

TEXAS PENSION PLANS

Infinity Q Capital to Liquidate Hedge Fund Due to Mispricing

April 23, 2021, By Christine Williamson

“The liquidation of a hedge fund run by troubled manager Infinity Q Capital Management LLC could impact some asset owners because of potential losses from the same mispricing suffered in the firm's mutual fund, said investment consultants who asked not to be named.

“The \$34.5 billion Texas Municipal Retirement System, Austin, invested \$125 million in the Infinity Q volatility hedge fund in 2019.”

[Pensions & Investments](#)

Texas Senate Approves Overhaul of Pension Plans for New State Employees

April 28, 2021, By Shawn Mulcahy

“A plan to overhaul the pension for Texas’ future state employees and shore up billions of dollars in unfunded obligations owed to retirees advanced out of the Texas Senate on Wednesday.

“Republican State Sen. Joan Huffman’s proposal to revamp the Texas Employees Retirement System moved forward by a 19-12 vote, despite fierce opposition from some state workers’ unions. Senate Bill 321 would enroll new state workers hired after Sept. 1, 2022 in a cash balance plan...”

[Texas Tribune](#)

Longview ISD Looks for Savings in Retire-Rehire Policy

April 29, 2021, By Kristen Barton

“Longview ISD officials are looking to save hundreds of thousands of dollars a year by possibly changing how the district rehires retired educators.

“Assistant Superintendent James Hockenberry presented a report at Wednesday’s board meeting that said in September 2005, the Teacher Retirement System of Texas started applying a 14.5% surcharge to districts for hiring retired educators who returned to teaching full-time. That amount has increased and will continue to do so, he said.”

[Longview News Journal](#)

TEXAS ECONOMIC INDICATORS

Report: Austin-Round Rock Area is No. 2 Merging Housing Market in the U.S.

April 27, 2021, By Britny Eubank

“The Austin-Round Rock area is the No. 2 emerging market in the U.S. according to The Wall Street Journal and Realtor.com's new housing index..

“The top 20 markets have seen home prices increase by 21% on average in the last year, compared to an average of 14% across all markets, according to the press release. The top emerging markets also have lower levels of unemployment on average and the median wages are slightly above average.”

[KVUE](#)

ERCOT Hires Interim CEO and President as Major Grid Reforms Stall in Legislature

April 28, 2021, By Garrett Golding, Anil Kumar, & Karel Mertens

“Though the cost of annual preparations for extreme and relatively infrequent weather events has proven difficult for policymakers and industry to justify, the shocking aftermath of the February freeze and the resulting widespread power outage demands a careful re-examination.

“The Federal Reserve Bank of Dallas’ analysis indicates winterizing for extreme winter weather events appears financially reasonable...Early estimates indicate that the freeze and outage may cost the Texas economy \$80 billion–\$130 billion in direct and indirect economic loss. These initial calculations come with significant uncertainty. Estimates of insured losses, which are easier to quantify, range from \$10 billion to \$20 billion.”

[SM Corridor News](#)

Recovery Outlook Brightens for Texas Manufacturing, Service Employers

April 27, 2021, By Lori Hawkins

“The Texas manufacturing and service sectors continued to bounce back in April amid the COVID-19 vaccine rollout and the reopening of the economy...That’s the takeaway from two recent Federal Reserve Bank of Dallas surveys, which show both sectors growing at a solid clip.”

“‘Recovery in the Texas manufacturing sector remains in high gear, with measures of demand, employment, wages and prices reaching new highs in the survey’s 17-year history,’ said Emily Kerr, Dallas Fed senior business economist. ‘With this on the heels of other headline indexes reaching historical highs last month, it seems we are seeing unprecedented growth in Texas manufacturing.’”

[Dallas Morning News](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Do Public Workers Without Social Security Get Comparable Benefits

April 2021, By Laura D. Quinby, Jean-Pierre Aubry, & Alicia H. Munnell

“One-quarter of state and local government employees – approximately 6.5 million workers – are not covered by Social Security on their current job. To remain outside of Social Security, federal law requires that these employees be covered by an employer pension of sufficient generosity. Since many public pensions have grown less generous in recent years and a few plans could exhaust their assets, the question is whether state and local plans currently satisfy the federal standards.”

[Boston College](#)

KY Pension Agency Must Release Report on Possible Improper Activities, Judge Orders

April 23, 2021, By John Cheves

“Kentucky’s state pension agency has paid \$1.2 million to a New York law firm to investigate ‘any improper or illegal activities’ in its billions of dollars in controversial hedge fund investments...A final report on the investigation was supposed to be published earlier this month...Board members won’t discuss the report publicly... a Frankfort judge has given the KPPA until May 17 to share a final copy of the investigative report with Attorney General Daniel Cameron’s office or else face penalties in his courtroom.

[Lexington Herald Leader](#)

Pennsylvanians Pay Extra for Public Pensions

April 24, 2021, By Joseph N. DiStefano

“Forced to cover the higher pension checks, state and local taxpayer funding for PSERS, the big retirement plan for public-school educators, has risen year after year, soaring from just over \$600 million in 2010 to \$5 billion this year.”

[The Philadelphia Inquirer](#)

Bonds Beat Stocks at Pension Funds, Turning 60/40 Inside Out

April 28, 2021, By Liz McCormick & Lu Wang

“The debate over the traditional 60/40 portfolio seems endless, but for pensions at least, it’s over -- and bonds won...The retirement funds of the top 100 U.S. public companies, with combined assets of about \$1.8 trillion, have ratcheted up their fixed-income allocations to a record level. At the end of their last fiscal year, they held 50.2% of assets in debt, while slashing money parked in equities to an all-time low of 31.9%, according to a recent report from pension advisory firm Milliman Inc.

“Pension funds tend to follow a strategy of matching liabilities -- which are usually long term -- with similar maturity assets, usually debt. Even though rising yields can hurt returns in the short-run, they’re a plus since they can help reduce the present value costs of obligations.”

[Chief Investment Officer](#)

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