

TEXAS PENSION PLANS

Navigating State Regulation of ESG Investments by Investment Managers: A Rapidly Evolving and Contradictory Landscape

June 30, 2021, By Jonathan Reinstein, Joshua Lichtenstein, Michael Littenberg, & Adwoa Hinson

“ESG integration by retirement plans has become front and center for regulators and political leaders across the world and in the U.S. over the last 12 months. As we await further developments from the U.S. Department of Labor (DOL) on ESG issues for private sector retirement plans... The landscape is rapidly evolving, with legislation adopted in the last few weeks in Maine and Texas. Bills are in various stages of progress in several other states.

“Recently, Governor Abbott of Texas signed into law S.B. 13, which prohibits investment in companies that boycott certain energy companies. The law, which takes effect on September 1, 2021, directs state retirement systems such as the Employee Retirement System of Texas, the Teacher Retirement System of Texas, among other entities, to sell, redeem, divest or withdraw all publicly traded securities of a company if the company does not cease a boycott of energy companies.”

[Ropes & Gray](#)

Texas Muni Assigns \$1.2 Billion to 10 Managers

July 2, 2021, By Christine Williamson

“The \$34.5 billion Texas Municipal Retirement System, Austin, committed or invested \$1.2 billion to 10 money managers and terminated two money managers with combined assets of \$933 million in May and June, a transaction report showed.

“Investment officers directed \$790 million to six managers within the system's \$6.2 billion non-core fixed-income portfolio.”

[Pensions & Investments](#)

Governor Abbot Announces Special Session Agenda

July 7, 2021, Press Release

“Governor Greg Abbott today issued a proclamation that identifies eleven agenda items for the Special Session that begins at 10:00 AM on Thursday, July 8.

“THIRTEENTH CHECK: Legislation similar to House Bill 3507 from the 87th Legislature, Regular Session, relating to a “thirteenth check” or one-time supplemental payment of benefits under the Teacher Retirement System of Texas.”

[Office of the Texas Governor](#)

TEXAS ECONOMIC INDICATORS

Texas Economy Humming as COVID-19 Ebbs, Giving Lawmakers More to Spend, Comptroller Glenn Hegar Says

July 7, 2021, By Robert T. Garrett

“Comptroller Glenn Hegar on Wednesday issued a revised revenue estimate that gives lawmakers at least \$7 billion more for state discretionary spending, either in the special session that starts Thursday or when they return for the 2023 regular session....To spend it in the special session, the Legislature would have to apply the new dollars to topics Gov. Greg Abbott specified in his “call,” or agenda, for the 30-day meeting on Wednesday.”

[The Dallas Morning News](#)

Texas Dept. of Agriculture Rep Says Beef, Poultry, Lumber Commodities Are Viable

July 6, 2021, By Donna McCollum

“Consumers have seen grocery prices go up; now lumber prices. East Texas beef producers, poultry and timber growers aren’t the source of the problem according to Manuel Martinez, a field representative for the Texas Department of Agriculture. He monitors and promotes agriculture across twenty East Texas counties. His assessment of beef, poultry and timber production is positive....Martinez says agriculture thrives when communities thrive. Soon the Rural Economic Development Fund will be launched by the Department of Agriculture to serve new and existing business development.”

[KLTV](#)

Persistent Texas Economic Growth Translates to Stronger Power Demand, Prices

June 29, 2021, By Mark Watson & Richard Rubin

“The continued growth of the Texas economy in June, as evidenced in new Federal Reserve Bank of Dallas surveys, has shown up with increased power demand and wholesale power prices in the Electric Reliability Council of Texas and the state's hub of the Midcontinent Independent System Operator...While economic recovery from pandemic levels contributed to price strength, so did a mid-month heat wave that caused real-time prices to top \$1,000/MWh for some time... ”

[S&P Global](#)

Software and IT Services Hiring is Surging as Workers Move to These Cities En Masse

July 7, 2021, By R. Dallan Adams

“Each month, LinkedIn releases its WorkForce Reports highlighting employment hiring trends across the U.S. On Thursday, the company released its July report with information about year-over-year hiring rates, worker relocation data and more...Overall, the top relocation destinations in the U.S. include Austin, Texas, North Port-Sarasota, Florida, and Nashville, Tennessee... College Station-Bryan, Texas, and State College-Dubois, Pennsylvania, lost the most professionals per 10,000 LinkedIn Members in these areas.

[Tech Republic](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Public Retirement Benefits Not What They Used to Be

July 1, 2021, By Rebecca Moore

“Over the years some outsiders have even argued that public pensions are too generous, perhaps without understanding that many public employees are required to put a significant percentage of their own pay into the plans. And there has been misunderstanding about the amount of support public pensions get from taxpayers...Between 1993 and 2018, about 25% of public pension fund receipts came from employer contributions, 11% from employee contributions, and about 64% from investment earnings.”

[Plan Sponsor](#)

Virginia’s State Retirement Trust Fund Reaches Historic High at \$100 Billion

July 6, 2021, By Michael Martz

“The Virginia Retirement System Trust Fund has topped \$100 billion, a historic high that represents a dramatic turnaround from a year ago...VRS officials still don’t know the final return on investment for the fiscal year that ended last Wednesday night, but the \$18 billion increase in the trust fund represents a 22% rise from a year ago that is likely to keep contribution rates “relatively stable” for state and local government employers in the two-year budget that Gov. Ralph Northam will propose in December.

[Richmond Times-Dispatch](#)

The Case Against Fossil Fuel Divestment

July 7, 2021, By Tim Quinson

“Last month, Maine became the first U.S. state to order its public pension fund to sell off fossil-fuel holdings...MainePERS has about \$1.3 billion of its \$17.6 billion in assets invested in fossil fuels via privately run funds and passively managed index funds that mimic the Russell 3000. The state pension system is a limited partner in the private market funds it owns, meaning it has no role in how they are invested, Matheson said...If MainePERS were to sell its stakes in these private investments on the secondary market, it would likely only be able to do so at a loss, Matheson said.

[Bloomberg](#)

‘Someone Got Hosed’: A Pension System’s Real Estate Ambitions and the Deal the Drew the FBI

July 7, 2021, By William McKelvey

“The FBI is investigating PSERS’ \$1.6 million deal to buy the long-vacant newspaper building, according to reporting by *The Philadelphia Inquirer*, from a hedge fund that picked it up for roughly one-third of that price from PennLive’s parent company in a separate transaction. PSERS has declined comment on the specifics of the deal but its contours are coming into greater detail via public records and PennLive’s interviews with those close to the transaction.”

[PennLive](#)

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