

TEXAS PENSION PLANS

How the Texas Teacher's Retirement System Could Change After the 87th Texas Legislative Session

February 4, 2021, By Joel Leal

With the State of Texas facing shortages in teachers, substitutes, bus drivers, and overall faculty due to the ongoing pandemic. Some may wonder, what bills are being filled on behalf of Texas education workers?

While legislatures have until March 12. to file, 25 News KRHD took a closer look at the 87th Texas Legislative Session taking place, right now, in the State's capital.

[KXXV](#)

Congressional COVID Relief Package Could Help Texas Bolster Pension Funds for Teachers, State Workers

February 8, 2021, By Robert T. Garrett

With President Joe Biden and a Democratic-controlled Congress moving ahead on a coronavirus relief package, Texas budget writers are beginning to look at how they might use federal funds for one-time "investments," such as bolstering pension funds for retired teachers and state workers.

At a hearing Monday that kicked off the Senate Finance Committee's deliberations on the next two-year state budget, Brenham Republican Lois Kolkhorst was one of several senators probing the future after the COVID-19 pandemic, including whether changes in how Texans shop and drive will become permanent.

[The Dallas Morning News](#)

Finance Committee Considers State Pension Funds

February 10, 2021, By Texas Senate News

The state employee pension fund is on track to run out of money by 2061, according to testimony offered before the Senate Finance Committee Tuesday. The Employee Retirement System (ERS) of Texas currently has unfunded liabilities of \$14.7 billion, and agency director Porter Wilson told senators that without legislative action, the liability is projected to grow more than a billion dollars each biennial budget cycle.

Comptroller Glenn Hegar took time out of his own agency presentation on the Office of the Comptroller to highlight the impact of this liability, which he fears could put the state's perfect credit rating at risk. "The rating agencies are consistently and continually giving fair notice that these issues are weighing on Texas' rating," he said.

[The Huntsville Item](#)

TEXAS ECONOMIC INDICATORS

Texas Leads the Nation as No. 1 State in Exports for 19th Consecutive Year

February 8, 2021, By Texas Economic Development Corporation

Texas ended 2020 as the No. 1 exporting state in the United States for the 19th consecutive year, more evidence of the strength and resilience of the state's economy, said Robert Allen, president and CEO of the Texas Economic Development Corporation.

"Texas has developed a remarkable track record of economic achievement," Allen said. "Texas is and has been the No. 1 exporting state in the nation, the best state business climate, and the world's ninth largest economy. Even with all the challenges we faced in 2020, we are still outpacing the competition in exports — handily, I might add — that's a really good sign."

[PR Newswire](#)

Fiscal Outlook Better Than Expected as Texas Senate Opens Budget Process

February 9, 2021, By Richard Lee

The state will be in much better financial shape than it appeared last summer, and could even end the current biennium with money in the bank, according to Senate Finance Chair and Flower Mound Senator Jane Nelson. "Who could have imagined that," she said.

Last July, there were indications that lawmakers could be facing a shortfall approaching \$5 billion dollars, but better-than-expected sales tax collections, federal aid funds and cuts to state agencies could leave state ledgers in the black when the fiscal biennium for 2020-2021 ends in September. The budget bill laid out before the Senate Finance Committee on Monday would appropriate \$119.7 billion in state revenue for the 2022-2023 biennium.

[Texas Senate News](#)

Our K-Shaped Recovery: Dallas Has Regained Almost All Its Lost Jobs of the Past Year -- if You Exclude Leisure and Hospitality Losses

February 9, 2021, By Mitchell Schnurman

The pandemic economy has created sharply uneven outcomes, devastating some industries and families while improving the prospects for others.

The recovery is proceeding in a similar K-shaped fashion with some job sectors mired in high unemployment while others are posting strong growth.

Such disparities extend to regions, too. Consider this: By the end of December, the Dallas-Plano-Irving metro division had recovered nearly all its lost jobs over the previous 12 months -- if the hard-hit leisure and hospitality sector were excluded.

[The Dallas Morning News](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Public Pensions Increasingly Rely on Investment Earnings

February 5, 2021, By Michael Katz

Public pension funds derived 71% of their revenue from their investment earnings last year, up from 69% in both 2019 and 2018, according to an annual study from the National Conference on Public Employee Retirement Systems (NCPERS).

Employer and employee contributions made up the rest of the revenue, accounting for 20% and 9%, respectively. The share of revenue from employer contributions declined from 22% in 2019, while the share of revenue from employee contributions remained unchanged.

The study was based on responses from 138 state and local pension systems that have approximately 12.8 million active and retired members, and assets of more than \$1.5 trillion in actuarial and market value. Among the responses, 51% were from statewide pension systems, while 49% were from local pension systems.

[Chief Investment Officer](#)

North Carolina Lowers Assumed Rate of Return for State Pensions to 6.5%

February 5, 2021, By Michael Katz

The \$116 billion North Carolina Retirement Systems has lowered its assumed rate of investment return for the third time in four years, cutting it by 50 basis points (bps) to 6.5% from 7% annually.

The target return had already been reduced to 7.2% from 7.25% in 2017 and again in 2018 to 7%. Prior to then, the rates had been left unchanged for nearly six decades even though the two main state pension funds—the Teachers' and State Employees' Retirement System and the Local Government Employees' Retirement System—have, on average, underperformed their assumed rates of return over the past 20 years. In fact, the new target rate of 6.5% is still higher than the fund's estimated 20-year return of 6.28%.

[Chief Investment Officer](#)

Lawmakers Vote to Revamp Kentucky Teachers Pension Plan

February 8, 2021, By Rob Kozlowski

The Kentucky House of Representatives voted to approve a bill that would move participants in the Kentucky Teachers' Retirement System, Frankfort, to a hybrid plan. The House voted 68-28 in favor of the bill, which creates a tier for teachers hired after Jan. 1, 2022.

The changes for teachers hired after Jan. 1 creates "a true hybrid plan," Rep. C. Ed Massey said. "There's a defined benefit component and a defined contribution component. The idea is the defined benefit piece is a Social Security replacement, and the defined contribution piece becomes portable so it gives new hires the opportunity to move back and forth," Mr. Massey said.

[Pensions & Investments](#)

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