

TEXAS PENSION PLANS

TRS Board Discusses Premium Raises, New Rules from the Legislature

June 7, 2021 By Texas AFT Newsroom

“The Teacher Retirement System of Texas’ Board of Trustees held a special meeting this past Thursday to address several statutory changes resulting from legislation passed during the 87th session. The board also announced now customary bad news: Premiums from the upcoming year are expected to rise... Of the changes introduced by the Legislature, the most notable are the creation of a TRS ombuds role and new rules regarding districts of innovation (DOIs).

“The TRS board plans to amend its bylaws to account for the ombuds at its July meeting to make way for hiring a permanent ombuds at its September meeting.”

[Texas AFT](#)

Texas Comptroller Glenn Hegar Certifies 2022-23 State Budget

June 8, 2021, Contacts: Christ Bryan & Kevin Lyons

[Press Release] — “Texas Comptroller Glenn Hegar today announced his certification of Senate Bill 1, the general appropriations act that was approved by both houses during the recently gaveled regular session of the 87th Texas Legislature. The bill now heads to the desk of Gov. Greg Abbott.

“Hegar also commended the Legislature for approving legislation to revamp the state’s power grid following February’s deadly winter storm and for overhauling pension funds for future state employees by putting them into a new cash balance plan. Pension legislation will also require the state to make annual amortization payments to the Employees Retirement System (ERS) to pay down existing unfunded liabilities.”

[Texas Comptroller](#)

Brookfield Property REIT taps CMBS Market for Utah’s Fashion Place Mall

June 9, 2021, By Alicia McElhaney

“Brookfield Property REIT and the Teacher Retirement System of Texas (TRST), the state’s largest public pension system, have financed a portion of a 1 million-square-foot mall in Utah with a \$290 million commercial mortgage-backed securities (CMBS) loan, according to information from Moody’s Investors Service.

“The three-year, first-lien mortgage loan refinanced existing debt on Brookfield and TRST’s Fashion Place shopping center in Murray, Utah. The floating-rate and interest-only loan was originated and sold by Barclays and Morgan Stanley, and it includes two one-year extension options, per Moody’s.”

[Commercial Observer](#)

TEXAS ECONOMIC INDICATORS

One Region, Two Economies: As Dallas-Fort Worth Aims for a Record Recovery, the Pandemic Deepens the Divide Between Haves and Have-nots

June 6, 2021, By Mitchell Schnurman

“Demand is surging for certain high-skilled positions in Dallas and pay is rising sharply, Denton said. But the outlook isn’t uniform, just as the pandemic’s impact hasn’t been... A group of white-collar workers in fields such as management, computers, architecture and engineering had an average salary of \$94,000 — and an unemployment rate of just 3.1%...A group of blue-collar employees in food preparation, personal care and building maintenance earned an average of \$28,000 — and had an unemployment rate near 10%.

[Dallas Morning News](#)

Growth Slows for Texas Manufacturing, Service Sectors

June 8, 2021, By Andrea Klick

“The Texas economy continued its recovery in May amid COVID-19 vaccination efforts and business reopenings across the state, according to a pair of monthly surveys from the Federal Reserve Bank of Dallas...The uneven nature of the recovery is not surprising as the Texas economy continues to recover from the pandemic, said Emily Kerr, a senior business economist with the Dallas Fed.”

[Austin American Statesman](#)

Texas 4-H Roundup Providing Big Economic Boost to B/CS Heading into Summer

June 8, 2021, By Andy Krauss

“The Texas 4-H Roundup is back in town, bringing roughly 1,300 of its competitors and their families along with it...The largest youth development program in Texas is having big impacts on the local economy after its annual statewide competition was canceled last year. It signals things are getting back to normal just in time for summer.”

[KBTX](#)

Post-Winter Storm Struggles Continue for Texas Public Power Utilities

June 8, 2021, Contacts Kathy Masterson & Dennis Pidherny

“Credit implications of the winter storm event in Texas are negative for the public power sector, but the extent varies widely, according to a new Fitch Ratings report...Fitch placed the ratings of 19 ERCOT-based utilities on Rating Watch Negative shortly after the storm, downgrading five and affirming five so far. Fitch expects to resolve the Negative Rating Watch on the remaining utilities and electric cooperatives by the end of summer.”

[Fitch Ratings](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

2021 Update: Public Plan Funding Improves as Workforce Declines

June 2021, By Jean-Pierre Aubry & Kevin Wandrei

[Issue Brief] — “When our last update on state and local pension funding was released in May 2020, public finance experts were projecting declines in government tax revenue due to the economic fallout from the pandemic, and investment experts were cautious about the stock market after the March crash...the stock market has recovered mightily from the March 2020 lows and reports show better-than-expected revenue for state and local governments. Yet, one other disruption from the pandemic – a dramatic reduction in the size of the state and local workforce – may have negatively impacted public pension finances.”

[Boston College](#)

In a Revolt, Dissidents on PSERS Board Lobby Colleagues to Fire the Fund’s Leaders and Set a New Investment Strategy

June 9, 2021, By Joseph N. DiStephano, Craig R. McCoy, & Angela Couloumbis

“A dissident group of trustees for Pennsylvania’s largest pension fund on Wednesday was seeking to gain majority support to fire the retirement plan’s chief executive and top investment officer, as the fund grapples with an FBI investigation and management mistakes.

“The dissidents have drafted and are circulating a detailed seven-page letter castigating the investment strategy and governance of Glen Grell, the former Republican state legislator who leads the PSERS fund, and investment chief James H. Grossman Jr., a fund veteran who is the highest-paid employee in state government.”

[The Philadelphia Inquirer](#)

Private Equity and Hedge Fund Firms Invested Pension Cash for Retired Ohio Teachers. Here’s What Happened.

June 9, 2021, By Gretchen Morgenson

“In 2017, The State Teachers Retirement System of Ohio, or STRS, pension plan eliminated an annual cost-of-living increase. Since then, recipients have had not increase in payments while prices have risen by 8 percent...The analysis commissioned by the Ohio Retired Teachers Association... says the fund’s holding are opaque and carry high fees on actively managed portfolios – some estimated at 2 percent, far more than the low-cost market index funds that are run by companies like Vanguard and Fidelity, which millions of U.S. consumers use without a money managers advice.”

[NBC News](#)

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