

TEXAS PENSION PLANS

Opinion: State Workers Deserve A Retirement They Can Count On

May 8, 2021, By Tanisha Woods

“The Texas power failure and COVID-19 pandemic have been hard on all of us. Correctional officers experience even greater risks. Poor conditions at state facilities have gotten workers and inmates sick. It’s a hard job. Few folks understand the work we do day-to-day. But we do it with pride because of our duty to our community and a promise from our state...We’re calling on the Texas Legislature to fulfill their obligations: Pass a bill that pays down unfunded liabilities and maintains our current defined-benefit pension structure for all state employees, present and future. It’s time for Texas to honor our public servants with a retirement they can count on.”

[Austin American Statesman](#)

Texas’ Ban on Investment Managers that Eschew Oil and Gas Does No Favors For Its Retirees

May 10, 2021, By Ike Brannon

“To be sure, many investment funds that eschew fossil fuel stocks may be sacrificing returns, but others may be offering a portfolio that provides the Texas pension funds a way to effectively diversify its portfolio to lessen the impact that a long-run decline in the value of oil and gas might have on pension balances...The House bill contains an amendment which says that the requirement would not apply if the fund determines that doing so would be inconsistent with its fiduciary duties, but that provision would create an additional hurdle for its fund managers, who would potentially have to justify to legislators why they remained in certain “green” funds and discern whether their exclusion of fossil fuels harmed returns.”

[Forbes](#)

State Employees Unions Look Askance at Texas Lege’s Pension Changes

May 14, 2021 (sic), By Kimberly Reeves

“The 87th Texas Legislature's proposal to shore up the state's pension fund is getting a hard pass from the unions representing many state employees, who say a so-called cash balance plan is one step shy of tossing out pensions in favor of 401(k) plans...During Senate floor debate on her bill, Huffman rejected the idea that the state's pensions have incentivized longevity in employment...‘Most Group 3 members have already left state employment. And that group was created in 2013. That highlights the fact that the Group 3 retirement package is not incentivizing employees to remain working for the state of Texas.’”

[The Austin Chronicle](#)

TEXAS ECONOMIC INDICATORS

Texas Economic Activity Springs as Growth Strengthens

May 6, 2021, By Anil Kumar & Judy Teng

“Economic activity in Texas accelerated sharply in March, according to recent data that also indicate a continuation of the strong momentum. Fiscal stimulus, greater mobility and increasing COVID-19 vaccinations are driving the improving outlook.

“Also notably, while Texas leads the nation in this year's pandemic employment recovery overall and in most service sectors, it lags in the goods-producing sectors of manufacturing, construction and energy. The significant March employment gains in Texas' goods-producing sectors helped close the gap in the recovery vis-à-vis the U.S., a difference that will narrow in the future.”

[Dallas Fed](#)

Texas gets \$15.8B Bonanza In Pandemic Aid, Far More Than It Lost in Revenue

May 10, 2021, By Todd J. Gilman

“Texas stands to receive a \$15.8 billion windfall – far more than the roughly \$4 billion the state lost as COVID-19 sent economic shudders across the globe, according to an analysis from the nonpartisan Tax Foundation...Texas counties will share about \$5.7 billion, and cities will get \$3.4 billion.

“But Congress set some limits, and White House and Treasury officials emphasized Monday that the funds can't be used to replace revenue lost through tax cuts...Other no-nos for the aid: shoring up pension funds, making debt payments, paying for lawsuits, or replenishing rainy day funds.”

[Dallas Morning News](#)

What Does the Colonial Pipeline Cyber Attack Mean for Texas' Economy

May 10, 2021, By John Engel

“A prolonged shutdown of the Colonial Pipeline — shuttered after falling victim to a ransomware attack on Sunday — could send ripple effects through the Texas economy, according to energy experts.

“‘There could be some sizable bumps in the road until it all smooths out,’ De Haan said, adding that gas price may even decrease in Texas over the coming days. ‘A lot of this relies on the wheels in the cog moving and now we have one of the biggest wheels frozen in position.’”

[KXAN](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Public Pensions Won't Earn as Much From Investments in the Future. Here's Why That Matters

May 10, 2021, By Andrea Riquier

“State pension systems dropped the rate of return they assume for their investment portfolios again, continuing a two-decade long trend that public-finance experts say is necessary, even as it presents some challenges for the entities that participate in such plans... All else equal, if a pension system is assumed to earn less from investing, that means it must take in more from municipal employees and employers. Every year, pension system actuaries calculate that amount and translate it into the ‘bill they send to the city.’”

[Market Watch](#)

F.B.I. Asking Questions After a Pension Fund Aimed High and Fell Short

May 11, 2021, By Mary Williams Walsh

“The search for high returns takes many pension funds far and wide, but the Pennsylvania teachers’ fund went farther than most. It invested in trailer park chains, pistachio farms, pay phone systems for prison inmates — and, in a particularly bizarre twist, loans to Kurds trying to carve out their own homeland in northern Iraq.

“Now the F.B.I. is on the case, investigating investment practices at the Pennsylvania Public School Employees’ Retirement System, and new questions are emerging about how the fund’s staff and consultants calculated returns.”

[The New York Times](#)

To Pay \$79 Million Owed to Retirement Fund, Montclair Turns to Pension Bonds

May 10, 2021, By Steve Scauzillo

“Last week, after considering the move for more than three years, the [Montclair, Calif.] City Council voted unanimously to begin the process of issuing pension obligation bonds, a financing method that lowers the interest rate on the amount back-owed to the California Public Employees’ Retirement System, while saving the city \$30 million over the next 25 years.”

[Daily Bulletin](#)

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