

TEXAS PENSION PLANS

Investors Look Beyond the Pitchbook to Assess Managers

June 18, 2021, By Preeti Singh

“Investors such as Mr. Harris typically can access reams of data about a potential manager’s investment record, but parsing the personalities or professional integrity of the people who shape that management firm’s culture is trickier. Limitations on travel and in-person meetings stemming from the coronavirus pandemic complicated that task, but fund managers found ways to analyze the character of prospects. These tactics are likely to stick even as the economy reopens and investors re-evaluate their business travel.

“In recent years, some investors, including the Texas Municipal Retirement System, have turned to online personality tests or similar types of aptitude assessments to help them understand a manager’s mind-set.”

[The Wall Street Journal](#)

Opinion—These States Lead the Way on Pension Reform

June 18, 2021, By Leonard Gilroy & Steven Gassenberger

“In Texas, the state Legislature passed a major pension reform that tackles the Employees Retirement System of Texas’ nearly \$15 billion in pension debt. The ERS serves more than 300,000 current and retired Texas government workers.

“The reform legislation commits Texas to paying the bill for retirement benefits promised to workers by shifting the ERS to actuarially based funding and a fixed payoff schedule. The new law also enters all future employees into a new low-risk “cash balance” retirement plan that provides a guaranteed minimum 4% return on investment along with the portability of a 401(k).”

[The Wall Street Journal](#)

Governor Abbot Vetoes HB 3207 (87R)

June 21, 2021, Legislative Veto Statement

“The Teacher Retirement System of Texas relies on a sophisticated set of rules to ensure that current and former teachers’ pension funds are protected, and a key component of that is an “Employment After Retirement” policy that triggers penalties if a retired school employee returns to service in violation of the rules. House Bill 3207 would dismantle that careful architecture, eliminating penalties for violations in any area subject to any disaster declaration.”

[Office of the Texas Governor](#)

TEXAS ECONOMIC INDICATORS

Texas Adds Over 34,000 Jobs in May as Choppy Recovery Continues

June 18, 2021, By Mitchell Schnurman

“Texas added 34,400 nonfarm jobs in May as the economic recovery continued at a choppy pace, and the state’s unemployment rate ticked down to 6.5%, the Texas Workforce Commission reported on Friday.

“Job gains in May were more than double the hiring in April, but the percentage increase in Texas was smaller than what the U.S. reported for the same month. Texas’ job numbers in May were also far short of the 109,700 employees added in March.”

[The Dallas Morning News](#)

Texas Gov. Greg Abbott Sets Jul 8 Date for Special Legislative Session on Voting Bill, Other Issues

June 22, 2021, By Cassandra Pollock

“Gov. Greg Abbott has set a special session of the Texas Legislature starting July 8, his office announced Tuesday.

“Abbott’s office did not specify what legislative priorities will be included on the special session agenda and said in an advisory that such items ‘will be announced prior to the convening of the special session.’ Abbott has already said that he plans to ask state lawmakers to work on two priority elections and bail bills that died in the final hours of the regular legislative session after House Democrats walked out of the chamber.”

[Texas Tribune](#)

Texas Among States Helping Unemployed Parents Pay for Childcare While They Search for Work

June 23, 2021, By CBSDFW.com Staff

“The Texas Workforce Commission last week approved opening up its childcare subsidy program to out-of-work parents seeking employment. It had previously been limited to those who are working or participating in education or training programs.

“The jobless who are actively searching for work can receive assistance for up to three months. Their copays will be waived until they start a job. The measure, which is being funded by a federal grant, begins July 1 and runs through September 30, 2022. A lack of childcare is frequently cited by unemployed parents as a major barrier to returning to the workforce, the commission said.”

[CBS DFW](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

These Public Pension Systems used to Have Too Much Money. Now They're in Crisis. What Happened?

June 23, 2021, By Katie Marriner & Andrea Riquier

“The plan serving Kentucky state workers, for example, was 125.8% funded, meaning it had 25.8% more money on hand to pay all of what it owed current retirees and workers expected to retire for the next 30 years. But not even two decades later, Kentucky’s pensions, and some other previously over-funded plans, were in crisis. What happened?”

“In Kentucky, lawmakers approved extra benefits for plan participants — even making them retroactive. There and in other states, legislators decided to skip making necessary payments, freeing up budget money for tax cuts or other expenses. And in every city and state across the country, the financial crisis hit investments hard. At some point, a few careless decisions turned into a crisis.”

[MarketWatch](#)

Defender of Bog Pension Fund Fires Back Against Critics

June 22, 2021, By Joseph N. DiStefano

“In the aftermath of a failed attempt to oust the top two leaders of Pennsylvania’s largest pension fund, the retirement plan’s board remains deeply divided — as demonstrated in a new public statement from a board member who backed the fund’s longtime leadership.

“Eric DiTullio, a suburban Pittsburgh construction estimator and one of two representatives of school boards on the 15-member panel, blasted the dissidents, complaining that they had gone public attacking the fund leadership without first taking their case to their board colleagues.”

[The Philadelphia Inquirer](#)

PERA’s investments Generated Billions in 2020. But the Colorado Pension’s Financial Condition Worsened.

June 16, 2021, By Brian Eason

“Despite a banner stock market year that saw Colorado’s Public Employees’ Retirement Association generate 17.4% returns on its investments — more than double its target — the state’s public pension still ended 2020 in worse financial shape than it started.

“The main culprit this time around wasn’t an economic shock; PERA actually weathered the pandemic in decent shape, thanks to surging stock prices. Instead, it was a periodic review of PERA’s financial and demographic assumptions, known in pension lingo as an “experience study,” that’s the latest cause of distress for the embattled retirement system.”

[Colorado Sun](#)

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