

## TEXAS PENSION PLANS

### **Texas Pension Woes: Policy Study**

April 2021, By Dennis W. Jansen, Liquun Liu, Carlos Navarro, & Andrew J Rettenmaier

“State and local pension plans in Texas are underfunded. Their assets were less than their liabilities by \$86 billion in 2019 and the funding ratio of their assets to liabilities was 77%. The situation in Texas is not unique; nationally the funding ratio in 2018 was 71%.

“Pension benefits promised to state and local government retirees are essentially risk-free payments each month...For this type of liability, the appropriate, or realistic, discount rate is the risk-free rate on a government bond. Lower discount rates produce higher estimates of the plans’ liabilities.”

### **[TAMU Private Enterprise Research Center](#)**

### **Neither Fix Needed for Texas Teachers’ Pension Plans Costs Anything. We Just Need Legislators’ Help**

April 11, 2021 By Scott Burns

“We need to strengthen education in this state at every level. If we don’t, we’re heading for a failure of our human capital grid. Skeptics need only check our projected population growth and the capacities of our education system, from kindergarten through graduate school.

“To that end, there are two concrete, not pie in the sky, things we can do. They won’t solve the whole problem, but they will make a measurable difference in the future... The first step is to top the fee and expense hemorrhaging at the Teacher Retirement System... Next, we need to pass expense reforms for Texas teacher 403(b) plans.”

### **[The Dallas Morning News](#)**

### **Governor Abbott Reappoints Pharr Assistant City Manager to TMRS Board of Trustees**

April 14, 2021, By Valley Central Staff

“On Wednesday the City of Pharr announced that Governor Greg Abbott reappointed Assistant City Manager Anali Alanis to the Texas Municipal Retirement System (TMRS) Board of Trustees.

“Alanis was initially appointed in February 2020 by Governor Abbott. With the reappointment, her term will expire in February 2027, said the release.”

### **[Valley Central](#)**

# TEXAS ECONOMIC INDICATORS

## **Cautious Optimism for Once-Booming Texas Economy**

April 13, 2021, By John Mark Dempsey

Audio Recording (6:35 mins) – “Dr. Dale Funderburk, Northeast Texas economist, reflects on the cautiously optimistic assessment of the Texas economy by the Dallas Federal Reserve Bank. The report shows a strong resurgence of manufacturing activity in Texas, but employment is a highly variable picture from city to city. While oil prices are surging, the cause may be lower supply due to more restrictive regulations, Dr. Funderburk says.”

[KETR 88.9](#)

## **Texas Power Conservation Alert Raises Alarm Across Texas**

April 13, 2021, by Scott Friedman

“Just two months after massive power outages shut down the state, the Texas Electric Reliability Council issued an alert Tuesday afternoon asking Texans to conserve electricity over concerns there might not be enough power to meet demand.

“That alert also raised concerns about whether the state's recently unreliable power grid is really ready for summer because it came on a spring day with fairly moderate temperatures. No sizzling triple-digit heat. No winter storm.”

[NBCDFW](#)

## **Beyond Pension Debts, Texas owes \$110.8 Billion in Public-Employee Retirement Benefits**

April 14, 2021, By The Center Square Staff

“Net liabilities in Texas for so-called other post-employment benefits (OPEBs), which consist mainly of health care obligations to retired public employees, stood at about \$110.8 billion in fiscal-year 2019, according to a new analysis from the Reason Foundation.

“With a population of 28,995,881, the state posted a per-capita OPEB liability of \$3,821, which represents the 13th highest value among the 50 states and the District of Columbia, the Reason study found... In total, these liabilities amount to 6 percent of the U.S. gross domestic product, the researchers said. These debts are also geographically concentrated, with 15 government jurisdictions representing 50 percent of the total, the study found.”

[The Center Square](#)

# NATIONAL PENSION, INVESTMENTS & LEGAL

## **Florida Senate Bill Seeks to Close State Pension Plan to Most New Hires**

April 9, 2021, By Rob Kozlowski

“Florida's Senate approved a bill that would close the \$183.1 billion Florida Retirement System Pension Plan to most new hires...The bill, approved Thursday 24-16, would close the defined benefit plan to most new hires starting June 30, 2022 and automatically enroll them in the Florida Retirement System Investment Plan, the state's \$15.3 billion 401(a) plan.

“Senate President Wilton Simpson issued a news release Thursday citing the Florida Retirement System's funding ratio as a reason for the reform bill. According to FRS' most recent actuarial valuation as of July 1, its funding ratio was 82%.

### [Pensions & Investments](#)

## **PSERS and Its Troubles: A Guide to the Woes Facing Pa.'s Biggest Pension Plan**

April 11, 2021, By Joseph N. DiStefano & Craig R. McCoy

“For the last month, the state's largest pension fund has been embroiled in a scandal of its own making...The fund's board admitted on March 12 that it had made a potentially costly mistake, endorsing an inflated figure for its return on investments, an error that could affect future funding for one of the state's most expensive programs.

“The \$64 billion plan's woes deepened later in the month when The Inquirer reported that the FBI had been looking into the fund. On Friday PSERS confirmed it faces a federal grand jury probe.”

### [The Philadelphia Inquirer](#)

## **New York State Pension Fund Pulls Out of Oilsands**

April 13, 2021 By Carl Meyer

“The third-largest public pension plan in the United States said Monday it would divest from some of Canada's largest oilpatch companies, arguing they failed to show they are “prepared for the transition to a low-carbon economy.”

“New York State's decision comes after New York City announced in January 2018 that it would be divesting city funds from fossil fuel reserve owners. In January, the city's largest pension funds also voted to divest from about US\$4 billion in fossil fuel-related securities.”

### [Canada's National Observer](#)