

TEXAS PENSION PLANS

Retired State Workers Urge State Leaders to Hike Pensions

September 5, 2019, By Julie Chang

More than 50 legislators in total have written letters to the Legislative Budget Board, of which Gov. Greg Abbott, Lt. Gov. Dan Patrick and House Speaker Dennis Bonnen, R-Lake Jackson, are members, asking for relief for retired state workers, according to the Texas State Employees Union.

The Legislature this year approved spending \$1.1 billion over the next two years to shore up the retired teachers' pension system and distribute a one-time payment of up to \$2,000 to all retired teachers and school employees.

[Austin American-Statesman](#)

Texas Municipal's Returns Top Benchmarks for Year and More

September 5, 2019, By Christine Williamson

Texas Municipal Retirement System's preliminary net returns were above the pension fund's benchmark for reporting periods ended June 30, an investment report showed.

For the year ended June 30, the preliminary net return for the \$30 billion Austin-based retirement system was 5.4% compared with 5.3% for the benchmark. Preliminary net annualized returns for longer periods were 7.9% for three years (benchmark, 7.5%); five years, 5.4% (5.2%); seven years, 6.8% (6.6%); 10 years, 7.1% (6.8%); and 15 years, 6.9% (6.3%).

[Pensions & Investments](#)

Taxpayer-Funded TRS Won't Say How Much It's Spending on Office Space

September 6, 2019, By Bob Sechler

When construction of what will be the tallest office tower in downtown Austin is finished in 2021, the taxpayer-funded state agency charged with overseeing retirement benefits for about 1.6 million Texas teachers and school employees will be among the first tenants moving in.

But the cost to taxpayers for the high-profile office space isn't publicly known, because the Teacher Retirement System of Texas has been successful so far in its legal effort to withhold the information from the American-Statesman and keep secret how much it has agreed to pay for the estimated 100,000 square feet it has leased there.

Advocates for government transparency contend such a basic detail about a state agency's operations — how much it pays in office rent — is fundamental public information that taxpayers have a right to know.

[Austin American-Statesman](#)

Hughes Named Chairman of Senate State Affairs Committee

September 7, 2019, By Glenn Evans

Lt. Gov. Dan Patrick on Thursday tapped East Texas state Sen. Bryan Hughes to lead the State Affairs Committee in the Texas Senate.

The appointment is a promotion for the Mineola Republican, who served as vice chairman of the committee during the 86th legislative session that ended Memorial Day.

State Affairs is tasked with leadership on several topics including conduct of elections, oversight of public pensions and the operations of state and local government.

[Kilgore News Herald](#)

TEXAS ECONOMIC INDICATORS

Texas Poverty Rate Sees Slight Fall Even as U.S. Household Incomes Stagnate

September 10, 2019, By Erin Douglas

Poverty rates fell in Texas and throughout the nation in 2018 thanks to a strong national economy and tighter labor market, the U.S. Census Bureau reported Tuesday.

The national poverty rate fell half a point to 11.8 percent in 2018 from 12.3 percent the year earlier. Despite the modest decrease, U.S. households did not see significant gains in wages and salaries last year, with Southern states in particular struggling with higher poverty rates and sluggish growth in household incomes.

[Houston Chronicle](#)

Saudi Energy Minister Switch Could Help Texas Oil Sector

September 10, 2019, By Jordan Blum

The House of Saud is losing its Aggie connection, but Saudi Arabia's abrupt change in its energy ministry leadership on Sunday could bring stronger crude prices for the Texas oil sector.

In the wake of the ouster of Khalid Al-Falih, chairman of state-owned Saudi Aramco and a Texas A&M engineering graduate, crude prices jumped Monday, with traders believing that existing production cuts will be extended through 2020 and that additional cutbacks could be made.

Al-Falih, who had led the ministry for three years and guided recent OPEC agreements to reduce oil production volumes, arguably helped prevent another oil bust. But his leadership didn't trigger the higher oil prices that the Saudi king and crown prince desire.

[Houston Chronicle](#)

Dallas Fed: Austin Economy Continues Boom

September 11, 2019, By Bob Sechler

Underline “resilient” in the list of adjectives that describe Austin’s strong economy, because the local boom has yet to show signs of ebbing despite the ongoing U.S.-China trade war, early indications of a manufacturing slowdown nationally and growing fears of a possible recession.

A key measure of the economy in the Austin metro area, called the Austin business-cycle index, grew at an annualized pace of 8.5% in July, according to a new report from the Federal Reserve Bank of Dallas, a rate that has held largely steady since April but that previously hasn’t been reached since late 2015. The recent growth is well above a rate of 7.2% in July 2018 and the index’s long-term average of 6%.

“Generally, the numbers look quite good” for Austin, said Christopher Slijk, a Dallas Fed economist. “There is a lot of (business) activity and a lot of demand.”

[Austin American-Statesman](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Tax Foundation: Wisconsin Public Pensions Best Funded in U.S.

September 4, 2019, By The Center Square

Wisconsin's public pension plan is the best funded in the nation, according to a new analysis from the Tax Foundation on Fiscal Year 2017 data.

The state’s pension fund is 103 percent funded, the Tax Foundation study found. The percentage was calculated by comparing the market value of the pension fund’s assets to its accrued pension liabilities.

[The Center Square](#)

Colin McNickle: An Early Look at PA’s Public Pension Reform

September 10, 2019, By Colin McNickle

Public employee pension reform now is in full bloom in Pennsylvania. But if the limited data available from the first of two groups is any indication, there hasn’t been any rush by employees — new or old — to embrace defined-contribution plans, suggests an analysis by a researcher at the Allegheny Institute for Public Policy. And even with reform, some school taxes continue to rise.

Act 5 of 2017 places new state and public-school employees into one of two hybrid plans that combine elements of the defined-benefit and defined-contribution plans or a straight defined-contribution plan.

“Hybrid plans combine aspects of defined benefit (based on a formula that considers compensation, years of service and age) and defined contribution (based on money that accumulates in an account with contributions from employer and employee and investment performance) plans,” explains Eric Montarti, research director.

[Trib Live](#)

Public Employees Being Asked to Bear More Pension Burden, Risks

September 12, 2019, By Michael Katz

The burden and risk of state pension plans are increasingly being shouldered by employees, according to the National Association of State Retirement Administrators (NASRA), which reported that more than 70% of US states raised rates for employee contributions in the past 10 years.

According to an issue brief published by NASRA, the number of state and local government employees required to contribute to the cost of their pension benefit has grown in recent years as most states that previously administered non-contributory plans now require workers to contribute. It also said that many employees are also being required to contribute more toward the cost of their retirement benefit than in the past.

Chief Investment Officer

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