	$ 28,134,063	24.59%	14.20%	10.39%	13.81%	24.20%	217.69%	Actuarial	900%
Brazos River Authority Retirement Plan (8)	Frozen	2/28/2026	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Actuarial	N/A
Capital MTA Bargaining (8)	Frozen	12/31/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Actuarial	N/A
Guadalupe-Blanco River Authority (8)	Frozen	12/31/2025	$ 3,693,002	0.00%	0.00%	0.00%	0.00%	0.00%	28.60%	Actuarial	N/A
Nacogdoches County Hospital District (8)	Frozen	6/30/2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Actuarial	N/A
Paris Firefighters' Relief & Retirement Fund	Frozen	12/31/2025	$ 4,316,237	0.96%	0.00%	0.96%	-0.96%	0.00%	0.00%	Other	N/A
Refugio County Memorial Hospital (8)	Frozen	10/31/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Actuarial	N/A
Supplemental Retirement Plan of University Medical Center	Active	8/31/2025	$ 1,734,246	0.00%	0.00%	0.00%	0.00%	0.00%	33.44%	Actuarial	N/A
Texas Emergency Services Retirement System (8)	Active	8/31/2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Other	N/A

Notes

(1) Plan status indicates whether a plan is active (admitting new hires), closed to new hires (but still accruing benefits), or frozen (not accruing benefits).

(2) Normal Cost includes any explicit provisions for administrative expenses.

(3) Employer Normal Cost = Total Normal Cost − Employee Contribution

(4) Employer Recommended Contribution is what is needed for system to achieve/maintain amortization period that does not exceed 30 years, in accordance with Texas Code §802.101(a), Texas Government Code.

(5) Employer Recommended Contribution = Employer Normal Cost + Amortization Payment

(6) Actual contribution rate is determined as the fiscal year contributions divided by the payroll shown. The plan's stated contribution rate may differ due to differences between actual and assumed covered payroll.

(7) Percent of Recommended Contribution Paid = Actual Employer Contributions ÷ Employer Recommended Contribution

(8) Covered payroll is not reported for this system.

(9) Additional one-time contribution was received in 2025.

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Plan Name	Fiscal Year End	Discount Rate	(a) Total Pension Liability (TPL) (1)	(b) Fiduciary Net Position (2)	(a) − (b) Net Pension Liability (NPL) (3)	(b) ÷ (a) NPL Funded Ratio (4)	NPL at Disc. Rate − 1% (5)	NPL − 1% Funded Ratio	10 Year Net Return (6)	Depletion Year (7)
Nacogdoches County Hospital District (9)	6/30/2023	4.84%	$ 54.50	$ 34.83	$ 19.66	63.9%	$ 23.41	59.8%	6.61%	2099
San Angelo Firemen's Relief & Retirement Fund (9)	12/31/2024	6.80%	$ 158.43	$ 79.78	$ 78.65	50.4%	$ 97.96	44.9%	5.56%	2099
Abilene Firemen's Relief & Retirement Fund	9/30/2025	7.50%	$ 139.98	$ 69.52	$ 70.46	49.7%	$ 86.07	44.7%	7.29%	N/A
Amarillo Firemen's Relief & Retirement Fund	12/31/2025	7.35%	$ 300.44	$ 266.73	$ 33.70	88.8%	$ 71.52	78.9%	9.37%	N/A
Atlanta Firemen's Relief & Retirement Fund	12/31/2025	6.75%	$ 6.67	$ 5.28	$ 1.39	79.1%	$ 2.15	71.0%	6.63%	N/A
Austin Employees' Retirement System	12/31/2025	6.75%	$ 6,211.04	$ 4,085.89	$ 2,125.14	65.8%	$ 2,893.13	58.5%	7.93%	N/A
Austin Firefighters Retirement Fund	12/31/2025	7.30%	$ 1,551.97	$ 1,260.06	$ 291.91	81.2%	$ 445.53	73.9%	8.08%	N/A
Austin Police Retirement System	12/31/2025	7.25%	$ 1,959.65	$ 1,211.26	$ 748.39	62.0%	$ 1,002.12	54.7%	8.08%	N/A
Beaumont Firemen's Relief & Retirement Fund	12/31/2025	7.25%	$ 227.67	$ 124.83	$ 102.83	54.8%	$ 127.46	49.5%	9.07%	N/A
Big Spring Firemen's Relief & Retirement Fund	12/31/2025	7.25%	$ 28.03	$ 18.92	$ 9.12	67.5%	$ 12.75	59.7%	7.98%	N/A
Brazos River Authority Retirement Plan	2/28/2026	6.50%	$ 29.24	$ 27.14	$ 2.09	92.8%	$ 4.71	85.2%	9.41%	N/A
Brownwood Firemen's Relief & Retirement Fund	12/31/2025	7.00%	$ 13.45	$ 6.73	$ 6.72	50.1%	$ 8.44	44.4%	6.37%	N/A
CPS Energy Pension Plan	12/31/2025	7.00%	$ 2,847.08	$ 2,683.70	$ 163.3814	94.3%	$ 513.24	83.9%	9.15%	N/A
Capital MTA Admin Employees	12/31/2024	6.75%	$ 84.42	$ 68.07	$ 16.34	80.6%	$ 28.30	70.6%	7.38%	N/A
Capital MTA Bargaining	12/31/2024	6.50%	$ 59.81	$ 41.71	$ 18.10	69.7%	$ 23.36	64.1%	6.78%	N/A
Citizens Medical Center	2/29/2024	6.75%	$ 136.38	$ 162.07	$ (25.68)	118.8%	$ (8.14)	105.3%	7.50%	N/A
City of El Paso Employees Retirement Trust	8/31/2025	7.25%	$ 1,359.29	$ 1,060.64	$ 298.65	78.0%	$ 451.12	70.2%	7.81%	N/A
Cleburne Firemen's Relief & Retirement Fund	12/31/2024	7.35%	$ 46.76	$ 29.71	$ 17.05	63.5%	$ 22.56	56.8%	5.88%	N/A
Colorado River Municipal Water Dist.	12/31/2025	6.00%	$ 11.56	$ 10.70	$ 0.86	92.6%	$ 1.86	85.2%	6.26%	N/A
Conroe Fire Fighters' Retirement Fund	12/31/2024	7.25%	$ 78.82	$ 53.78	$ 25.04	68.2%	$ 35.50	60.2%	6.37%	N/A
Corpus Christi Fire Fighters' Retirement System	12/31/2025	7.00%	$ 342.07	$ 218.38	$ 123.69	63.8%	$ 161.64	57.5%	6.49%	N/A
Corpus Christi Regional Transportation Authority	12/31/2025	6.75%	$ 67.21	$ 57.78	$ 9.43	86.0%	$ 17.96	76.3%	7.90%	N/A
Corsicana Firemen's Relief & Retirement Fund	12/31/2025	7.00%	$ 24.88	$ 14.79	$ 10.09	59.4%	$ 13.39	52.5%	6.63%	N/A
DART Employees	9/30/2025	6.25%	$ 248.43	$ 226.52	$ 21.91	91.2%	$ 44.13	83.7%	7.17%	N/A
DFW Airport Board	12/31/2025	7.00%	$ 779.14	$ 703.30	$ 75.84	90.3%	$ 159.52	81.5%	7.90%	N/A
DFW Airport Board DPS	12/31/2025	7.00%	$ 376.30	$ 327.50	$ 48.80	87.0%	$ 102.97	76.1%	7.90%	N/A
Dallas Co. Hospital Dist. Retirement Income Plan	12/31/2024	6.00%	$ 2,607.26	$ 1,880.97	$ 726.29	72.1%	$ 1,122.52	62.6%	6.25%	N/A
Dallas County Utility and Reclamation District (8)	9/30/2024	6.50%	$ 12.51	$ 10.43	$ 2.07	83.4%	$ 3.50	74.9%	0.00%	N/A
Dallas Employees' Retirement Fund	12/31/2025	7.25%	$ 5,686.27	$ 3,970.63	$ 1,715.64	69.8%	$ 2,361.99	62.7%	7.36%	N/A
Dallas Police & Fire Pension System-Combined Plan	12/31/2025	6.50%	$ 5,766.99	$ 2,251.13	$ 3,515.87	39.0%	$ 4,233.20	34.7%	5.60%	N/A
Dallas Police & Fire Pension System-Supplemental	12/31/2025	6.50%	$ 48.94	$ 25.89	$ 23.05	53.0%	$ 28.09	48.0%	5.60%	N/A
Denison Firemen's Relief & Retirement Fund	12/31/2025	7.25%	$ 33.68	$ 26.73	$ 6.94	79.4%	$ 11.60	69.7%	8.49%	N/A
Denton Firemen's Relief & Retirement Fund	12/31/2025	6.75%	$ 189.60	$ 182.56	$ 7.04	96.3%	$ 31.28	85.4%	8.59%	N/A
El Paso Firemen & Policemen's Pension Staff Plan	12/31/2025	7.75%	$ 1.73	$ 1.95	$ (0.23)	113.1%	$ (0.01)	100.5%	8.52%	N/A
El Paso Firemen's Pension Fund	12/31/2025	7.75%	$ 1,019.12	$ 854.45	$ 164.67	83.8%	$ 298.33	74.1%	8.52%	N/A
El Paso Police Pension Fund	12/31/2025	7.75%	$ 1,453.74	$ 1,214.55	$ 239.19	83.6%	$ 426.86	74.0%	8.52%	N/A
Employees Retirement System of Texas	8/31/2025	7.00%	$ 51,630.19	$ 40,065.98	$ 11,564.21	77.6%	$ 17,946.85	69.1%	8.67%	N/A
Employees of Brownsville Navigation District	12/31/2025	6.00%	$ 11.98	$ 15.95	$ (3.97)	133.1%	$ (2.36)	117.3%	7.83%	N/A
Floresville Electric Light and Power System Pension Plan	12/31/2025	6.50%	$ 21.42	$ 13.82	$ 7.60	64.5%	$ 10.12	57.7%	6.97%	N/A
Fort Worth Employees' Retirement Fund	9/30/2025	7.00%	$ 5,544.76	$ 3,277.46	$ 2,267.30	59.1%	$ 2,923.01	52.9%	8.10%	N/A
Fort Worth Employees' Retirement Fund Staff Plan	9/30/2025	7.00%	$ 13.90	$ 11.91	$ 1.99	85.7%	$ 3.98	75.0%	8.10%	N/A

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September 30, 2026
(Dollars in Millions)

Plan Name	Fiscal Year End	Discount Rate	(a) Total Pension Liability (TPL) (1)	(b) Fiduciary Net Position (2)	(a) − (b) Net Pension Liability (NPL) (3)	(b) ÷ (a) NPL Funded Ratio (4)	NPL at Disc. Rate − 1% (5)	NPL − 1% Funded Ratio	10 Year Net Return (6)	Depletion Year (7)
Galveston Employees' Retirement Fund	12/31/2025	7.25%	$ 112.93	$ 89.16	$ 23.77	79.0%	$ 37.08	70.6%	7.92%	N/A
Galveston Employees' Retirement Plan for Police	12/31/2025	7.00%	$ 66.97	$ 35.27	$ 31.70	52.7%	$ 40.04	46.8%	6.73%	N/A
Galveston Firefighter's Relief & Retirement Fund	12/31/2025	7.45%	$ 97.79	$ 66.32	$ 31.47	67.8%	$ 43.46	60.4%	7.27%	N/A
Galveston Wharves Pension Plan	12/31/2025	7.00%	$ 16.17	$ 16.87	$ (0.70)	104.3%	$ 1.11	93.8%	9.66%	N/A
Greenville Firemen's Relief & Retirement Fund	12/31/2024	7.25%	$ 41.87	$ 18.09	$ 23.78	43.2%	$ 28.90	38.5%	5.79%	N/A
Guadalupe Regional Medical Center	12/31/2025	6.75%	$ 127.67	$ 144.17	$ (16.49)	112.9%	$ 1.99	98.6%	9.48%	N/A
Guadalupe-Blanco River Authority	12/31/2025	6.25%	$ 39.43	$ 35.60	$ 3.83	90.0%	$ 7.63	82.4%	6.94%	N/A
Harlingen Firemen's Relief & Retirement Fund	9/30/2025	7.50%	$ 68.45	$ 48.26	$ 20.18	70.5%	$ 27.86	63.4%	8.45%	N/A
Harris County Hospital District Pension Plan	12/31/2025	5.75%	$ 1,220.61	$ 1,191.56	$ 29.06	97.6%	$ 165.60	87.8%	8.37%	N/A
Houston Firefighters' Relief & Retirement Fund	6/30/2025	7.00%	$ 5,800.38	$ 5,799.11	$ 1.27	100.0%	$ 589.89	90.8%	8.17%	N/A
Houston MTA Non-Union Pension Plan	12/31/2025	6.25%	$ 342.09	$ 213.06	$ 129.03	62.3%	$ 159.22	57.2%	6.90%	N/A
Houston MTA Workers Union Pension Plan	12/31/2025	6.25%	$ 451.81	$ 320.94	$ 130.87	71.0%	$ 175.73	64.6%	6.80%	N/A
Houston Municipal Employees Pension System	6/30/2025	7.00%	$ 5,932.88	$ 4,723.00	$ 1,209.87	79.6%	$ 1,793.75	72.5%	9.60%	N/A
Houston Police Officers' Pension System	6/30/2025	7.00%	$ 8,770.45	$ 8,269.54	$ 500.91	94.3%	$ 1,425.45	85.3%	8.60%	N/A
Irving Firemen's Relief & Retirement Fund	12/31/2025	7.00%	$ 332.35	$ 306.92	$ 25.43	92.4%	$ 69.74	81.5%	7.83%	N/A
Irving Supplemental Benefit Plan	12/31/2025	6.75%	$ 123.44	$ 130.56	$ (7.12)	105.8%	$ 9.15	93.5%	7.36%	N/A
JPS - Tarrant County Hospital District	9/30/2025	6.75%	$ 569.49	$ 616.62	$ (47.13)	108.3%	$ 26.23	95.9%	9.38%	N/A
Judicial Retirement System of Texas Plan Two	8/31/2025	7.00%	$ 803.60	$ 805.07	$ (1.47)	100.2%	$ 78.09	91.2%	8.67%	N/A
Killeen Firemen's Relief & Retirement Fund	9/30/2025	7.25%	$ 116.17	$ 86.06	$ 30.11	74.1%	$ 47.60	64.4%	8.41%	N/A
Laredo Firefighters Retirement System	9/30/2025	7.10%	$ 401.49	$ 278.69	$ 122.79	69.4%	$ 176.41	61.2%	8.59%	N/A
Law Enforcement & Custodial Off Sup. Ret. Fund	8/31/2025	7.00%	$ 1,996.68	$ 2,116.54	$ (119.86)	106.0%	$ 141.17	93.7%	8.67%	N/A
Longview Firemen's Relief & Retirement Fund	12/31/2025	7.50%	$ 144.38	$ 108.28	$ 36.09	75.0%	$ 53.43	67.0%	7.83%	N/A
Lower Colorado River Authority Retirement Plan	12/31/2025	7.00%	$ 644.17	$ 546.70	$ 97.47	84.9%	$ 155.25	77.9%	7.50%	N/A
Lower Neches Valley (8)	12/31/2025	6.50%	$ 19.73	$ 19.43	$ 0.30	98.5%	$ 2.91	87.0%	0.00%	N/A
Lubbock Fire Pension Fund	12/31/2025	7.50%	$ 391.77	$ 300.77	$ 90.99	76.8%	$ 139.45	68.3%	8.40%	N/A
Lufkin Firemen's Relief & Retirement Fund	12/31/2025	7.25%	$ 50.28	$ 26.86	$ 23.41	53.4%	$ 28.85	48.2%	7.35%	N/A
Marshall Firemen's Relief & Retirement Fund	12/31/2024	7.25%	$ 24.92	$ 9.24	$ 15.68	37.1%	$ 18.81	33.0%	5.23%	N/A
McAllen Firemen's Relief & Retirement Fund	9/30/2025	7.25%	$ 106.87	$ 70.14	$ 36.73	65.6%	$ 50.14	58.3%	6.91%	N/A
Midland Firemen's Relief & Retirement Fund	12/31/2025	7.00%	$ 217.47	$ 155.39	$ 62.07	71.5%	$ 89.50	63.5%	4.87%	N/A
North Texas Municipal Water District Retirement Plan	12/31/2025	7.25%	$ 268.43	$ 183.68	$ 84.74	68.4%	$ 123.84	59.7%	7.85%	N/A
Odessa Firemen's Relief & Retirement Fund	9/30/2025	7.00%	$ 154.73	$ 59.10	$ 95.63	38.2%	$ 116.17	33.7%	8.10%	N/A
Orange Firemen's Relief & Retirement Fund	12/31/2024	7.75%	$ 17.94	$ 10.24	$ 7.70	57.1%	$ 9.81	51.1%	6.07%	N/A
Paris Firefighters' Relief & Retirement Fund	12/31/2025	7.25%	$ 14.88	$ 17.60	$ (2.72)	118.3%	$ (1.15)	107.0%	6.99%	N/A
Plainview Firemen's Relief & Retirement Fund	12/31/2025	7.25%	$ 19.94	$ 8.49	$ 11.45	42.6%	$ 13.75	38.2%	6.99%	N/A
Plano Retirement Security Plan	12/31/2025	6.75%	$ 235.74	$ 271.30	$ (35.56)	115.1%	$ (3.01)	101.1%	8.87%	N/A
Port Arthur Firemen's Relief & Retirement Fund	12/31/2024	7.25%	$ 78.94	$ 59.65	$ 19.29	75.6%	$ 28.22	67.9%	6.02%	N/A
Port of Houston Authority Retirement Plan	7/31/2025	6.00%	$ 239.68	$ 233.14	$ 6.54	97.3%	$ 32.73	87.7%	6.29%	N/A
Refugio County Memorial Hospital	10/31/2024	6.00%	$ 1.31	$ 1.38	$ (0.07)	105.6%	$ 0.12	92.2%	5.70%	N/A
San Antonio Fire & Police Pension Fund	12/31/2025	7.25%	$ 5,142.17	$ 4,493.78	$ 648.39	87.4%	$ 1,337.26	77.1%	8.00%	N/A
San Antonio Metropolitan Transit Retirement Plan	9/30/2025	7.00%	$ 535.49	$ 397.05	$ 138.45	74.2%	$ 192.61	67.3%	8.90%	N/A

This report is a compilation of pension data reported by retirement systems to the PRB in their most recently published Annual Financial Report and PRB-1000.

AV Supplemental Report
September 30, 2026
(Dollars in Millions)

Plan Name	Fiscal Year End	Discount Rate	(a) Total Pension Liability (TPL) (1)	(b) Fiduciary Net Position (2)	(a) − (b) Net Pension Liability (NPL) (3)	(b) ÷ (a) NPL Funded Ratio (4)	NPL at Disc. Rate − 1% (5)	NPL − 1% Funded Ratio	10 Year Net Return (6)	Depletion Year (7)
San Benito Firemen Relief & Retirement Fund	9/30/2025	7.50%	$ 8.30	$ 6.49	$ 1.81	78.2%	$ 2.90	69.1%	6.60%	N/A
San Jacinto River Authority Pension Plan (10)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Supplemental Retirement Plan of University Medical Center (11)	8/31/2025	5.00%	$ 6.57	$ 5.99	$ 0.58	91.2%	$ 0.95	86.3%	2.84%	N/A
Sweeny Community Hospital	12/31/2025	5.75%	$ 3.14	$ 2.98	$ 0.16	94.9%	$ 0.40	88.1%	6.45%	N/A
Sweetwater Firemen's Relief & Retirement Fund	12/31/2024	7.50%	$ 19.56	$ 9.13	$ 10.42	46.7%	$ 12.88	41.5%	5.04%	N/A
Teacher Retirement System of Texas	8/31/2025	7.00%	$ 289,276.03	$ 226,328.30	$ 62,947.73	78.2%	$ 101,448.91	69.0%	8.44%	N/A
Temple Firemen's Relief & Retirement Fund	9/30/2025	7.30%	$ 88.95	$ 65.99	$ 22.96	74.2%	$ 34.05	66.0%	7.76%	N/A
Texarkana Firemen's Relief & Retirement Fund	12/31/2025	7.25%	$ 56.58	$ 46.21	$ 10.37	81.7%	$ 16.67	73.5%	7.67%	N/A
Texas City Firemen's Relief & Retirement Fund	12/31/2024	7.25%	$ 41.45	$ 17.51	$ 23.94	42.2%	$ 29.09	37.6%	5.12%	N/A
Texas County & District Retirement System (12)	12/31/2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9.47%	N/A
Texas Emergency Services Retirement System	8/31/2025	7.00%	$ 200.88	$ 152.26	$ 48.62	75.8%	$ 77.16	66.4%	7.34%	N/A
Texas Municipal Retirement System (12)	12/31/2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.96%	N/A
The Woodlands Firefighters' Retirement System	12/31/2025	7.00%	$ 84.27	$ 95.24	$ (10.97)	113.0%	$ 1.06	98.9%	8.34%	N/A
Travis County ESD #6 FRRF	12/31/2025	6.50%	$ 71.65	$ 68.11	$ 3.54	95.1%	$ 13.49	83.5%	7.97%	N/A
Tyler Firefighters' Relief & Retirement Fund	12/31/2024	7.00%	$ 127.68	$ 91.10	$ 36.58	71.4%	$ 51.95	63.7%	6.09%	N/A
University Health System Pension Plan	12/31/2025	7.00%	$ 899.21	$ 767.99	$ 131.22	85.4%	$ 217.99	77.9%	9.16%	N/A
University Park Firemen's Relief & Retirement Fund	12/31/2024	7.00%	$ 30.67	$ 14.34	$ 16.33	46.8%	$ 20.09	41.7%	5.20%	N/A
Waxahachie Firemen's Relief & Retirement Fund	9/30/2025	7.00%	$ 41.48	$ 33.14	$ 8.34	79.9%	$ 14.03	70.3%	7.26%	N/A
Weslaco Firemen's Relief & Retirement Fund	9/30/2025	7.25%	$ 23.50	$ 25.01	$ (1.51)	106.4%	$ 2.02	92.5%	8.97%	N/A
Wichita Falls Firemen's Relief & Retirement Fund	12/31/2025	7.50%	$ 111.63	$ 66.84	$ 44.80	59.9%	$ 57.12	53.9%	8.54%	N/A

Notes
(1) Total Pension Liability is the actuarial accrued liability calculated in accordance with GASB 67, as reported in the system's Annual Financial Report.
(2) Fiduciary Net Position is the market value of assets as of the Fiscal Year End, as reported in the system's Annual Financial Report.
(3) Net Pension Liability is measured as the Total Pension Liability less the amount of the pension plan's Fiduciary Net Position.
(4) NPL Funded ratio is measured as the Fiduciary Net Position divided by the Total Pension Liability
(5) Net Pension Liability measured using a discount rate 1% lower than the stated discount rate.
(6) 10 Year Net Return (gross return net of investment expenses) as reported for the Fiscal Year on the PRB-1000 Investment Returns and Assumptions Report.
(7) Expected Depletion date is reported in GASB 67 when applicable.
(8) Recent 10-year returns are unavailable
(9) Expected depletion date not provided. 2099 used as placeholder.
(10) The system is recently registered with the PRB, and this data is not yet available.
(11) The plan is less than 10 years old; return is calculated since date of inception.
(12) Plan is an Agent Multiple Employer Defined Benefit Plan and is not subject to the majority of GASB 67 reporting requirements.

Items 7b-c: Adoption of Funding Soundness Restoration Plan rule amendments and statutory recommendations

Tamara Aronstein and David Fee

Presentation Overview

- FSRP rulemaking and statutory review process
  - Rulemaking process and timeline
  - Stakeholder engagement
- Rule overview and guidance documents
- Statutory recommendations
- Implementation plan
- Feedback, discussion, and questions
- Potential board action

FSRP Rulemaking Process

Rulemaking Process and Timeline

- 1/29/26 – Actuarial Committee presentation on FSRP rule reviews and preliminary concepts for changes
- 2/25/26 – Presented rule review to full board, board approved notice of intent to review rules
- March 2026 – Stakeholder outreach for feedback on existing rules and potential changes
- 4/30/26 – Present proposed changes to Actuarial Committee for feedback
- May 2026 – Solicit stakeholder feedback on proposed changes
- May/June 2026 – Draft modifications to proposed changes as needed
- 7/23/26 – Board action to propose rules (triggered 30-day public comment period)
- **9/30/26 – Potential adoption of proposed rules and statutory recommendations**
- October-December 2026 – Implementation and outreach on any rule changes; include any legislative recommendations in Biennial Report

Stakeholder Engagement

- Requested informal and formal stakeholder feedback throughout the rule process.
- Received informal input early in rule review process (discussed at previous board and Actuarial Committee meetings).
- Proposed rules were published on August 7, 2026, triggering a 30-day formal comment period.
- Plain-language summary of rules published on agency website simultaneously.
- Did not receive any comments on proposed rules or plain-language summary.

Rule Overview – Themes and Key Takeaways

Topic	New Guidance	Rule Changes (40 T.A.C. Chapter 610)
Disclosure of inadequate funding arrangement	Sample notice	610.15(c)
Progress updates	New form	610.31(d), 610.31(e)
Clarification of FSRP due dates and timeline for submitting an FSRP	N/A	610.30(e)
Removing outdated text	N/A	610.31(d), 610.31(f)
More precise corridor language	N/A	610.20(c), 610.32(c)
Clarifying sections that apply only before September 1, 2025	N/A	610.14, 610.20(b) 610.32(d)
Minor technical corrections	N/A	610.20(a)(1), 610.21(b)

Statutory Recommendations

Legislative Recommendation 1

- **Modify the Funding Soundness Restoration Plan (FSRP) submission requirements to instead specify that the Pension Review Board (PRB) determines submission requirements by rule.**
- This recommendation would provide flexibility for the board to specify the submission requirements based on the action contemplated by the system, sponsor, and any oversight entities, or the specific requirements for changes in a municipal system's statute.
    - For example, if a system's statute requires voter approval for changes, the election results can suffice for documentation;
    - Or if legislation addresses the funding issues, the PRB could accept the bill and its actuarial impact statement rather than requiring specific action by the system or sponsor (see related recommendation 1a).

Legislative Recommendation 1a

- ***Staff recommendation*** **– Specify that legislation that brings a system into compliance with all FSRP or revised FSRP requirements other than those related to adoption at open meetings negates the requirement that the system and sponsor take formal action to adopt an FSRP.**
- This recommendation would eliminate an additional, redundant step for systems and sponsors to take formal action in an open meeting to adopt an FSRP.
  - Generally, the legislature amends a system's enabling statute only when both the system and sponsor agree to the changes and the changes do not negatively impact the system's actuarial soundness.
- Staff recommends legislative recommendation 1a.

Pension Review Board

Legislative Recommendation 2

- ***Staff recommendation, including both reports*** **– Require the PRB to provide regular reports on FSRP noncompliance to ensure transparency.**
- This recommendation would require in statute that the PRB provide reports on systems subject to, but not compliant with the FSRP requirement. The PRB could provide either or both of the following reports:
  - FSRP compliance report
  - FSRP progress report

Legislative Recommendation 2 (continued)

- FSRP compliance report – a standalone biennial report to leadership offices (office of the governor, lieutenant governor, and speaker of the house) and appropriate standing committees (generally Senate Finance Committee and House Pensions, Investments & Financial Services Committee).
  - This report would be prepared and submitted at the same time as the agency's biennial report but would be published under separate cover to highlight FSRP noncompliance issues.
- FSRP progress report – the PRB would provide regular updates to the appropriate standing committees on systems subject to the FSRP requirement.
  - The PRB would adapt the FSRP report provided to the board to keep the standing committees apprised of FSRP updates, ensuring awareness of noncompliance that could lead to potential need for legislative action.
- Staff recommends recommendation 2, including both reports.

Implementation Plan

- If the board adopts the proposed rules, staff will:
  - Post new guidance documents on the PRB website.
  - Add links to new guidance documents to templates notifying systems at-risk or subject to the FSRP requirement.
  - Publish updates on rule changes to agency website and social media.
  - Present on changes at upcoming industry conferences.
- If the board adopts any legislative recommendations, staff will:
  - Include the recommendations in the Biennial Report (November 2026) and provide information to recommendations to legislative staff upon request.
  - Publish updates on legislative recommendations to agency website and social media.
  - Present on recommendations at upcoming industry conferences.
  - Provide requested assistance on any bills that may include the recommendations during the upcoming 90th Legislative Session.

Feedback, Discussion, and Questions

Texas Pension Review Board
Adopted Rules Notice

The Pension Review (Board) adopts amendments to existing rules at 40 Texas Administrative Code (TAC), Chapter 610, Sections 610.13-610.15, 610.20, 610.21, and 610.30-610.32, regarding the Funding Soundness Restoration Plans for public retirement systems and their associated governmental entities, without changes to the proposed text as published in the [insert publication date], issue of the *Texas Register* (51 TexReg 5151). These rules will not be republished.

EXPLANATION OF AND JUSTIFICATION FOR THE RULES

In 2015, the legislature passed House Bill 3310, creating the FSRP requirement for public retirement systems with a funding period greater than 40 years. In 2021, the legislature passed House Bill 3898, which updated the FSRP provisions, reducing the triggering funding period to greater than 30 years and adding additional requirements for public retirement systems and their associated governmental entities to formally adopt plans to improve their funding. The Board adopted 40 Texas Administrative Code Chapter 610 in 2022 to implement the updated statutory requirements. The Board recently completed its first quadrennial review of Chapter 610 and now adopts amendments to §§610.13 - 610.15, 610.20, 610.21 and 610.30 - 610.32 to clarify and improve compliance with the FSRP requirement.

SECTION-BY-SECTION SUMMARY

The adopted rules amend 40 TAC §610.13. The adopted rules make a minor grammatical correction.

The adopted rules amend 40 TAC §610.14. The adopted rules modify the applicability for the rules to specify that the rules apply to systems that submitted a voluntary FSRP only if the system did so before September 1, 2025.

The adopted rules amend 40 TAC §610.15. The adopted rules require that public retirement systems required by statute to provide a notice of inadequate financing to its members provide a copy of the notice to the Board.

The adopted rules amend 40 TAC §610.20. The adopted rules modify the applicability for the rules to specify that the rules apply to systems that submitted a legacy FSRP only if the system did so before September 1, 2025. The adopted rules amend rule language pertaining to the allowable degree of variation from corridors to remove any appearance of subjectivity. The adopted rules also make minor technical corrections.

The adopted rules amend 40 TAC §610.21. The adopted rules make a minor technical correction.

The adopted rules amend 40 TAC §610.30. The adopted rules specify that a system may submit an FSRP before the deadline so long as the Board reviews and determines the plan is sufficient to amortize the unfunded liability within the statutorily required timeframe.

The adopted rules amend 40 TAC §610.31. The adopted rules clarify that systems and sponsors must submit statutorily required progress updates and that the progress update must be submitted using a form prescribed by the Board. The adopted amendments also strike outdated references.

The adopted rules amend 40 TAC §610.32. The adopted rules amend rule language pertaining to the allowable degree of variation from corridors to remove any appearance of subjectivity and reflect that voluntary FSRPs were previously authorized.

PUBLIC COMMENTS AND INFORMATION RELATED TO THE COST, BENEFIT, OR EFFECT OF THE PROPOSED RULES

The Board drafted and distributed the proposed rules to persons internal and external to the agency. The proposed rules were published in the August 7, 2026, issue of the *Texas Register* (51 TexReg 5151). The Board requested public comments on the proposed rules and information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis. The public comment period closed on September 7, 2026. The Board did not receive any comments from interested parties on the proposed rules.

BOARD ACTION

At its meeting on September 30, 2026, the Pension Review Board adopted the proposed rules as published in the *Texas Register*.

STATUTORY AUTHORITY

The adopted rules are adopted under Texas Government Code Sections 802.2015(h) and 802.2016(h), which authorize the Pension Review Board to adopt rules as necessary to implement the Funding Soundness Restoration Plan requirement. The statutory provisions affected by the adopted rules are those set forth in Texas Government Code Sections 802.106, 802.2015, and 802.2016.

<rule>

Rule §610.13. Definitions.

When used in this chapter, the terms listed below shall have the following meanings:

(1) "Board" means State Pension Review Board.

(2) "Compliance corridor" means the acceptable range of variation from a system's baseline for the system's funding period or funded ratio, as further described in board rules that concern a system's adherence to a funding soundness restoration plan, and related figures.

(3) "Formulated" means finalized and approved by the appropriate decision-making bodies.

(4) "Funded ratio" has the meaning assigned by Texas Government Code §802.2011.

(5) "Funding period" means the length of time it would take to fully fund the unfunded actuarial accrued liability under the current actuarial assumption based on the greater of the actuarial value of assets or the market value of assets.

(6) "Governmental entity" has the meaning assigned by §802.1012, Texas Government Code.

(7) "Legacy funding soundness restoration plan" or "L-FSRP" means a funding soundness restoration plan formulated prior to September 1, 2021, accepted by the board, and governed by the law as it existed immediately before that date.

(8) "Public retirement system" has a meaning as defined by §801.001(2) and §802.001(3), Texas Government Code but shall not include defined contribution plans as defined by §802.001(1-a), Texas Government Code or retirement systems consisting exclusively of volunteers organized under the Texas Local Fire Fighters' Retirement Act as defined by §802.002(d), Texas Government Code.

(9) "Revised funding soundness restoration plan" or "R-FSRP" means a funding soundness restoration plan prepared under §802.2015(e-1) or §802.2016(e-1), Texas Government Code, which includes additional components compared to a funding soundness restoration plan prepared under §802.2015(e) or §802.2016(e), Texas Government Code.

(10) "Revised funding soundness restoration plan exemption" or "revision exemption" means the applicable section of either Texas Government Code §§802.2015(d-1) or 802.2016(d-1) under which qualifying systems prepare a funding soundness restoration plan under Texas Government Code §§802.2015(e) or 802.2016(e) rather than a revised funding soundness restoration plan.

(11) "Target date" means the 10th anniversary of the date on which the final version of a legacy funding soundness restoration plan was agreed to as required by law as it existed immediately before September 1, 2021.

(12) "Valuation date" means the date as of which the actuarial accrued liability and the actuarial value of assets are determined, often the first or last day of the plan year as specified in the valuation.

(13) "Voluntary funding soundness restoration plan" or "V-FSRP" means a funding soundness restoration plan formulated, submitted, and completed under either Texas Government Code §802.2015 or §802.2016 as it stands after September 1, 2021, without the system or associated governmental entity first becoming subject to the requirement.

Rule §610.14. Applicability.

This chapter applies to every public retirement system and its associated governmental entity that is subject to Texas Government Code §802.2015 or §802.2016 and to a system or associated governmental entity that chose to submit a voluntary funding soundness restoration plan prior to September 1, 2025.

Rule §610.15. Required Disclosure of Inadequate Financing Arrangement to Plan Members.

(a) A notification to the associated governmental entity under Texas Government Code §802.2015(c) or §802.2016(c) regarding an actuarial valuation that indicates the public retirement system's actual contributions are not sufficient to amortize the unfunded liability within 30 years, means that the financing of the system is inadequate for the purposes of §802.106(d), Texas Government Code.

(b) The disclosure to members of an actuarial determination of an inadequate financing arrangement required under Texas Government Code §802.106(d) shall be accompanied by a notice that the system is subject to the funding soundness restoration plan requirement under Texas Government Code §802.2015(c) or §802.2016(c) when a system becomes subject to the requirement.

(c) A system required to provide a disclosure to members of an actuarial determination of an inadequate financing arrangement shall provide the disclosure to its members with the next annual benefit statement and a copy of the disclosure to the board within 30 days of sending the disclosure to members.

Rule §610.20. Criteria for Determining Adherence to a Legacy Funding Soundness Restoration Plan.

(a) A public retirement system is adhering to a legacy funding soundness restoration plan if the system's actuarial valuation shows:

(1) the funding period is expected to fall within 40 years by the target date, so long as the system's funding period continues to shorten while the system's funding period is above 40 years and does not increase to a length of time greater than 40 years after falling below 40 years; or

(2) an increase in funding period compared to the previous valuation, and the system's actuarial valuation shows that, between the valuation date and the system's target date, the system's funding period or funded ratio remains within the compliance corridor adopted in board rule. If the system's funding period is infinite, only the funded ratio will be evaluated to determine compliance for the purposes of this paragraph.

(b) A public retirement system with a legacy funding soundness restoration plan may submit a projection to serve as the baseline for the purpose of this subsection prior to September 1, 2025. This projection must show the projected funded ratio and funding period for each year beginning with the current date until the target date. For any years the system's funding period is projected to be above 40 years, the corridor will be based on the baseline. For any years the system's funding period is projected to be below 40 years, the compliance corridor will be based on a minimum of 40 years. If the system does not submit such a projection to the board for this purpose, the board will determine adherence to the legacy funding soundness restoration plan using a baseline in which a system's funding period must decrease by one year every consecutive year as measured on the anniversary of the date on which the final version of the funding soundness restoration plan was agreed to as required by law.

(c) The allowable degree of variation from the baseline will begin at five percent for a funded ratio corridor or ten years for a funding period corridor and will decrease over the period between the current date and the target date as described by Figure: 40 TAC §610.20(c). A system would be considered compliant if the funded ratio exceeds the minimum threshold or funding period falls below the maximum threshold. The board will use each system's baseline to provide a compliance corridor unique to that system based on their funding period and funded ratio, using the corridor sizes specified in these rules.

Figure 1: 40 TAC §610.20(c) (No change.)

Rule §610.21. Completion of a Legacy Funding Soundness Restoration Plan.

(a) A public retirement system adhering to a legacy funding soundness restoration plan may continue following that plan until the earlier of:

(1) the target date; or,

(2) the date of an actuarial valuation that indicates the system's funding period is at or below 30 years.

(b) Actuarial valuations with valuation dates during a time that a system is adhering to a legacy funding soundness restoration plan shall not be counted towards triggering a funding soundness restoration plan under Texas Government Code §802.2015(c) or §802.2016(c) as it stands after September 1, 2021, until after the applicable date described in subsection (a) of this section when the system completes the legacy funding soundness restoration plan.

Rule §610.30. Submission and Completion Criteria for the Funding Soundness Restoration Plan Requirement.

(a) The board will consider a retirement system to have submitted a funding soundness restoration plan when the board receives:

(1) a completed form approved by the board for this purpose;

(2) any supplementary or explanatory documents necessary to illustrate how the system's funding period will be within the maximum by the prescribed date, including a revised funding policy; and

(3) documentation of the date the plan was adopted by both the governing body of the system and of the governmental entity. Documentation may include the minutes or other record of an open meeting when each adoption occurred.

(b) The board will consider a retirement system to have completed the funding soundness restoration plan requirement when the board receives an actuarial valuation or separate analysis under Texas Government Code §§802.2015(e-2) or 802.2016(e-2) and the staff actuary or board actuary determines the actuarial valuation or separate analysis complies with actuarial standards of practice. An actuarial valuation and separate analysis are equivalent for the purposes of Texas Government Code §§802.2015(e-2) or 802.2016(e-2) and either may be submitted in lieu of the other during the respective submission periods, provided it includes the components required by the applicable subsection.

(c) For a system submitting a revised funding soundness restoration plan with specific changes required by statute, "automatic risk-sharing mechanisms" means changes to plan provisions, including adjustments to benefit levels or contribution amounts, upon meeting or exceeding certain criteria established beforehand without needing additional approval at the time of the change. The plan shall specify how the changes to the contribution amounts are split between the employer and members. At least one of the automatic risk-sharing mechanisms included in the plan must be an adjustable benefit or contribution mechanism.

(d) A system or associated governmental entity shall submit to the board the materials related to a funding soundness restoration plan that adequately fulfill the analysis and documentation requirements in statute and rules to be considered compliant. If the board determines the materials are inadequate, the board will notify the system of the determination with an explanation of the reason and may request additional information. The system shall submit additional materials consistent with the board's instructions. The board would consider a system noncompliant if the board does not receive the system's funding soundness restoration plan; if the system fails to comply with an approved funding soundness restoration plan, revised funding soundness restoration plan, or other type of funding soundness restoration plan; or if the system fails to submit to the board the funding soundness restoration plan materials that adequately satisfy the requirements in statute and board rules within the appropriate time periods for those materials.

(e) A system may submit a funding soundness restoration plan to the board prior to the second anniversary of the valuation date stated in the actuarial valuation that required formulation of the plan, so long as the board reviews the plan and determines it is sufficient to amortize the unfunded actuarial accrued liability within 30 years of the second anniversary of the triggering valuation.

Rule §610.31. Compliance with Progress Updates.

(a) A system adhering to a legacy funding soundness restoration plan shall continue providing progress updates every two years rather than submitting progress updates in accordance with this section.

(b) The first draft of a plan submitted as a part of a progress update under Texas Government Code §§802.2015(f) or 802.2016(f) must, at minimum, include a projected timeline for enactment of the plan, and identify the action that various entities must take to approve or enact the plan, such as votes that may be necessary in accordance with the system's governing statute. Each subsequent progress update should include a draft plan that contains updated information and that demonstrates movement toward a complete and finalized plan.

(c) A description of changes submitted as part of a progress update to fulfill the requirements of Texas Government Code §§802.2015(f) or 802.2016(f) must include the projected actuarial impact of each change under consideration on the retirement system's funding period and funded ratio.

(d) A system and the associated governmental entity that receives an actuarial valuation that triggers a funding soundness restoration plan, including a revised funding soundness restoration plan, must submit updates to the board beginning not later than the first anniversary of the valuation date of the actuarial valuation that required formulation of the plan and every subsequent six-month period until the plan is submitted as described in Texas Government Code §§802.2015(f) or 802.2016(f).

(e) The system and associated governmental entity shall submit progress updates in a form prescribed by the board.

Rule §610.32. Revised Funding Soundness Restoration Plan Exemption.

(a) A public retirement system is adhering to a funding soundness restoration plan formulated between September 1, 2021, and September 1, 2025, if, during the period between the date the funding soundness restoration plan is adopted by the system and governmental entity and the 10th anniversary of the applicable date for the funding soundness restoration plan to be formulated and the system to be within the maximum funding period prescribed by Texas Government Code §§802.2015(e)(2) or 802.2016(e)(2), the system's actuarial valuation shows the system's funding period or funded ratio remain within the applicable compliance corridors established in this section. If the system's funding period is infinite, only the funded ratio will be evaluated to determine compliance for the purposes of this subsection.

(b) The baseline for a system's funding period compliance corridor will be 30 years, and the baseline for the funded ratio corridor will be the actuarial projection of the system's expected future actuarial value of assets and liabilities submitted as part of an actuarial valuation or separate analysis in accordance with either Texas Government Code §§802.2015(e-2)(1) or 802.2016(e-2)(1).

(c) The allowable degree of variation from the baseline will begin at five percent for a funded ratio corridor or ten years for a funding period corridor and will decrease over the 10-year period as described by Figure: 40 TAC §610.32(c). A system would be considered compliant if the funded ratio exceeds the minimum threshold or funding period falls below the maximum threshold. The board will use each system's baseline to provide a compliance corridor unique to that system based on their amortization period and funded ratio, using the corridor sizes specified in these rules.

Figure 2: 40 TAC §610.32(c) (No change.)

(d) A system may submit a voluntary funding soundness restoration plan prior to September 1, 2025 without first becoming subject to the requirement, for the purposes of qualifying for the revision exemption, provided the V-FSRP is consistent with all applicable submission requirements in statute and rules.

REVIEW BY AGENCY COUNSEL

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State, on September 30, 2026.

Pension Review Board
Funding Soundness Restoration Plan Statutory Recommendations

Legislative recommendation 1 – Modify the Funding Soundness Restoration Plan (FSRP) submission requirements to instead specify that the Pension Review Board (PRB) determines submission requirements by rule.

This recommendation would provide flexibility for the board to specify the submission requirements based on the action contemplated by the system, sponsor, and any oversight entities, or the specific requirements for changes in a municipal system's statute. For example, if a system's statute requires voter approval for changes, the election results can suffice for documentation; or if legislation addresses the funding issues, the PRB could accept the bill and its actuarial impact statement rather than requiring specific action by the system or sponsor (see related recommendation 1a below).

[*Staff recommendation*] Legislative recommendation 1a – Specify that legislation that brings a system into compliance with all FSRP or revised FSRP requirements other than those related to adoption at open meetings negates the requirement that the system and sponsor take formal action to adopt an FSRP.

This recommendation would eliminate an additional, redundant step for systems and sponsors to take formal action in an open meeting to adopt an FSRP. Generally, the legislature amends a system's enabling statute only when both the system and sponsor agree to the changes and the changes do not negatively impact the system's actuarial soundness.

[*Staff recommendation, including both reports*] Legislative recommendation 2 – Require the PRB to provide regular reports on FSRP noncompliance to ensure transparency.

This recommendation would require in statute that the PRB provide reports on systems subject to, but not compliant with the FSRP requirement. The PRB could provide either or both of the following reports:

- FSRP compliance report – a standalone biennial report to leadership offices (office of the governor, lieutenant governor, and speaker of the house) and the appropriate standing committees (generally Senate Finance Committee and House Pensions, Investments & Financial Services Committee). This report would be prepared and submitted at the same time as the agency's biennial report but would be published under separate cover to highlight FSRP noncompliance issues.
- FSRP progress report – the PRB would provide regular updates to the appropriate standing committees on systems subject to the FSRP requirement. The PRB would adapt the FSRP report provided to the board to keep the standing committees apprised of FSRP updates, ensuring awareness of noncompliance that could lead to potential need for legislative action.

Item 7d: Intensive Study: FSRP Submission Timeline

David Fee and Bryan Burnham

Background

- Recently adopted policies and studies related to FSRP requirement:
  - October 2022 – *Policy for Promoting Compliance with FSRP Requirements*
    - Focuses on annual reporting compliance practices
  - September 2024 – FSRP: Overview, Implementation, and Case Studies
    - Details FSRP history and highlights actions systems have taken to fulfill requirement
- Currently undergoing FSRP rule and statutory review
- Study aims to help systems understand what goes into creating an effective FSRP and provides a model timeline for completion

Three Phases of FSRP Requirement

Phase	Time Period	Summary	Key Points
1	Prior to September 2021	• Six months to complete • Targeted 40-year funding period within 10 years of triggering valuation	• Changes tended to be small • Most needed to be revised as they did not meet their goal the first time
2	September 2021 to September 2025	• Longer than two years to formulate • Target 30-year funding period by the time the FSRP is due	• More substantial changes often requiring lengthy negotiations between system and sponsor • Goal to avoid revised FSRPs
3	After September 2025	• FSRPs will have a tighter deadline to reach 30-year funding period, no more than two years after the triggering valuation date	• Study aims to use observations from Phase 2 to identify the ideal process/timeline to complete FSRPs during Phase 3

Case Studies

- Study looks in depth at five FSRPs and provides insight into how sponsor and system formed FSRP
  - Austin Fire
  - Beaumont Fire
  - Marshall Fire
  - Midland Fire
  - Wichita Falls Fire
- Other systems included to provide additional examples
  - Laredo Fire
  - Odessa Fire

Steps to Complete an FSRP

1. **Calculate**
   Complete the triggering actuarial valuation to calculate the necessary contributions
2. **Negotiate**
   Negotiate a joint funding strategy between the system and sponsor
3. **Educate**
   Educate the system membership and key sponsor officials
4. **Vote**
   Approve changes through member vote, if applicable
5. **Meet**
   FSRP approval by sponsor and system boards in open meetings
6. **Submit**
   Submit and sign official PRB form to document meeting minutes and plan changes

Step 1 - Calculate

Complete the triggering actuarial valuation to calculate the necessary contributions.

- Necessary first step, since an FSRP is triggered only once the valuation report is complete.
- Most systems can complete in five to seven months.
  - System and sponsor must provide timely data to actuary.

Ideal timeline: 6 months

Step 2 - Negotiate

Negotiate a joint funding strategy between the system and sponsor.

- FSRPs often require increased sponsor contributions.
  - Sponsors typically require agreements regarding how contributions can be used by the system prior to agreeing to increase contributions.
    - Particularly true for TLFFRA systems.
    - Typically requires a lengthy negotiation process.
- PRB is available to help inform key decision makers.
  - May go into negotiations without full awareness of the severity of the pension underfunding and potential consequences.

Ideal timeline : 11 months

Step 3 - Educate

Educate the system membership and key sponsor officials.

- Significant member education occurs during Step 2.
  - Usually small groups of 15 or fewer, possibly multiple times.
  - Board will find out which proposals are encouraged or refused.
- Final education necessary to inform members regarding the options negotiated in Step 2.
  - Best tool to avoid rumors and misinformation to gain member support.
  - Can take several forms: One-on-one, meetings with system board, meetings with system actuary, etc.

Ideal timeline : 2 months

Step 4 - Vote

Approve changes through member vote, if applicable.

- System should allocate time for multiple votes.
  - First ballot might fail.
    - Voting threshold not met (TLFFRA requires 50 percent of members to vote).
      - Can maximize turnout with online voting.
    - If no options receive the necessary number of votes, systems may need to consider ballot structure.

Ideal timeline : 1 month

Step 5 - Meet

FSRP approval by sponsor and system boards in open meetings.

- FSRP submissions must include documentation of two open-meeting approvals:
  - Link to video recording or approved minutes
    - System board meeting
    - Sponsor board or city council meeting
- Must take into account how often each body meets.

Ideal timeline: 2 months

Step 6 - Submit

Sign and submit official PRB form to document meeting minutes and plan changes.

- FSRP form includes sections to:
  - Document the final adoptions from Step 5.
  - Document the changes from Steps 2 through 4.
  - Add attachments as necessary.
  - Certify with signature.
- Form should be submitted through the portal.
- It should not take more than an hour to complete this final step.

Ideal timeline: 0 months

Project Timeline

- May – Began initial planning and research
- July 23, 2026 – Introduce study to full board
- July-Aug – Interview systems, draft final report
- **Sept – Finalize report, present to the board, and publish on PRB website**

Intensive Study:

Steps to Complete FSRPs with Model Timeline

September 2026

Pension Review Board

Contents

Executive Summary

Since the Funding Soundness Restoration Plan (FSRP) requirement was established by the 84th Texas Legislature in 2015, Texas public retirement systems and their sponsors have completed more than 20 FSRPs as the requirements have changed over time.[1] In most cases, systems and sponsors did not have a point of reference to help them to get started and optimize their progress, but future parties will need to hit the ground running. With the new FSRPs triggered after September 1, 2025, having accelerated deadlines to complete future FSRPs, systems and sponsors will need to move quickly toward solutions. This model timeline aims to assist with the completion of future FSRPs. Using steps that retirement systems and sponsors have taken to formulate recent FSRPs, focusing on five case studies, the Pension Review Board (PRB) has identified select best practices for successful FSRP completion under the current statute. The model timeline best practices include:

- **Timely completion of the actuarial valuation report.** Retirement systems and their sponsors must complete their FSRP within two years from the valuation date of the triggering actuarial valuation. Systems must work with their actuary to prepare the valuation report in a timely manner so there is room to complete the remaining steps.

- **Streamlined negotiation process.** Once the triggering valuation is completed, retirement systems must work with their sponsor to develop a solution, including a joint funding policy. An established friendly relationship between the system and sponsor is a key factor in productive negotiations. Without a good working relationship, the two parties risk prolonging negotiations past the time necessary to complete the remaining steps before the deadline passes. The PRB is available to assist throughout the process and can especially help the two parties establish a good working relationship. In each of the five case studies, the PRB assisted the system and sponsor through both informal discussions and open meetings.

- **Focus on member education.** Whether the discussions are one-on-one, in small groups, or even large virtual meetings, education is the best tool to avoid rumors and misinformation throughout the process. Members need a clear picture of the system's current financial condition, how the financial condition deteriorated, and the proposed solutions to improve and maintain the system's financial health. In early discussions representatives can find out which proposals will receive buy-in from the membership. Later discussions serve to inform the membership of the final negotiated agreement between the system and sponsor.

After the system and sponsor have negotiated potential solutions and educated the members, the next step is to enact them. Many Texas public retirement systems must hold a membership vote to approve the negotiated plan changes. If no vote is needed or if the changes are approved, the final steps require the system and sponsor to both adopt the FSRP in open meetings and submit the PRB's FSRP Submission Form along with documentation to demonstrate the system's funding period is within 30 years.[2]

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[1] Publications regarding FSRPs can be found on the PRB website: https://www.prb.texas.gov/actuarial/funding-soundness-restoration-plan-fsrp/

[2] https://www.prb.texas.gov/wp-content/uploads/2023/05/FSRP-Submission-Form.pdf

Introduction

The Pension Review Board's (PRB) policies, data collection, monitoring, technical assistance, and intensive studies all contribute to the agency's mission to promote the actuarial soundness of Texas public retirement systems. Two key PRB focus areas, emphasized in legislation over the last decade, are system funding policies and funding periods. The funding policy is the jointly developed contribution arrangement to fund promised benefits equitably and sustainably, while the funding period is the expected length of time it will take to fully fund the liability based on the current funding policy. Texas public retirement systems are generally considered actuarially unsound when the funding period exceeds a threshold established in law.[3]

When a Texas public retirement system becomes actuarially unsound, it may trigger a corrective action plan, known in state law as a Funding Soundness Restoration Plan (FSRP). Since its creation by the 84th Legislature in 2015, the FSRP has progressed through three distinct phases.[4] The first phase lasted from 2015 until the 87th Legislature substantially reformed the statute in 2021 in response to a series of legislative recommendations by the PRB.[5] The second phase, beginning with the 2021 statutory overhaul and subsequent adoption of the PRB's FSRP rules in 2022, established an initial FSRP deadline of September 1, 2025, and lasted until that date.[6]

The PRB began a review of the 2022 FSRP rules in January 2026, in accordance with the agency's rule review schedule. The rule review process included multiple opportunities for stakeholder feedback, including a request for feedback in March 2026 on existing rules and potential changes. One respondent suggested that the PRB provide a model FSRP timeline. This analysis aims to provide such a model and will focus on how Texas public retirement systems and their sponsors can best navigate the third phase, which began September 1, 2025. The best practices for the third phase will include timely completion of actuarial valuation reports, streamlined negotiation processes, a focus on member education, and more. This is especially key in the context of a tighter timeframe for FSRP completion compared to the second phase, in which systems and sponsors subject to an FSRP generally had a substantially longer period of time to complete the requirement compared to the time systems and sponsors will have going forward.

Background

First Phase (June 18, 2015 – August 31, 2021)

During the first phase of FSRPs, the statutory funding period target was 40 years, and to complete the FSRP, a system would have to be projected to reach the 40-year target within 10 years. The initial submission deadline was November 1, 2016, and 14 retirement systems triggered the initial requirement with 10 submitting an FSRP to the PRB on time. Public retirement systems that triggered an FSRP after

[3] Sections 802.2015(c) and 802.2016(c), Texas Government Code.
[4] H.B. 3310, 84th Texas Legislature, Regular Session, 2015.
[5] H.B. 3898, 87th Texas Legislature, Regular Session, 2021; Pension Review Board, *2019-2020 Biennial Report,* accessed July 27, 2026, https://www.prb.texas.gov/wp-content/uploads/2022/03/2019-2020-Biennial-Report.pdf.
[6] "FSRP Graphics," Texas Pension Review Board, accessed June 29, 2026, https://www.prb.texas.gov/wp-content/uploads/2026/06/FSRP-Graphics.pdf.

November 1, 2016, had six months to complete an FSRP once triggered, though they almost always missed the deadline. Some systems with funding periods below 50 years made no changes at all, usually submitting an FSRP stating that the system was already within 10 years of reaching the target threshold.

When FSRP submissions did include benefit and contribution changes, the changes looked similar. Sponsors often offered a small contribution increase, and members often opted for a new lower tier of benefits for future hires. The small sponsor contribution increases, often less than 1 percent of pay, were the result of city councils dealing with constrained budgets that did not readily allow for unexpected large contribution increases. The new tiers impacting future members only reflected the difficulties involved with convincing membership to pass benefit reductions that impact current members, primarily an issue with systems organized under the Texas Local Firefighters Retirement Act (TLFFRA), in which a member vote is required for benefit or member contributions changes.[7] Few of the original FSRPs that used these modest changes were successful in making lasting improvements to their funding, with most of the systems becoming subject to revised FSRPs within a short timeframe.

Second Phase (September 1, 2021 – August 31, 2025)

The main changes that took effect in 2021 were to lower the funding period threshold to trigger an FSRP from 40 years to 30 years, and to set a new deadline to achieve the 30-year threshold by September 1, 2025, or two years after the actuarial valuation date, whichever was later. Systems and sponsors were also more motivated to have a successful first FSRP since the updated statutory requirements for revised FSRPs (R-FSRPs) included much more substantial changes and thresholds than standard FSRPs. With the new deadline, systems subject to the FSRP requirement as of the effective date of the bill were given an inherent extension of four years to complete FSRPs in the second phase. Since the lower funding period threshold required more substantial contribution increases and benefit reductions than those seen in the first phase, the extended initial timeline was beneficial. As expected, recent FSRPs have taken more than two years to complete due to the complexity of successfully negotiating more drastic changes.

Third Phase (September 1, 2025, and onwards)

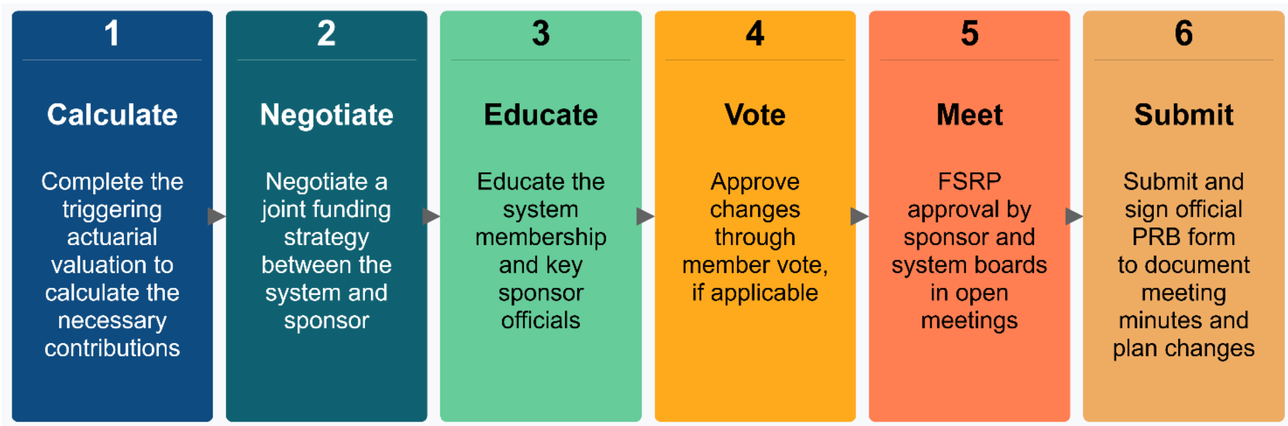
In the current third phase, FSRPs must now be completed within two years of the triggering actuarial valuation date. Since systems and sponsors have generally taken longer than two years to complete recent FSRPs, this analysis evaluates recent FSRP submissions to understand the steps necessary to complete an FSRP and the time needed to complete each step.

The analysis will focus primarily on five recent FSRPs that required substantial negotiations between the system and sponsor; however, the analysis will also include anecdotes from other recent FSRPs.

[7] Article 6243e, Vernon's Texas Civil Statutes.

Steps to Complete an FSRP

There are six basic steps to completing an FSRP:



Along the way, system and sponsor must navigate miscellaneous other deadlines that often apply, depending on the governmental entity, such as city council budget development and adoption timelines.

Each step will be discussed in more detail in the following sections.

Step 1 – Calculate

Complete the triggering actuarial valuation to calculate the necessary contributions

Systems will need to complete the triggering valuation before negotiations in Step 2 can begin, since they will not know for sure they have triggered an FSRP until that valuation report is complete.

By statute, FSRPs are triggered in the following scenarios:[8]

- The funding period has exceeded 30 years for three consecutive annual valuations or two consecutive biennial valuations, or,
- For a single valuation:
    - The funding period exceeds 40 years, or
    - The funding period exceeds 30 years, and the funded ratio is less than 65 percent

Most Texas systems can complete actuarial valuations in five to seven months, but systems have often taken longer. The main cause of delay generally occurs when systems and sponsors do not provide data to the actuary in a timely fashion. Actuaries need participant data to begin, and asset data to complete the valuation. The participant data includes retiree payment information provided by the system and active member payroll information that may be provided by the system or the sponsor. If the delays are lengthy enough, the system and sponsor may decide the information has become outdated. In fact,

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[8] Section 802.2015, Texas Government Code; more information on FSRPs can be found on the PRB's website: https://www.prb.texas.gov/actuarial/funding-soundness-restoration-plan-fsrp/

several systems discussed later in this report decided to complete another valuation report before beginning the negotiation process.

While all systems should strive to complete their actuarial valuations within a reasonable timeframe, it is especially important that systems at risk of triggering an FSRP do so. The analysis in this section will establish a reasonable timeframe based on actual experience of several systems that have recently completed FSRPs.

In the first scenario requiring consecutive funding periods above the threshold, the PRB's *Policy for Promoting Compliance with Funding Soundness Restoration Plan Requirements* requires the PRB notify a system after crossing the 30-year threshold for the first time that it is at risk of triggering an FSRP.[9] A system with a funding period or funded ratio that has already exceeded the threshold should prioritize completing the next actuarial valuation as quickly as possible.

In the next two scenarios, an FSRP can be triggered without warning since only a single valuation is required to trigger the requirement. Systems not known to be at risk of triggering an FSRP should discuss with their actuary whether they could end up triggering an FSRP following a down investment year or other negative economic or demographic experience. If they are at risk of triggering an FSRP in that scenario, they should prioritize completing the next actuarial valuation as quickly as possible.

However, regardless of scenario, a system will not know if it has triggered an FSRP until it completes the next actuarial valuation that demonstrates the funding period or funded ratio has crossed one of the thresholds. The sooner the triggering valuation is completed, the more time the system and sponsor will have to complete the FSRP.

With the deadline extended during the second phase, the triggering valuation reports were not always expedited. For four systems that used a second actuarial valuation report rather than the triggering actuarial valuation report during the negotiation process, Figures 1 and 2 show the months taken for systems to complete the two valuation reports.

Figure 1 shows the months to complete the triggering actuarial valuation ranged from six months for Wichita Falls Firemen's Relief & Retirement Fund (Wichita Falls Fire) to 17 months for Marshall Firemen's Relief & Retirement Fund (Marshall Fire). Had the FSRPs been triggered during the third phase, Wichita Falls Fire would have had 18 months remaining to complete the other five steps of completing the FSRP, while Marshall Fire would have had only seven months remaining.

[9] "Policy for Promoting Compliance with Funding Soundness Restoration Plan Requirements," Pension Review Board, Accessed June 29, 2026, https://www.prb.texas.gov/wp-content/uploads/2026/04/Policy-for-Promoting-Compliance-with-FSRP-Requirements.pdf

Figure 1 – Months to Complete Triggering Actuarial Valuation

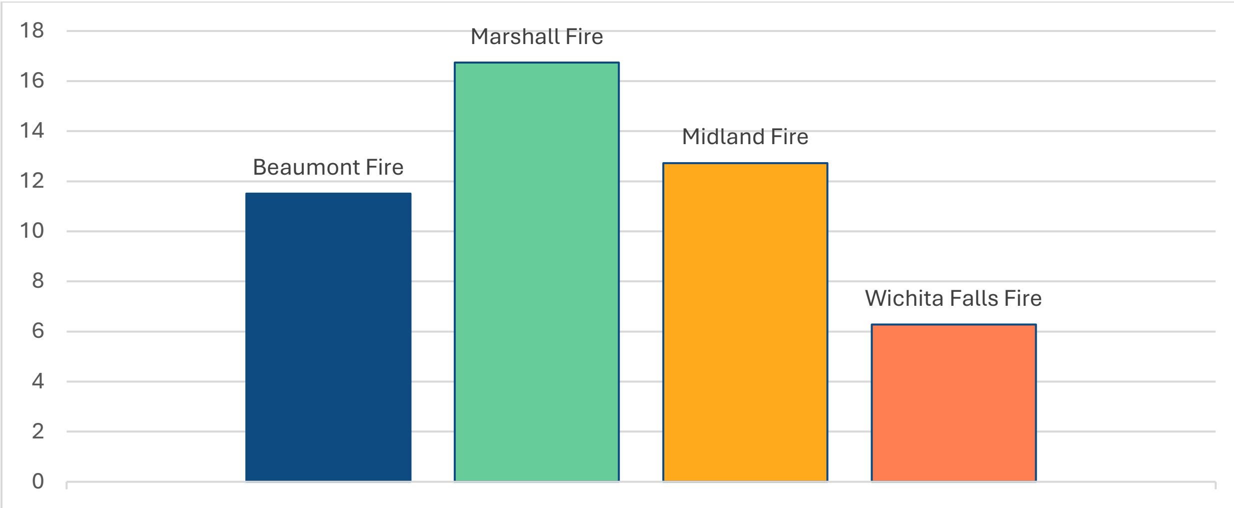
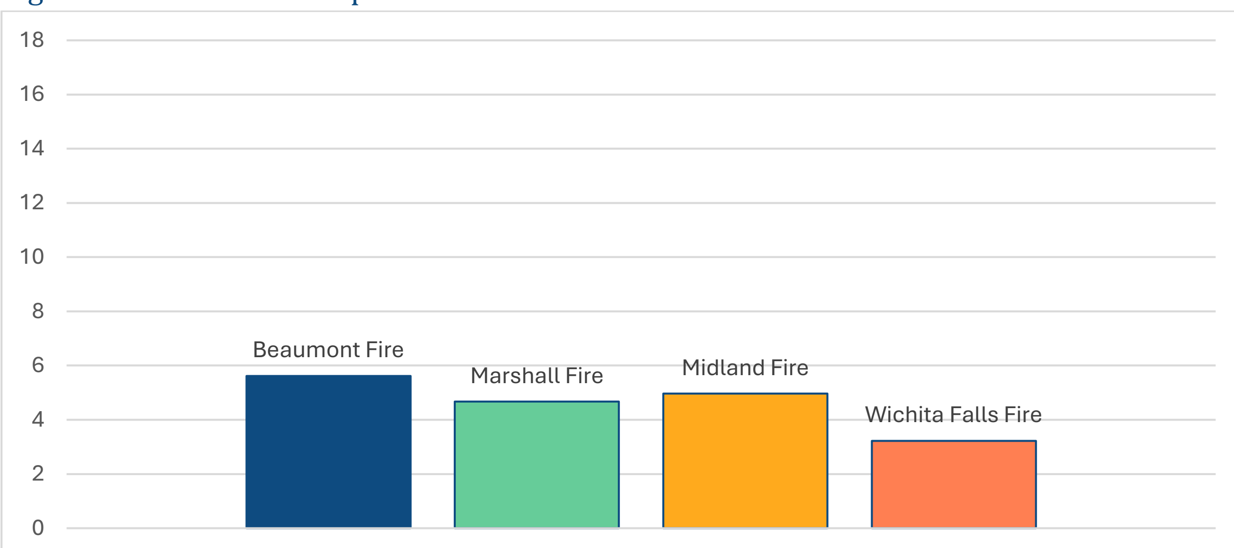


Figure 2 shows the timeline for systems to complete the final, updated actuarial valuation used in the FSRP process was much shorter, with all four systems completing the valuation in under six months. Wichita Falls Fire took less than four. Had these FSRPs been triggered after September 1, 2025, each system would have had at least 18 months remaining to complete the FSRP.

Figure 2 – Months to Complete Second Actuarial Valuation



Based on these results, six months appears to be a very reasonable goal to complete the triggering FSRP, leaving 18 months for the remaining five steps.

Step 2 – Negotiate

Negotiate a joint funding strategy between the system and sponsor

Because FSRPs indicate funding deficiencies, FSRP completion often requires increased sponsor contributions. Sponsors typically require agreements regarding how contributions can be used by the system prior to agreeing to increase contributions. This is particularly true for systems under TLFFRA that, in the absence of a separate agreement, can increase benefits or decrease member contribution rates without separate sponsor approval, such as approval by the city council.[10] When such an agreement is necessary to move forward, a lengthy negotiation process between the system and sponsor often follows. Consequently, Step 2 is typically by far the longest step in the FSRP process.

In the recent past, the negotiation processes have generally run until close to the September 1, 2025, deadline, with an average of 16 months to complete the FSRP. Going forward into phase three, negotiations will have to be carefully planned to end with enough time to complete the FSRP within two years of the triggering valuation date. There are several steps discussed later in the report to complete after negotiations have concluded. Systems and sponsors will need to understand how long it will take to complete the final steps to know when their negotiations need to finish.

City managers and finance managers are typically subject matter experts in city services, finance and budget in general, but they may not necessarily be experts in pension funding, especially when new to the position. New city representatives may go into negotiations without full awareness of the severity of the pension underfunding and the consequences of delayed action. The first few months of negotiations often include time for the key sponsor officials to gain the proper understanding of pensions necessary for negotiations, assuming they have not previously been engaged on pension matters and educated on the issues at hand. The PRB is available to help inform the key decision makers for both the system and sponsor to help begin negotiations with both parties having a clear view of the path forward.

The negotiation processes for five recent FSRPs are discussed in the following sections. In each case, PRB staff assisted through informal discussions, meetings with system and sponsor staff, and holding PRB open meetings where the system and sponsor could speak directly to the board. Public meetings with the board, whether the full board or the PRB's Actuarial Committee, offer a public forum for systems and sponsors to provide updates on negotiations in front of a neutral third party. The board has gathered substantial knowledge from other systems' past negotiations. Once the system and sponsor summarize the steps they have taken, the board or committee can help the two parties focus on next steps toward a solution.

Austin Firefighters Retirement Fund (Austin Fire)

For Austin Fire, like many other large municipal systems in Texas, all benefit and contribution changes must be made through legislation. It was the only system that took advantage of the option to submit a voluntary FSRP, as the system was never subject to an FSRP but knew they were on a path to triggering one.[11] Robust discussions between the system and city began in 2023 after the system received their

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[10] Boards of Trustees governed under TLFFRA (Article 6243e, Vernon's Texas Civil Statutes) consist of seven members: three actively contributing firefighters, two from the retirement system sponsor (mayor and chief financial officer or their designees), and two citizen members voted on by the other five trustees.

[11] Voluntary FSRPs are no longer applicable effective September 1, 2025.

actuarial valuation. Both parties had full proposals developed by early 2024, which they presented at a January 2024 PRB Actuarial Committee meeting.[12]

Opposing viewpoints and repercussions from past decisions hindered progress for two years. Until 2023, the system had provided annual ad-hoc cost-of-living adjustments (COLAs) for decades without valuing any future COLAs in their liability even though the COLAs appeared to be automatic in nature. When a retirement system reports a liability that does not represent all future payments the system intends to distribute, that system obscures the complete financial picture from the sponsor.

In this case, the system and sponsor interpreted a proposed change in COLA structure very differently. In their proposal, the system offered to exchange their larger ad-hoc COLA that had not been valued in the liability for a much smaller automatic COLA that would be valued in the actuarial accrued liability. The system viewed the proposed smaller prospective COLA as a benefit reduction from the historical larger COLAs. The sponsor saw a reported liability increase as a benefit increase regardless of the change in methodology.

During their negotiations, comparisons to other employee groups also posed obstacles towards an agreement. Austin Fire proposed a new benefit tier for future members with reduced benefits and lower contribution rates. The system pointed to the larger reduction in benefits than contribution rate as an indication that it was an overall benefit reduction. The sponsor preferred a Tier 2 contribution rate structure for firefighters similar to the structure it had already negotiated for police and general employees, which maintained the same contribution rate as the previous tier. The member contribution rates differed among the three groups, with the highest contribution rate for the firefighters.

The two parties were unable to agree on a unified approach before the beginning of the legislative session in 2025, so separate bills were filed for the contrasting proposals. After meeting with PRB staff and legislative staff at the beginning of April and continuing to negotiate through May, the two parties arrived at an agreement just before their bill had to be finalized to meet strict end-of-session deadlines for passing legislation.

Austin Fire Key Negotiation Steps

Step	Date
2022 valuation report completed	July 2023
PRB Actuarial Committee meeting	January 2024
Pension Review Board meeting	September 2024
Separate bills filed	February 2025
PRB staff met with system, sponsor, and legislators	April 2025
Agreed-to bill version passed	May 2025

[12] Videos, agendas and minutes are available for each full board and actuarial committee meeting on the PRB website: https://www.prb.texas.gov/board-and-agency-info/board-meetings/.

Starting from the 2024 Actuarial Committee meeting, negotiations took 17 months to complete; however, the system had sent their first communications five months prior. While the longer timeline in phase two allowed for five-month gaps in communication, Phase 3 will require swift responses.

Beaumont Firemen's Relief & Retirement Fund (Beaumont Fire)

In 2018, the PRB published an intensive review of Beaumont Fire which recommended the system and sponsor reach a 30-year funding period using a more conservative expected investment return, preferably with an actuarially determined contribution (ADC) rate.[13] Beaumont Fire triggered an FSRP with their 2018 actuarial valuation that was completed in 2019. The system and sponsor made significant progress in the years following the intensive review, including making gradual contribution rate increases from 15.5 percent of pay for both to 18 percent for the members and 20 percent for the sponsor.

Largely due to the contribution increases, the 2023 actuarial valuation report showed that the funding period had decreased from infinite in 2020 down to 33 years by 2023. Though there were still components of a funding agreement to work through, the two parties needed only a three-year reduction in funding period to satisfy the FSRP requirement.

PRB staff met with the city of Beaumont in March of 2024, but due to certain factors, it took until September of 2025 to reach the threshold. One of the factors impeding the process concerned the city resolving a pension-related lawsuit. The city also had to rework their process to allow for employee benefits negotiations to be held directly with the system board rather than with the firefighter union only to allow for more efficient negotiations. For TLFFRA systems, it is helpful for pension negotiations to go through the system board rather than the union. Cities and firefighters often forge multi-year agreements (commonly referred to as meet and confer agreements) outlining budgets, salary increases, benefits, and more. FSRPs can be difficult to complete if there is an existing meet and confer agreement in effect for multiple years.

Once those issues were resolved and a new valuation report was adopted in June 2025, the system and city were able to come to an agreement after also appearing before the Pension Review Board in July 2025.

Beaumont Fire Key Negotiation Steps

Step	Date
PRB staff met with sponsor	March 2024
PRB Actuarial Committee meeting	February 2025
New valuation report adopted	June 2025
Pension Review Board meeting	July 2025
Agreement formally adopted	August 2025

[13] "Intensive Actuarial Review: Beaumont Firemen's Relief & Retirement Fund," Pension Review Board, Accessed June 29, 2026, https://www.prb.texas.gov/wp-content/uploads/2018/06/Beaumont-Fire-Intensive-Review-Final.pdf

Assuming negotiations first became substantive around the time PRB staff met with city representatives, it took 17 months to complete negotiations from March 2024 through August 2025.

Marshall Fire

Following the PRB's 2018 intensive review of Marshall Fire and the system completing an FSRP that same year, Marshall Fire increased member and sponsor contributions in 2020.[14] The system triggered a revised FSRP with their 2022 actuarial valuation completed in May 2024, only seven months before their next valuation date. With both parties wanting updated numbers to use for negotiations, the system completed the 2024 actuarial valuation in May 2025.

When negotiations began, the city of Marshall had experienced changes in key positions. A new interim city manager began in October of 2024 to join the finance director who was also serving in an interim capacity. The city hired an actuarial consultant to assist them, and since that consultant needed their own actuarial valuation to model contribution and benefit change proposals, negotiations paused until the city's valuation was completed. After the system and city appeared at a Pension Review Board meeting, it took around three months of negotiations before both sides agreed to a solution.

Marshall Fire Key Negotiation Steps

Step	Date
New interim city manager	October 2024
New valuation report adopted	May 2025
Second actuarial firm valuation complete	July 2025
Pension Review Board meeting	September 2025
FSRP approved by system board and city council	December 2025

From the time the new interim city manager was hired, it took around 15 months to complete the negotiations, but the bulk of the progress was during the last 6 or 7 months after the 2024 actuarial valuation was completed.

Midland Firemen's Relief & Retirement Fund (Midland Fire)

Midland Fire triggered an FSRP with their 2017 actuarial valuation that was completed in 2019. The PRB then published an intensive review of Midland Fire in 2021 and the system appeared again at three Pension Review Board meetings in 2022. Also, the system underwent contracted forensic and governance audits in 2022 as recommended by the PRB to further evaluate serious concerns about the system's governance and investment practices. Momentum finally began in January of 2023 when the city's new mayor took office and the system board elected a new chair who won his position on the

[14] "Intensive Actuarial Review: Marshall Firemen's Relief & Retirement Fund," Pension Review Board, Accessed June 29, 2026, https://www.prb.texas.gov/wp-content/uploads/2018/06/Marshall-Fire-Intensive-Review-Final.pdf

board advocating for needed pension reform, in contrast to previous long-tenured board leadership that contributed to the system's critical funding challenges and obstructed progress.[15]

Midland Fire Key Pre-Negotiation Steps

Step	Year
Triggered FSRP	2019
PRB intensive review	2021
Discussed progress at three Pension Review Board meetings	2022

The new mayor was instrumental in involving the Midland city council in pension solution discussions. With a new board chair, the system began to consider benefit reductions for the first time. The system voted on key benefit reductions in August of 2023, with intent to follow with more significant changes from both the system and city. Negotiations took place in the public eye, with the local newspaper reporting periodically on the developments.

During a meeting with PRB staff in December of 2023, the system opted to perform a new actuarial valuation to use for final negotiations. That valuation report was published in May of 2024. The first several offers for more substantial final changes came from the city beginning in July of 2024 and the system rejected them because the system board did not expect them to be approved by a membership vote. In October of 2024, the system offered a proposal with the benefit reductions they expected could pass a member vote, and the sponsor accepted this offer. That agreement was for a benefit reduction target expressed as a percent of pay, with the firefighters voting on the specific reductions in the coming months.

Midland Fire Key Negotiation Steps

Step	Date
New mayor took office	January 2023
New board chair elected	January 2023
First benefit changes enacted	August 2023
New valuation report adopted	May 2024
First sponsor proposal	July 2024
City accepted system's offer	October 2024

The PRB provided assistance to the system and city along the way, including a Pension Review Board meeting in June of 2023, PRB staff meetings with both system and city in December of 2023, four Pension Review Board meetings and another Actuarial Committee meeting in 2024, with other miscellaneous phone calls throughout the process. Many of the board and committee meeting

[15] "Intensive Actuarial Review: Midland Firemen's Relief & Retirement Fund," Pension Review Board, Accessed June 29, 2026, https://www.prb.texas.gov/wp-content/uploads/2024/01/Midland-Firemens-Relief-and-Retirement-Fund-Intensive-Actuarial-Review.pdf

appearances occurred at the request of Midland Fire and/or the city of Midland, not only because they wished to keep the PRB informed but also because they saw these public meetings as a tool to encourage progress and maintain momentum in the negotiations.

Midland Fire Key PRB Assistance

Step	Date
Pension Review Board meeting	June 2023
PRB staff meetings with system/city	December 2023
PRB Actuarial Committee meeting	May 2024
Pension Review Board meeting	July 2024
Pension Review Board meeting	September 2024
Pension Review Board meeting	December 2024

In all, negotiations took 17 months to complete from June 2023 through October 2024. Subtracting out the five months to complete the updated valuation report, actual negotiations took closer to 12 months.

Wichita Falls Fire

Despite the 2022 PRB intensive review of Wichita Falls Fire, system and city negotiations stagnated until 2024 when the city hired a new chief financial officer (CFO).[16] TLFFRA establishes the board structure for these systems, and includes the sponsor's CFO as a board member, including the new Wichita Falls CFO. He quickly became one of the most active CFOs serving on a pension board, frequently attending conferences with the firefighter board members. The shared information and experience that comes from engaged sponsor representation on retirement system boards can facilitate a smoother negotiation process between the system and sponsor.

The system triggered an FSRP with their 2024 actuarial valuation that was completed in July of 2024. During the negotiation process, the system expedited the 2025 actuarial valuation and completed it in early April 2025. Within a few months, the system and sponsor had completed the FSRP.

Wichita Falls Fire Key Negotiation Steps

Step	Date
New CFO	January 2024
Triggered FSRP	July 2024
New valuation report adopted	April 2025
Agreement formally adopted	August 2025

In all, negotiations took 20 months to complete from the time the new CFO was hired through August of 2025.

[16] "Intensive Review: Wichita Falls Firemen's Relief & Retirement Fund," Pension Review Board, Accessed June 29, 2026, https://www.prb.texas.gov/wp-content/uploads/2024/01/Wichita-Falls-Firemens-Relief-and-Retirement-Fund-Intensive-Review.pdf

Expected Time to Complete Negotiations

Negotiations took between 12 and 20 months for the five systems discussed above.

Negotiation Lengths

System	Months
Austin Fire	17 months
Beaumont Fire	17 months
Midland Fire	12 months
Marshall Fire	15 months
Wichita Falls Fire	20 months

The ideal timeline for Step 2 and each additional step will be shown later in the report.

Because the expected target of 11 months is shorter than the time periods systems and their sponsor have needed in phase two, it is imperative that systems and their sponsor already have a positive working relationship before even triggering an FSRP. Having no existing relationship prior to these negotiations is a hurdle that can add significant time to this process. Having an up-to-date funding policy that is jointly adopted between the system and sponsor can be a significant resource in guiding negotiations. If there is already a clear policy in place on how to handle inadequate funding issues that both the system and sponsor have agreed to, the negotiations can focus more on implementing an already established plan, rather than starting from nothing.

Step 3 – Educate

Educate the system membership and key sponsor officials

In some respects, education likely begins concurrently with negotiations. The representatives in the negotiations must hold discussions with system membership to keep them informed regarding what changes are being proposed by both the system and sponsor and how those changes could impact members. Often these discussions are broken into small groups of about 15 members so that members are more likely to feel comfortable asking questions. It is in these discussions that the representatives will find out which proposals will be encouraged, tolerated, or refused by membership at large.

Multiple discussions may be necessary for complex changes. In Midland Fire's case, there were around four discussions per member. Odessa Firemen's Relief & Retirement Fund had two discussions per member, amounting to 54 total meetings to cover each shift twice. It may also be helpful to reach out to the presidents of any unions or retiree associations.

For any system considering changes to member benefits or contribution rates, members must be educated regarding the options that were negotiated in Step 2. Ongoing member education in a variety of formats to achieve support and buy-in is the best tool to avoid rumors and misinformation to increase the chance of earning member support for proposed changes, including for the purpose of holding a successful member vote in Step 4, if applicable.

Member education can take several forms, including but not limited to:

- One-on-one conversations,
- Meetings with the system board presenting to membership,
- Meetings with the system actuary presenting to membership, and
- Related documents and videos added to the system website.

Each form may involve traveling to several locations (e.g., each firehouse or each hospital wing), and it can take several days to reach every member of every shift at every location. When Midland Fire's actuaries educated members and answered questions before the vote, they presented many times to portions of each shift over several days. Following the member education, voting ended in February 2025, with 88 percent of voters approving the benefit changes.

Larger systems may even use virtual sessions. Austin Fire held six information sessions over Zoom. They also created a "Plan Sustainability" page on their system's website that included background information, plan provisions, meeting minutes, bill summaries, and recordings of member info sessions.

Systems should consider allocating two months to educate members in Step 3 regarding the options that were negotiated in Step 2, leaving approximately five months for the remaining steps. They should also keep in mind that if a city council vote is also required, council members will also likely need the same education as the members.

Step 4 – Vote

Approve changes through member vote, if applicable

The first ballot might fail to approve of necessary changes if the membership voting threshold is not met, or if no options on the ballot receive a majority of votes. Systems should allocate time for multiple votes to approve any necessary changes; however, there are several tools a system can employ to ensure a successful first ballot.

A successful ballot requires at least 50 percent of members to vote.[17] Systems can maximize turnout by allowing for online voting, especially if some members are on vacation. Austin Fire and Midland Fire used online voting. Marshall Fire and Wichita Falls Fire used paper ballots.

Systems should give careful consideration to the ballot structure. Marshall Fire included a ballot addendum to explain each change that was being voted on. When Laredo Firefighters Retirement System's first election failed to gather a majority of votes for any single option, the system board realized they could restructure the ballot in a way to ensure at least one option received a majority of votes, and the second election was successful.

Systems and sponsors should set aside one month to complete Step 4, leaving four months for the remaining steps.

[17] Section 7, Article 6243e, Vernon's Texas Civil Statutes.

Step 5 – Meet

FSRP approval by sponsor and system boards in open meetings

FSRPs are considered complete once the PRB receives documentation of open-meeting approval in both a system board meeting and a sponsor board meeting.[18] Documentation may include a link to a video recording or approved minutes. Since TLFFRA system boards are required to meet at least once a month, TLFFRA systems and sponsors should allow at least a couple of months for both the approval meeting and potentially a follow-up meeting to approve the minutes from the approval meeting. [19] Keep in mind that system boards organized under other statutes may meet less frequently. More time may need to be allocated to Step 5 if a system board meets only once per quarter, or the board can plan special meetings to shorten this step.

Step 6 – Submit

Submit and sign official PRB form to document meeting minutes and plan changes

The final FSRP submission must use the form required by the PRB.[20] The form includes sections to:

- document the final adoptions by the system board and sponsor in Step 5, either by providing the meeting minutes or a video
- document the changes negotiated and approved in Steps 2 through 4
- add attachments as necessary
- certify with signature.

It should not take more than an hour to complete this final step.

Additional Considerations

Beyond the membership votes and open meetings, systems and sponsors may need to consider other deadlines. For example, the systems and sponsors may need to complete negotiations before the city budget process begins. Some systems, such as Dallas Employees Retirement System, may also require citizen approval of contribution and benefit changes, while others, such as the three Austin municipal systems, may require legislation. Depending on financing methods, the process may also need to allow for a bond election, which was strongly considered in Midland though ultimately not pursued.

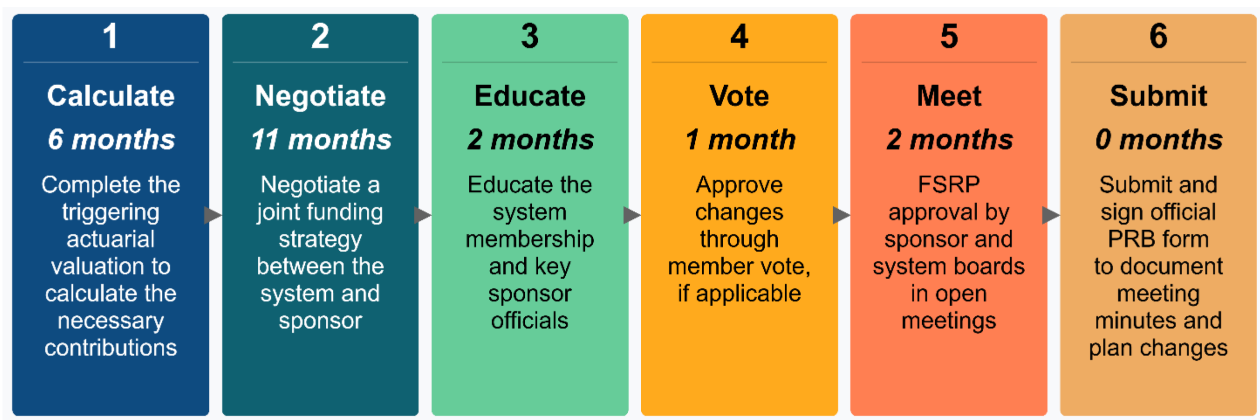
There are often further issues affecting the timing of negotiations. The city of Beaumont was involved in litigation that had to be resolved before an FSRP could be completed. In addition, several cities involved in recent FSRPs had key staff changes during the process, including the Midland mayor, the Midland Fire board chair, and the chief financial officers for Beaumont, Marshall and Wichita Falls.

[18] Section 802.2015(e-1)(4), Texas Government Code.
[19] Section 18, Article 6243e, Vernon's Texas Civil Statutes.
[20] The FSRP submission form can be found on the PRB website: https://www.prb.texas.gov/wp-content/uploads/2023/05/FSRP-Submission-Form.pdf

Conclusion

Historically, retirement systems had difficulties completing an effective FSRP within the six-month timeline during phase one and relied on the extra time granted to them during phase two to develop solutions. With the FSRP statute entering its third phase of implementation beginning September 1, 2025, systems and sponsors must have a plan to complete FSRPs within two years of the triggering actuarial valuation date.

This timeline will require swift completion of the valuation report that triggers the requirement, so the system and sponsor have sufficient time to solidify their plan. Negotiations between retirement systems and their sponsoring entity should ideally be completed over a period that allows at least seven months for the many remaining steps that follow. Those remaining steps include educating the system membership and key sponsor officials, a successful membership vote on changes if applicable, open meetings to approve the FSRP and document the minutes, and consideration of miscellaneous other deadlines and issues. With two years to complete the six steps, the suggested timeline as outlined in this report is:



The times for the six steps total to 22 months, leaving two months to navigate the miscellaneous additional deadlines that often apply, as outlined in the Additional Considerations section. The ideal timelines for Steps 1, 3, 4, 5, and 6 were developed based on system experience in recent FSRPs completed during the second phase. The 11-month ideal timeline for successful negotiations in Step 2 is the time remaining within the 24-month total period allowable in the third phase of the FSRP statute.

To meet this deadline, retirement systems and their sponsors are encouraged to have a strong, positive, working relationship even prior to triggering an FSRP. The two entities should work together to ensure they have a jointly agreed upon funding policy in place that outlines how they would address any funding inadequacies so that the FSRP negotiations already have an established starting point to work from. Any changes that occur during the FSRP process should be used to update the funding policy, which is required to be sent to the PRB after the FSRP is submitted.[21]

[21] Section 802.2011(b)(1)(B), Texas Government Code.

Item 7e. Reporting Compliance

Bryan Burnham

Overview

- Total net assets
  - Current: $432,643,183,055
  - 7/23/2026: $424,592,681,761
- System membership
  - Active: 1,565,806
  - Annuitants: 935,764
  - Inactive: 1,073,944
  - Total: 3,575,385

Changes to Noncompliance Policy

- *Policy for Promoting Compliance with Required Reporting* adopted at July 23, 2026, meeting.
  - Expands noncompliance policy from only annual reporting to all reports (except FSRP).
  - Outlines steps staff and the board may take to address noncompliance.
- This report now intends to include all noncompliance with reporting
  - Past reports historically only showed annual reporting.
  - Recent reports also began including actuarial experience studies and audits.
  - Noncompliance with MET reporting now included.
  - More updates expected in December to address remaining reports.
  - Planned update to PRB website list to encompass all reporting (currently multiple separate lists).

Systems Noncompliant Over 60 Days

This list includes all systems that have not submitted one or more reports required by Chapter 802, Texas Government Code or 40 T.A.C. Chapter 607.140, for more than 60 days and is in accordance with the PRB's *Policy for Promoting Compliance with Required Reporting.*

System	Missing Report	FY	Due Date
Nacogdoches County Hospital District Retirement Plan	AFR	2024	1/26/2025
Nacogdoches County Hospital District Retirement Plan	AFR	2025	1/26/2026
Dallas County Hospital District Retirement Income Plan	PRB-150	2026	4/1/2026
Laredo Firefighters Retirement System	Actuarial Audit	N/A	N/A

Since the previous report:

- Added Dallas County Hospital District Retirement Income Plan

Upcoming Deadlines and Noncompliance Dates for Annual Reporting (Based on Fiscal Year End)

Fiscal Year End	Due Date	Number of Systems	60-Day Noncompliance
December 31, 2025	July 29, 2026	70	**October 1, 2026**
February 28, 2026	**September 26, 2026**	2	December 1, 2026
June 30, 2026	January 26, 2027	4	April 1, 2027
July 31, 2026	February 26, 2027	1	May 1, 2027
August 31, 2026	March 29, 2027	8	June 1, 2027
September 30, 2026	April 28, 2027	15	July 1, 2027
October 31, 2026	May 29, 2027	1	August 1, 2027
December 31, 2026	July 29, 2027	70	October 1, 2027

Item 8a. Minimum Educational Training Program Compliance Improvement Project

Jasmin Loomis

Background

- Board directed staff to research possible statutory recommendations and agency actions to improve MET compliance at December 2025 meeting.
- Staff brainstormed potential ideas for statutory and non-statutory changes and presented ideas to stakeholders during a virtual feedback session on April 9, 2026.
- Feedback and ideas were presented to the Education Committee May 2026.
- First round of written feedback was presented to the board during July 23, 2026, meeting.

Improvements in Progress

- Improved compliance with the annual MET reporting requirement.
  - Both PRB-150 and PRB-2000 forms now due by April 1 annually.
  - Only four systems were sent noncompliance letters for missing the reporting deadline by more than 60 days.
  - Only one system remains not compliant with the annual reporting requirements.
- Staff is expanding relationships with existing and potential new training providers to increase courses offered for MET credit.
  - New core training provider
  - New continuing education training provider
- Report current trustee compliance numbers at December 2026 board meeting.

Updates to the Online Portal

- New updates to the Pension Online Reporting Tool (PORT) and internal database launched earlier in July.
- PORT updates aimed at increasing MET Compliance:
  - Display trustee compliance to system administrators
  - Allow system administrators to report training and new/outgoing trustees directly in the portal
  - Give corrections to systems directly through the portal
- Feedback has been very positive
- Increased technical assistance after launch
  - Updates to boards
  - Questions about trustee compliance status

Compliance Improvement - Final Round Feedback

- PRB staff sent out a document summarizing potential statutory and non-statutory changes based on previous stakeholder feedback and board discussion at the July 23, 2026, meeting.
- Request for additional feedback sent August 5 and August 17, 2026.
  - Also included in the PRB Weekly News Clips and posted on the PRB website and LinkedIn page.
- Received written comments from five systems.

Potential Statutory Changes: General Stakeholder Feedback

- One system voiced concern that some recommendations could have unintended consequences for those systems that already have robust educational requirements, potentially preempting those requirements.
- Requested that statutory changes allow local plans to have more stringent requirements than what may be proposed.

Potential Statutory Change: Option 1

- **Option 1 –** ***Staff Recommendation*** – Require systems to create an education and noncompliance policy, and the creation of guidance documents or sample policies.
  - Four systems voiced support for this option.
  - One system believed there is an existing desire for such a policy as at least five systems have implemented similar policies.
  - One system believed this option could be combined with Option 2 (restricting voting/ability to serve).

Potential Statutory Change: Option 2

- **Option 2a –** Suspend a trustee's ability to vote if not compliant with the MET requirements.
- **Option 2a.1 –** Suspend a trustee's ability to vote or become an officer of the board if not compliant with the MET requirements.
- **Option 2b –** Suspend a trustee's ability to serve on the board if not compliant with the MET requirements.
- One system was opposed to all Options 2a, 2a.1, and 2b, citing potential issues with quorum, voting authority, and ability to conduct business.

Potential Adoption of Statutory Changes

Potential Statutory Changes up for Adoption
Option 1 – *Staff Recommendation* – Require systems to create an education and noncompliance policy, and the creation of guidance documents or sample policies.
Option 2a – Suspend a trustee's ability to vote if not compliant with the MET requirements.
Option 2a.1 – Suspend a trustee's ability to vote or become an officer of the board if not compliant with the MET requirements.
Option 2b – Suspend a trustee's ability to serve on the board if not compliant with the MET requirements.

Potential Non-Statutory Change: Option 4

- **Option 4 –** ***Staff Recommendation*** **–** Provide more information and promote the individual course approval application.
  - One system voiced support for this option.

Potential Non-Statutory Change: Option 5

- **Option 5 –** ***Staff Recommendation*** **–** Publish list of noncompliant trustees and administrators on the PRB website.
  - One system supported this option but also believed there needs to be a limit on how long trustees can be noncompliant.
  - One system opposed this option.

Potential Adoption of Non-Statutory Changes

Potential Non-Statutory Changes up for Adoption
Option 4 – *Staff Recommendation* – Provide more information and promote the individual course approval application.
Option 5 – *Staff Recommendation* – Publish list of noncompliant trustees and administrators on the PRB website.

Project Timeline

2026

- February – Discuss project goals with the board
- April – Meet with stakeholders to present and hear potential improvements
- May – Present draft recommendations to Education Committee
- June – Draft recommendations sent for stakeholder feedback
- July – Present potential statutory recommendations and non-statutory changes to full board for feedback
- August – Updated recommendations sent for stakeholder feedback
- **September – Present final statutory recommendations and non-statutory changes, possible board adoption of recommendations**
- November – Include any adopted recommendations in PRB *Biennial Report*

Final Feedback on Potential Changes to the MET Program to Improve Compliance

Background

The Pension Review Board (PRB) monitors public retirement system trustee and administrator compliance with the Minimum Educational Training (MET) program and annually reports compliance to the board. Compliance with the training requirements has improved over the past three reports, but some trustees and administrators remain noncompliant. Following the annual MET compliance report presentation at the December 2025 board meeting, the board directed PRB staff to research and present potential changes that could improve compliance with the education requirements.

PRB staff's initial proposed changes are separated into two categories; potential **statutory changes** that would require changes to state law that would need to be made through the legislative process, and potential **non-statutory changes** that the PRB could implement without legislation. The PRB hosted a virtual feedback session on April 9, 2026, to solicit feedback on the initial proposals and presented potential changes and stakeholder feedback to the PRB Education Committee on May 20, 2026, to receive suggestions from committee members. A summary document incorporating suggestions from the PRB's Education Committee was sent to stakeholders for additional feedback on June 9 and 16, 2026, and feedback received from stakeholders was presented to the board on July 23, 2026, for discussion. A final summary document of the potential changes, including suggestions from the board, was sent to stakeholders for a final round of feedback on August 5 and 17, 2026. The request for feedback was also published on the PRB website, LinkedIn page, and included in the PRB Weekly News Clips.

Below is a summary of the ideas presented to stakeholders for potential statutory and non-statutory changes to the MET program alongside feedback received.

Potential Statutory Changes

Some proposed changes are broken down into further options, indicated by a, b, etc. options. These options are mutually exclusive and only one option could be adopted by the board, if the board so chooses.

Proposed Changes	Additional Information	Feedback Received
Option 1 – *Staff Recommendation* – Require systems to create an education and noncompliance policy, and the creation of guidance documents or sample policies.	• Potential statutory changes would **require** systems to create an education and noncompliance policy. • At least five systems already have a policy or local statutory requirement that includes procedures for trustee education requirements, with some including additional training requirements, and steps for addressing noncompliant board members. • Though adoption of a policy would be mandatory, specific parameters of the policy would be up to systems' discretion. • The PRB would make guidance and sample policies available that systems may use to adopt a policy.	Support: • Four systems supported Option 1. • "… the fact that five other systems have already implemented programs leads us to the conclusion that there is an existing desire for this." • "… would also like to see Option 2 [suspending voting or service ability]… incorporated into Option 1." Opposed: • No comments received.
Option 2a – Suspend a trustee's ability to vote if not compliant with the MET requirements.	• Potential statutory change could suspend the voting ability of trustees that are not compliant with one or more MET cycles, including both core and continuing education. • Once all outstanding MET hours have been completed, the trustee's suspension would be lifted.	Support: • No comments received. Opposed: • "… could create issues concerning quorum, voting authority, and the ability of retirement systems to conduct business effectively at board meetings." • "… could also impose additional administrative and recording keeping burdens on retirement systems, potentially creating new compliance challenges."

Proposed Changes	Additional Information	Feedback Received
Option 2a.1 – Suspend a trustee's ability to vote or become an officer of the board if not compliant with the MET requirements.	• Potential statutory change could suspend the voting ability of trustees and the ability to become a board chair, vice-chair, etc. if not compliant with one or more MET cycles, including both core and continuing education. • Once all outstanding MET hours have been completed, the trustee's suspension would be lifted.	Support: • No comments received. Opposed: • "… could create issues concerning quorum, voting authority, and the ability of retirement systems to conduct business effectively at board meetings." • "… could also impose additional administrative and recording keeping burdens on retirement systems, potentially creating new compliance challenges."
Option 2b – Suspend a trustee's ability to serve on the board if not compliant with the MET requirements.	• Potential statutory change could suspend a trustee's ability to serve on their board if not compliant with one or more MET cycles, including both core and continuing education. • Trustees would have a six-month grace period from the first day they are not compliant to complete the outstanding required MET hours and report it to the PRB before the suspension would take effect. • Once all outstanding MET hours have been completed, the trustee's suspension would be lifted.	Support: • No comments received. Opposed: • "… could create issues concerning quorum, voting authority, and the ability of retirement systems to conduct business effectively at board meetings." • "… could also impose additional administrative and recording keeping burdens on retirement systems, potentially creating new compliance challenges."

Staff Discussion

Overall, stakeholders expressed support for Option 1 over any other statutory options presented throughout each round of feedback. Concerns voiced for Option 1 by stakeholders surrounded the restrictiveness of the recommendation, but the recommendation would only require adoption of an education and noncompliance policy by each retirement system but would not prescribe the exact contents of the policy. PRB guidance and sample policies would be a resource for systems but would not include required sections or limitations. Other options explored by the board, including Options 2a, 2a.1, and 2b, could be included in a system's education and noncompliance policy for their board, and could be included in PRB guidance documents and sample policy as potential steps a board could take. Systems would have the flexibility to tailor their policy to their system and oversee their board's compliance with the MET program so long as it complies with statute and MET rules. Because multiple stakeholders have expressed varying levels of concerns regarding options 2a, 2a.1, and 2b, staff does not take a position on these recommendations. Instead, staff believe these options are best left for board discussion and decision.

Potential Non-Statutory Changes

Proposed Changes	Additional Information	Feedback Received
Option 4 – *Staff Recommendation* – Provide more information and promote the individual course approval application (ICAA).	• The PRB could provide more information on the ICAA on its website and directly to system administrators. • The PRB could also publish a list of recently approved ICAAs on the PRB website so systems could easily see which courses can be approved for MET credit.	Support: • One system supported Option 4. Opposed: • No comments received.
Option 5 – *Staff Recommendation* – Publish list of noncompliant trustees and administrators on the PRB website.	• The PRB could publish a list of noncompliant trustees and administrators annually on its website after the annual compliance report is given to the board. • Systems would be notified prior to the publication of the report and the noncompliance list. • The compliance list would be updated as trustees and administrators reach compliance, similar to how the agency handles compliance issues with reporting requirements in general.	Support: • "… it would be a benefit to go with option 5. But I also believe that there needs to be a time limit of how long [trustees] can be non-compliant." Opposed: • One system opposed Option 5.

Staff Discussion

Several stakeholders voiced support for taking all non-statutory steps possible to increase MET compliance before considering statutory changes throughout this project, with most respondents supporting the non-statutory changes presented. Staff believe increased opportunities for continuing education will help trustees meet the required annual credit hours, which matched the opinion of stakeholders. Option 4 would offer more education opportunities and show courses trustees may be required to complete for other licenses or certificates training requirements that are approved for MET credit. This option would be easy to implement on the PRB website and would be updated regularly for systems to access at any time.

Some stakeholders noted that publishing a list of noncompliant trustees and administrators would make MET compliance more transparent and encourage retirement system board members to meet the training requirements. Limits regarding how long trustees can be noncompliant could be incorporated into a system's education and noncompliance policy proposed in Option 1. Meeting the requirements of Option 5 would be easily manageable for PRB staff and would be posted on the PRB website soon after the PRB's annual compliance reports, usually given during the last board meeting of each calendar year.

General Feedback Received

The PRB received additional feedback and recommendations outside of the options in the summary document summarized in the table below.

General Feedback	Information on Feedback
Concern regarding statutory changes	One system voiced concern that the statutory changes "… may have the effect of weakening [the system's] current requirements which compel compliance with the [MET program]." The system requested that any proposed and adopted statutory changes "… be drafted to allow local plans to have more stringent requirements than those that may be proposed by the [PRB]."

Item 9: Draft updates to *Model Ethics and Conflict-of-Interest Policy for Texas Public Retirement Systems*

Tamara Aronstein

Background

- Statute requires the PRB to adopt model ethical standards and a model conflict of interest policy.
- Policy covers topics including:
  - Standards of conduct
  - Fiduciary duties
  - Conflicts of interest
  - Prohibited transactions
  - Disclosures
  - Confidentiality
- Systems may, but are not required to, adopt a policy based on the PRB model.
- The PRB Model Ethics and Conflict-of-Interest Policy was last updated in 2015.
- The policy and three sample policies from systems are posted on the PRB website.

Process and Timeline

- Summer 2026 – Identified updated ethics policy samples and drafted updates to existing Model Ethics Policy.
- **9/30/26 – Present draft updates to board.**
- October 2026 – Circulate draft updates to systems for any feedback and call for any additional sample policies.
- December 2026 – Present final draft to board for potential adoption; if adopted, update model policy and sample policies on PRB website.

Ethics Provisions

- Section 67, Article XVI, Texas Constitution – Fiduciary duties for state and local retirement system boards
- Section 802.203, Texas Government Code – Fiduciary responsibilities of retirement system board trustees
- Chapter 572, Texas Government Code – Standards of conduct, conflicts of interest, and disclosure requirements for state officers and employees
- Chapters 171 and 176, Texas Local Government Code – Conflicts of interest and disclosure requirements for officers of municipalities and other local governmental entities
- Governing statutes for systems
- Texas Trust Code

Summary of Draft Changes

- Added statutory definition for “substantial interest” in conflict of interest section.
- Added statutory definition for “particular matter” in prohibited transactions section.
- Added statutory language regarding disclosure requirements for local officials.
- Added reference to statutory exceptions for permitted gifts, and added a caution to avoid even the appearance of impropriety in accepting gifts.
- Moved definitions to beginning of model policy.
- Added references to statute and regulations where appropriate.
- Updated to match current PRB writing and citation style guidelines throughout.

Feedback, Discussion, and Questions

Model Ethics and Conflict-of-Interest Policy for Texas Public Retirement Systems

Month 2026

PENSION REVIEW BOARD

Table of Contents

BACKGROUND

Pursuant to Section 801.210 of the Texas Government Code, the ~~State~~ Texas Pension Review Board (PRB) has developed the following Model Ethics and Conflict-of-Interest Policy for voluntary use by public retirement systems in Texas. Texas public retirement systems are not required to utilize the model policy when developing and/or adopting their own policies.

Adoption of ethics and conflict-of-interest policies may help public retirement systems to outline standards of conduct expected of their board of trustees, as plan fiduciaries, to act responsibly, honestly, and in the best interest of the fund, and to avoid creating even the appearance of impropriety. The PRB developed the model ethics and conflict-of-interest policy to function as a general policy that can be used as a guide for minimum levels of ethical and conflict-of-interest requirements for public retirement systems.

The provisions below are intended to aid retirement systems in identifying ethical standards and potential~~,~~ conflicts ~~-~~of ~~-~~interest, and properly avoiding, disclosing, and managing conflicts. This model is a guide, not a complete statement of all ethical standards, conflict of interest requirements, or legal requirements that may apply to a retirement system. It also is not offered and should not be interpreted as legal advice.

The model policy has been created for the trustees of retirement systems; however, systems may adopt a similar policy for their ~~key~~ employees as well. Additionally, systems may include relevant attachments to their policy, such as applicable statutory section language and required conflict-of-interest disclosure forms and statements.

Statutory Requirements for Texas Public Retirement Systems

Public retirement systems should be aware, as they develop ethics and conflict-of-interest policies, that certain requirements exist in law that may apply to system trustees. Many of the ethical standards and conflict-of-interest and disclosure requirements that may apply to public retirement systems can be found in various Texas statutes as outlined below:

A. Section 67, Article ~~16~~XVI~~, Section 67 of the~~, Texas Constitution contains provisions regarding fiduciary duties applicable to state and local retirement systems' board of trustees.
B. ~~Chapter 802,~~ Section 802.203, ~~of the~~ Texas Government Code outlines the fiduciary responsibilities of the governing body of a public retirement system and states that the governing body shall discharge its duties solely in the interest of the participants and beneficiaries.
C. Chapter 572, ~~of the~~ Texas Government Code contains provisions relating to standards of conduct, ~~and~~ conflicts ~~-~~of ~~-~~interest, and disclosure requirements for state officers and employees.
D. Chapters 171 and 176, ~~of the~~ Texas Local Government Code contain provisions relating to conflicts of ~~-~~interest and disclosure requirements applicable to officers of municipalities, counties, and certain other local governments.

E. Governing statutes of public retirement systems could also contain fiduciary, ethics, conflict_ ~~-~~of ~~-~~interest, and/or disclosure requirements. Texas statewide and local retirement systems' governing statutes can be found in the Texas Government Code, Vernon's Texas Civil Statutes, or ~~Local~~ local ~~Ordinances~~ ordinances adopted by a city. A retirement system should refer to its governing statute to ensure all ethics-related requirements are included in their policy. The Pension Review Board provides links to certain public retirement system statutes on the statute and rules page of its website.

F. The Texas Trust Code (Title 9, Subtitle B, Texas Property Code) ~~contained under the Texas Property Code~~ also governs pension trusts in Texas. Chapter 113, Texas Property Code ~~of the Code~~ states that a trustee shall administer the trust in good faith and shall perform all of the duties imposed on trustees by the common law. ~~The Uniform Prudent Investor Act,~~ Chapter 117 of the Texas Trust Code (the Uniform Prudent Investor Act) provides information on the duties of trustees, including the standard of care, loyalty, impartiality, and the prudent investor rule in managing trust assets.

G. Retirement systems may also be subject to federal laws, such as the Internal Revenue Service's fiduciary~~-related~~ requirements and the Securities and Exchange Commission's Pay to Play Regulations (17 C.F.R. Section 275.206(4)-(5)).

Document Layout

This model policy is divided into the following sections: Overview, Definitions, Code of Ethics, General Standards of Conduct, Fiduciary Duties, Conflicts_ ~~-~~of_ ~~-~~Interest, Prohibited Transactions and Interests, Disclosure, Confidential Information, Nepotism, Gifts, Enforcement, and Training~~, and Definitions~~. Where applicable, requirements set out in ~~the~~ Texas statute~~s~~ are included in each section. Sections also may contain examples of additional non-statutory guidelines for systems that may wish to adopt policies beyond the statutory minimum standards.

Some of the non-statutory guidelines contained in this model policy have been designed after provisions contained in ethics policies of the Teacher Retirement System of Texas (TRS), Employee~~'~~s Retirement System of Texas (ERS), Texas County and District Retirement System (TCDRS), and Houston Municipal Employees Pension System (HMEPS).

The following material contains the Model Ethics and Conflict-of-Interest Policy that retirement systems may use to create their own policy.

[RETIREMENT SYSTEM] BOARD OF TRUSTEES ETHICS POLICY

1~~I~~. Overview

The [retirement system] promulgates the following ethics and conflict-of-interest policy that sets forth the basic principles, guidelines, and standards of conduct for trustees of the [retirement system].

This policy does not supersede any applicable federal and Texas law or administrative rule. [Retirement system] trustees must abide by all applicable federal and Texas laws, and [retirement system] policies, including this ethics and conflict-of-interest policy.

The purpose of this document is to outline the specific standards of conduct expected of [retirement system] trustees. This policy is a guide, not a complete statement of all legal and fiduciary responsibilities of the trustees; therefore, compliance with this policy does not necessarily ensure compliance with all legal requirements.

2~~XIII~~. Definitions

In this policy the following definitions apply:

A. “Board” means the board of trustees of the [retirement system].
B. “Trustee” means a member of the b~~B~~oard of t~~T~~rustees of the [retirement system].
C. “Fiduciary” means any person who exercises any discretionary control over the management of the public retirement system or any authority or control over the management or disposition of its assets.
D. “Executive Director” means the d~~D~~irector or a~~A~~dministrator of the [retirement system].
E. “Legal Counsel” means the lawyer or firm of lawyers designated from time to time as the l~~L~~egal c~~C~~ounsel of the [retirement system].
F. “Gift” means anything of tangible value given without consideration and includes any payment of cash, receipt of goods or services, or other benefit.

3~~II~~. Code of Ethics

Trustees of the [retirement system] shall abide by the Texas Constitution, Texas statutes, and federal laws applicable to the [retirement system] and will also abide by the ~~code~~ standards set forth below:

A. Act solely in the best interest of the fund and the [retirement system] members, retirees, and beneficiaries.
B. Act with integrity, competence, dignity, and in an ethical manner when dealing with participants, beneficiaries, the public, employees, vendors, and fellow ~~members~~ trustees.

C. Use reasonable care and prudence.
D. Exercise independent professional judgment.
E. Remain independent from conflicts ~~-~~of ~~-~~interest.
F. Deal fairly, objectively, and impartially in all matters relating to the [retirement system].
G. Maintain confidentiality of the [retirement system], including participant~~,~~ and beneficiary information.
H. Not have a direct or indirect interest, including financial or other interests, or engage in a personal business activity that could conflict with the proper discharge of the trustee's duties or management of the [retirement system] investments.

4~~III~~. General Standards of Conduct

A. A trustee must abide by the following statutory standards of conduct and shall not:
   1. Accept or solicit any gift, favor, or service that might reasonably tend to influence the trustee in the discharge of official duties or that the trustee knows or should know is being offered with the intent to influence the trustee's official conduct;
   2. Accept other employment or engage in a business or professional activity that the trustee might reasonably expect would require or induce the trustee to disclose confidential information acquired by reason of ~~his or her~~ their position with the [retirement system];
   3. Accept other employment or compensation that could reasonably be expected to impair the trustee's independence of judgment in the performance of ~~his or her~~ their official duties for the [retirement system]; or
   4. Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the trustee's authority or performed the trustee's duties at the [retirement system] in favor of another.

B. A trustee must abide by the following additional standards of conduct:~~.~~
   1. Trustees must be honest in the exercise of their duties and must not take actions which will discredit the [retirement system].
   2. Trustees should avoid personal, employment, or business relationships that create conflicts of interest. Should trustees become aware of any conflict of interest, they have an affirmative duty to disclose and to cure the conflict in a manner provided for in this policy.
   3. Trustees may not use their relationship with [retirement system] to seek or obtain personal gain. This should not be interpreted to forbid properly authorized expense reimbursements from the [retirement system] to a t~~T~~rustee for valid expenses incurred in the performance of duties or the use of the [retirement system] as a reference or the communication to others of the fact that a relationship with the public retirement system exists, provided that no misrepresentation is involved.
   4. Solicit, accept, or agree to accept any benefit from a person the trustee knows is interested in or is likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of the trustee's discretion.

5~~IV~~. Fiduciary Duties

A. A trustee must abide by the following statutory fiduciary responsibilities:~~y.~~

1. In the administration of the [retirement system] and in making and supervising investments of assets of the system, a trustee shall discharge ~~his or her~~ their duties solely in the interest of the participants and beneficiaries:
    a. For the exclusive purposes of:
        i. providing benefits to participants and their beneficiaries; and
        ii. defraying reasonable expenses of administering the system;
    b. with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with matters of the type would use in the conduct of an enterprise with a like character and like aims;
    c. by diversifying the investments of the system to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and
    d. in accordance with the documents and instruments governing the system.
2. In choosing and contracting for professional investment management services and in continuing the use of an investment manager, a trustee must act prudently and in the interest of the participants and beneficiaries of the [retirement system].
3. The board of trustees when appointing an investment manager for the system shall obtain an acknowledgement in writing stating that the manager has fiduciary responsibility to the fund.
4. A trustee shall invest and manage the trust assets solely in the interest of the beneficiaries and, if the trust has two or more beneficiaries, the trustee shall act impartially in investing and managing the trust assets, taking into account any differing interests of the beneficiaries.
5. In making investments, a trustee shall exercise the judgment and care under the circumstances then prevailing that persons of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.
6. A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution.

B. A trustee must abide by the following additional fiduciary duties:~~.~~

1. In making or participating in decisions, trustees shall give appropriate consideration to those facts and circumstances reasonably available to the trustee, which are relevant to the particular decision, and shall refrain from using facts or circumstances which are not relevant to the decision.

2. Trustees shall ensure that all [retirement system] business transactions are conducted with ~~based on~~ professional integrity and competence, based on financial merit and benefit to [retirement system], and awarded on a competitive basis.
3. Trustees shall r~~R~~eview on a regular basis the efficiency and effectiveness of the [retirement system's] success in meeting its goals, including assessing the performance and actions of system service providers, such as investment managers, actuaries, and other consultants~~, and actuaries~~.
4. Trustees shall use reasonable care to prevent other trustees from committing a breach and shall not participate in concealing such a breach, or knowingly or negligently permit such a breach to occur.

6~~V~~. Conflicts ~~-~~of ~~-~~Interest

A. Statutory conflict-of-interest provisions governing state officials.
   1. A trustee may not have a direct or indirect interest, including financial and other interests, or engage in a business transaction or professional activity, or incur any obligation of any nature that is in substantial conflict with the proper discharge of the trustee's duties.
   2. Make personal investments that could reasonably be expected to create a substantial conflict between the trustee's private interest and the interest of [retirement system].
   3. A trustee may not solicit or accept from the [retirement system], or any third party a commission, fee, bonus, retainer, or rebate that is compensation for the trustee's personal solicitation for the award of a contract for investment services or sale of goods to the [retirement system].

B. Statutory conflict-of-interest provisions governing local officials.
   1. Pursuant to Section 171.002, Texas Local Government Code, a person has a "substantial interest" in a business entity if:
      a. the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or $15,000 or more of the fair market value of the business entity; or
      b. funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.
   2. A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of $2,500 or more.
   3. A local public official is considered to have a substantial interest if a person related to the official in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a substantial interest as defined above.

4. ~~1.~~ If a trustee has a substantial interest in a business entity or in real property, the trustee shall file, before a vote or decision on any matter involving the business entity or

the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:

a. In the case of a substantial interest in a business entity the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
b. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

5. ~~2~~. The board of trustees of the [retirement system] shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a trustee has a substantial interest. The affected trustee may not participate in that separate vote. The trustee may vote on a final budget if the trustee has complied with ~~Texas Local Government Code,~~ Chapter 171, Texas Local Government Code; and the matter in which the trustee is concerned has been resolved.

C. Trustees must abide by the following additional conflict-of-interest guidelines.
1. Trustees should make reasonable efforts to avoid conflicts of interest and appearances of conflicts of interest.
2. Trustees may not under any circumstances accept offers, by reason of their service, relationship~~,~~ or employment with the [retirement system], to trade in any security or other investment on terms more favorable than those available to the general investing public or, in the case of private market investments, a similarly situated investor.
3. A conflict of interest exists for a trustee whenever the trustee has a personal or private commercial or business relationship that could reasonably be expected to diminish the trustee’s independence of judgment in the performance of the trustee’s responsibilities to the [retirement system].
4. Curing Conflicts ~~-~~of ~~-~~Interest
    a. All trustees who become aware of a personal conflict of interest have an obligation not only to disclose that conflict, but to cure it. A person normally cures a conflict of interest by promptly eliminating it.
    b. A trustee can cure a conflict by prudently withdrawing from action on a particular matter in which a conflict exists provided that:
        i. the person may be and is effectively separated from influencing the action taken;
        ii. the action may properly be taken by others; and
        iii. the nature of the conflict is not such that the person must regularly and consistently withdraw from decisions that are normally ~~his or her~~ their responsibility with respect to the [retirement system].

c. Trustees must disclose any conflicts ~~-~~of ~~-~~interest regarding matters which are before the board, absent themselves from any relevant deliberations, and not vote on the matter. Such trustees may be required to disclose additional relevant information with respect to the matter in question.

7~~VI~~. Prohibited Transactions and Interests

A. Trustees must abide by the following prohibited-transaction guidelines.

1. Certain transactions by trustees are prohibited, including:
   - a. ~~i~~. The purchase, sale, exchange, or leasing of property with the [retirement system] if that trustee holds an interest in the property;
   - b. ~~ii~~. The purchase, sale, or exchange of any direct investment with the system if that trustee holds an interest in the investment; and
   - c. ~~iii~~. The lending of money or furnishing of other credit by the [retirement system] if the trustee has a direct or indirect interest in the loan or credit unless such loan or credit is generally available to members of the system, generates a reasonable return, provides adequate security, and is made in accordance with specific provisions of the plan.
2. Trustees shall not under any circumstance accept offers by reason of their position with the [retirement system] to trade in any security or other investment on terms more favorable than those available to the general investing public.
3. Trustees shall not use their position with the [retirement system] to solicit business for their own account or the account of an immediate relative or business associate.
4. Trustees shall not borrow from investment managers, outside service providers, professional advisors or consultants, banks, or other financial institutions with which the [retirement system] has a business relationship~~-~~, unless such entities are normally engaged in such lending in the usual course of their business.
5. No trustee shall serve as a placement agent in connection with any [retirement system] investment. A former trustee may be prohibited from serving as a placement agent in connection with any system investment for a certain period of time. A placement agent is any person or entity hired, engaged, or retained by or acting on behalf of an external investment manager or investment fund or on behalf of another placement agent as a finder, solicitor, consultant, broker, or other intermediary to raise investments from or to obtain access to the system, directly or indirectly.
6. Trustees shall not cause the system to engage in any prohibited transactions outlined above with any immediate relative or business associate of the trustee, any other trustee, employee, custodian, vendor, or consultant to the system, or any person providing services to the system.

B. Trustees may buy or sell a publicly traded security of an issuer which is held by the [retirement system], but may not engage in a personal securities transaction when the trustees have actual knowledge that the [retirement system] is trading such securities.
C. Statutory requirements for former state officials.~~:~~
   1. For two years following the cessation of a trustee's service, a t~~T~~rustee~~s~~ may not ~~for two years after ceasing to be in their respective positions at the [retirement system]~~ make any communication to or appearance before~~,~~ an officer or employee of [retirement system], with the intent to influence [retirement system] action to benefit the person seeking such action. This restriction does not apply to the act of providing information, as long as such communication is done without the intent to influence any actions by the [retirement system].
   2. A former trustee may not represent any person or receive compensation for services rendered on behalf of any person regarding a particular matter in which the former trustee participated during the period of ~~his/her~~ their service or employment, either through personal involvement or because the matter was within the trustee's official responsibility. "Particular matter" means a specific investigation, application, request for a ruling or determination, rulemaking proceeding, contract, claim, charge, accusation, arrest, or judicial or other proceeding.

8~~VII~~. Disclosure

A. Statutory disclosure requirement governing state officials.
B. A trustee who has a personal or private interest in a measure, proposal, or matter pending before the [retirement system] shall publicly disclose such interest ~~the fact~~ to the system. The trustee may not vote or otherwise participate in the decision. The disclosure shall be entered in the minutes of the meeting.
C. Statutory disclosure requirements governing local officials.
   1. Trustees shall file a conflicts disclosure statement with respect to a vendor ~~who~~ if the vendor enters into a contract with the [retirement system] or the system is considering entering into a contract with the vendor; and
      a. the vendor has an employment or other business relationship with the trustee or a family member of the trustee that results in the trustee or family member receiving certain taxable income exceeding $2,500 during the 12-month period preceding the trustee becoming aware the [retirement system] and vendor have entered into a contract or the [retirement system] is considering entering into a contract with the vendor;~~.~~
      b. the vendor has given one or more gifts with an aggregate value of greater than $100 to the trustee or a family member during the 12-month period preceding the trustee becoming aware the [retirement system] and vendor have entered into a contract or the [retirement system] is considering entering into a contract with the vendor; or

c. the vendor has a family relationship with the trustee.

2. A trustee is not required to file a conflicts disclosure statement in relation to a gift accepted by the trustee or a family member of the trustee if the gift is a political contribution as defined by Title 15, Election Code; or food, accepted as a guest.
3. A trustee is not required to file a conflicts disclosure statement under Subsection (B1) if the local governmental entity or vendor described by that subsection is an administrative agency created under Section 791.01, Government Code.

9~~VIII~~. Confidential Information

A. Trustees must not disclose confidential information, except when duly authorized personnel determine such disclosure is required by law.

B. Trustees may be provided or have access to confidential information, including material, nonpublic information. It is the duty of trustees to maintain the confidentiality of information and not misuse confidential information, including material, nonpublic information, belonging to or relating to the [retirement system]. Trustees who come into possession of material, nonpublic information must not communicate it intentionally or inadvertently to any third party, including but not limited to relatives and friends, unless the person has the need to know for legitimate reasons and such communication is consistent with their responsibilities to the system.

10~~IX~~. Nepotism

~~Statutory Nepotism provisions:~~

A trustee must not appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of an individual to a position that is to be directly or indirectly compensated from public funds or fees of office if:

1. The individual is related to the trustee within the third degree by consanguinity or within the second degree by affinity; or
2. The trustee holds the appointment or confirmation authority as a member of the [retirement system] board and the individual is related to another member of that board within the third degree by consanguinity or within the second degree by affinity.
3. The ending of a marriage by divorce or the death of a spouse ends relationships by affinity created by that marriage unless a child of that marriage is living, in which case the marriage is considered to continue as long as a child of that marriage lives.

11~~X~~. Gifts

A. Barring any statutory exception, a trustee is prohibited from soliciting or accepting a gift from any donor because of or through use of the trustee's position with the [retirement system]. Such gifts cannot be accepted by trustees themselves or for their families or business partners.

B. Under no circumstances may trustees accept a gift if the source of the gift is not identified or if the trustee knows or has reason to know that the gift is being offered through an intermediary.

C. If a prohibited gift is received by a trustee, ~~he or she~~ they should return the gift to its source. If that is not possible or feasible, the gift should be donated to charity.

D. Statutory exceptions regarding acceptance of gifts (Section 36.10, Texas Penal Code) are allowed under this policy as long as the trustee is not influenced by the gift.

To avoid not only improper behavior but also the appearance of impropriety, a trustee should also consider whether accepting a gift permitted under the statutory exceptions could raise concerns about the trustee's independence.

12~~XI~~. Enforcement

A. The b~~B~~oard will enforce this policy. A complaint or allegation of a t~~T~~rustee's potential violation of the policy must be in writing and submitted to the e~~E~~xecutive d~~D~~irector. The e~~E~~xecutive d~~D~~irector will promptly notify the chair of the alleged violation. If the potential violation involves the chair, the executive director will notify the vice-chair, or secretary or other b~~B~~oard t~~T~~rustee, as applicable. The e~~E~~xecutive d~~D~~irector may have l~~L~~egal c~~C~~ounsel review the claim and related information. No retaliatory action will be taken against the reporting person for any such report involving another person made in good faith.

B. The chair, or vice-chair, or secretary or other b~~B~~oard t~~T~~rustee, as applicable, shall present the recommendations to the b~~B~~oard for resolution of the matter. The b~~B~~oard has final decision-making authority with respect to t~~T~~rustee violations of the policy, and such decision shall be binding on the t~~T~~rustee. A t~~T~~rustee who is a subject of the alleged violation may not deliberate or vote on such b~~B~~oard action.

C. If the ~~Board~~ board finds a violation occurred, the ~~Board~~ board may issue a resolution of reprimand, censure, or other appropriate measure, including a request for resignation.

D. A violation of this policy may be reported to applicable regulatory or law enforcement agencies when appropriate or required.

13~~XII~~. Training

A. Every trustee shall attend periodic ethics training and acknowledge in writing that ~~he or she~~ they understand~~s~~ the ethical standards, has abided by them, and will continue to abide by them. New trustees are to make this written acknowledgment when they take office.

Item 10. IT Projects Update

Ashley Rendon

Background

- HB 500 (89R) provided a one-time appropriation for IT projects and equipment.
  - $700,000 for the two-year period beginning June 2025
- Projects include improvements to existing PRB IT systems, such as:
  - Internal database
  - Pension Online Reporting Tool
  - Texas Public Pension Data Center
- Began working with developer in August 2025.

Projects Progress

- So far, we have:
  - Reviewed and made initial coding updates to systems.
  - Addressed bugs and made internal workflow improvements in the database.
  - Completed changes to the MET portal.
    - Implement rule changes
    - Increased transparency
    - Simplified compliance and recordkeeping
  - Begun drafting communications module updates.
  - Initiated cybersecurity enhancements.

Next Steps

- Projects are on pace to be completed on time and under budget.
- Staff will continue to work with the developer to focus on:
  - cybersecurity;
  - portal and database communications;
  - connecting PRB IT systems, streamlining processes; and
  - implementation of recommendations from State Auditor's Office efficiency audit report.

Item 11. Executive Director's Report

Ashley Rendon

11a: Legislative Update

- Legislative Appropriations Request
  - Submitted in August
  - Three exceptional items
  - Joint budget hearing on September 3, 2026
- Requested extension of IT funds via letter to LBB

11b: Update on Conferences

- TLFFRA Annual Conference in Harlingen (Oct 5-6)
  - Investment Practices and Performance Evaluations by Robert Munter
  - Actuarial panel moderated by David Fee
- TEXPERS Legislative Advocacy Workshop (Oct 28)
  - PRB update and overview of actuarial impact statements by Ashley Rendon and Tamara Aronstein

11c: 2025-2026 Biennial Report

- Due in November to the legislature and the governor
- Will include major PRB accomplishments and activities in 2025-2026, such as:
    - IT enhancements
    - FSRP rule review
    - MET compliance improvement efforts
    - Agency technical assistance, such as for the FSRP process
    - PRB website review project
    - Intensive studies:
        - Chapter 810 special district retirement systems
        - FSRP submission timeline