



Weekly Clips, May 12, 2017
Texas Pension Review Board
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PRB PLANS

Flynn offers minor tweak on Dallas pension fix

May 7, 2017, By Jason Whitely

State Rep. Dan Flynn, R-Van said he would consider a minor tweak to language in his bill that overhauls the Dallas Police and Fire Pension fund.

Flynn, who chairs the House Pension Committee, said he agreed with councilman-elect Dwaine Caraway's idea that the Dallas City Council, not the mayor, should appoint the five members to the new pension board.

WFAA

House tweak to Houston pension bill could buy firefighters' fund more time

May 8, 2017, By Brandon Formby and Sanya Mansoor

The Texas House gave early approval Monday to a bill that would reform Houston's three problematic pension funds, which have caused financial woes and spurred political battles for years.

The 112-28 vote for Senate Bill 2190 came after lawmakers made some key changes to the bill, including a provision that could let the firefighter pension fund bear a smaller burden for shoring up billions in shortfalls.

But State Rep. Dan Flynn, R-Canton, who authored the House version of the bill, worried that the Senate may not like the changes.

The Texas Tribune

Texas House approves Houston pension reform bill

May 8, 2017, By Rebecca Elliott and Mike Ward

The Texas House easily passed Houston's pension reform bill Monday, but not without making several changes friendly to firefighters, setting the stage for a reconciliation showdown between the upper and lower chambers.

The House accepted four amendments to the bill the Senate passed last week, before voting 112 - 28 to preliminarily approve Houston's reform measures. The bill now awaits another vote in the House before heading to conference committee, where legislators would seek to achieve consensus.

Houston Chronicle

Texas House OKs Houston Pensions Fix but Makes Big Changes

May 8, 2017

The Texas House has approved a bill potentially cutting billions in future costs from Houston's cash-strapped police and firefighter pension plans - but only after adding a contentious change that may ultimately kill the proposal.

Plagued by investments that didn't meet high return expectations, Houston is facing about \$8.1 billion in unfunded pension liabilities.

[US News](#)

Texas County & District increases real estate allocation by 1%

May 9, 2017, By Jon Peterson

Texas County & District Retirement System has increased its real estate allocation and has committed capital to opportunity funds.

The pension fund is increasing its target allocation by 1%, according to a board meeting document.

The real estate portfolio was valued at \$558m (" 512m) at the end of 2016, representing just over 2% of its \$26bn in total assets.

[IP&E](#)

Turner to use cuts, one-time fixes and reserves to close \$123 million budget gap

May 9, 2017, By Rebecca Elliott

With pension reform in sight, Mayor Sylvester Turner on Tuesday proposed a combination of departmental cuts, one-time fixes, deferred payments and a dip into city reserves to close next year's \$123 million budget gap.

Turner aims to erase the deficit with \$51 million in spending cuts - largely from police and fire overtime - \$35 million in one-time revenues or deferred payments, and \$38 million drawn from city reserves. The mayor said he anticipates eliminating vacant positions across departments and making fewer than 10 layoffs.

[Houston Chronicle](#)

Repairing pensions

May 9, 2017

Mayor Sylvester Turner's pension reform effort has hit political hurdles at nearly every turn. Over the weekend, the snag came from state Rep. Dwayne Bohac, R-Houston. The 15-year representative sponsored an amendment to the pension legislation in the Texas House that would exempt more than 3,100 retired firefighters from benefit cuts. Beyond the curious novelty of a supposedly conservative Republican aligning himself with a labor union, Bohac's amendment would add an estimated \$400 million to the unfunded liability burden borne by Houston taxpayers. And it comes from a guy whose website brags that his colleagues gave him a "Taxpayer's Best Friend" award.

[Houston Chronicle](#)

Conceptual Agreement Reached On Dallas Police & Fire Pension Fund

May 9, 2017

A conceptual agreement has been reached in the Dallas Police & Fire Pension Fund negotiations.

CBS11 broke the news on Facebook Live Tuesday night during a panel discussion with major players in the City of Dallas.

Dallas City Council Member Jennifer Staubach Gates, Former Dallas Mayor Tom Leppert, Dallas Police Association President Mike Mata, Rob Walters with the Dallas Citizens Council and Sherrie Wilson with the Dallas Retired Firefighter Association.

[CBS DFW](#)

Texas House approves Houston pension reform bill after adding amendments

May 9, 2017, By Olivia Pulsinelli

Houston's pension reform bill got a preliminary OK from the Texas House on May 8, but there are still more steps to go before it's finalized.

The House voted 112-28 after lawmakers added four amendments to Senate Bill 2190, according to reports.

The Texas Senate passed its version of the bill last week, and the House was scheduled to vote on the companion bill authored by State Rep. Dan Flynn, R-Canton, on May 8. However, he put forward the Senate version instead, the Texas Tribune reports.

[Houston Business Journal](#)

House, Senate to Reconcile Versions of Houston Pension Fix

May 10, 2017

The Texas Senate is rejecting House changes to a bill cutting billions in future costs from Houston's cash-strapped police and firefighter pension plans - meaning both chambers will have to reconcile their differences in conference committee.

Houston Republican Sen. Joan Huffman was the pension proposal's original sponsor. She said Wednesday that alterations the House made while approving her bill last week were "bad for Houston taxpayers" and "shockingly fiscally irresponsible."

[US News](#)

Mayor Rawlings says progress made in saving Dallas Police-Fire pension

May 10, 2017, By Fox4News.com Staff

Dallas Mayor Mike Rawlings said Wednesday he's making progress with preventing what he calls a taxpayer bailout of the Dallas Police and Fire Pension System.

After the house gave a resounding yes to the bill Rawlings has strongly criticized, he said the pension issue may be his ~~Alamo~~.+But Wednesday he said a victory may be at hand after all.

[Fox4News](#)

Details Emerge In Conceptual Agreement On Police & Fire Pension Fund

May 10, 2017, By Jack Fink

Dallas Mayor Mike Rawlings and council members said Wednesday they're hopeful about a conceptual agreement reached with the majority of police and fire associations over how to keep their troubled pension fund from going broke.

In a statement, Mayor Rawlings said, "We have made substantial progress in our ongoing talks with all relevant parties regarding the future of the Dallas Police & Fire Pension Fund. I am optimistic that we are close to a resolution."

[Dallas News](#)

These should be top priorities for Texas lawmakers as end of session approaches

May 10, 2017

Texas legislators, each of you needs to dig deep the next couple of weeks.

We feel your pain as you try to navigate hundreds of bills, overstuffed calendars and fraying nerves.

But you've only got until May 29, the session's end date, to get critical work accomplished for your constituents. Keep them front of mind as you consider how to spend each of those precious days.

[Dallas News](#)

Senators tout potential deal in Dallas Police and Fire Pension System debate

May 11, 2017, By Tristan Hallman

Peace appears to be on the verge of breaking out in the heated debate over the future of the Dallas Police and Fire Pension System.

While distrust still abounds between City Hall and its public safety workers, several long days of negotiations this week in Austin produced a framework for a potential agreement in the state Senate among city leaders, pension officials and police and fire associations.

[Dallas News](#)

'Major Progress Made' On Dallas Police & Fire Pension

May 11, 2017

After months of negotiations at the Texas State Capitol, State Senator Royce West (D-Dallas) said Thursday "major progress has been made" to resolve the decades-long problems that jeopardize the future viability of the Dallas Fire & Police Pension Fund.

"Most parties involved have agreed to concepts which provide the framework that will resolve major sticking points that have stalled progress," said Senator West. "The next step is to draft language that mirrors the concepts, then allow it to be reviewed by the various stakeholders before requesting a hearing sometime next week. The conceptual agreement solves issues related to governance, protects members' benefits and holds the City of Dallas responsible for the pension plan."

[CBS DFW](#)

Deal reached to rescue Dallas Police and Fire Pension fund

May 11, 2017, By Tanya Eiserer, WFAA

A deal has been reached on a conceptual agreement to amend a House bill to rescue the failing Dallas Police and Fire Pension fund.

State Senator Royce West and Don Huffines made the announcement in Austin, Thursday afternoon.

Delicate negotiations, brokered by West and Huffines, had been underway for days.

The city wants this to work out and the associations want this to work out, Huffines said. We've got to stop the animosity. I am committed to being a fair broker in this process for all sides.

[WFAA](#)

Texas Senators Announce New Pension Deal – Retirees Worry

May 11, 2017, By Ken Kalthoff

A new deal to solve the Dallas Police and Fire Pension crisis has retirees worried about their benefits.

Senators Royce West and Don Huffines announced the deal late Thursday afternoon after days of negotiation with city, employee and pension representatives.

Most parties involved have agreed to concepts which provide the framework that will resolve major sticking points that have stalled progress, said Senator West.

[NBC DFW](#)

HOUSTON PENSION SOLUTION BILL PASSES HOUSE

May 12, 2017, Representative Dan Flynn Report: Pension and Legislative Updates

After passing 2nd reading in the House Monday, Senate Bill 2190, authored by Senator Joan Huffman (R-Houston) and sponsored by Representative Dan Flynn (R-Van) in the House, passed for the 3rd and final reading late last night in a vote of 115-29.

Considering that the Houston Pension Fund is several billion dollars in debt, this vote was a huge step in the right direction for fiscal responsibility and reform, said Chairman Flynn. While there is still work to be done on the bill before it reaches the Governor's desk, I am extremely proud of the effort from all entities that has been put forth to make this bill a reality. Houston is in dire need of pension reform, and my goal throughout has been to provide a solution that will create actuarial soundness for all three pension funds so that the Firefighters, Police Officers, and Municipal workers in Houston will not have their retirement taken away from them.

[Texas Insider](#)

City of Dallas, Texas Legislators Reach Tentative Deal on Police and Fire Pension

May 12, 2017, By Stephen Young

The city of Dallas and Texas legislators have reached a tentative deal to fix the city's floundering police and fire pension system. The deal, announced at separate press conferences by Dallas Mayor Mike Rawlings and Dallas-based Texas Sens. Royce West and Don Huffines, makes several key concessions to the city, but includes increased contributions to the fund by the city.

Dallas' police associations are still on the fence over the compromise. %s everyone happy? No. Which means we have a pretty good bill,+West said. %There's still some things that the organizations want and still some things that the city wants.+

[Dallas Observer](#)

TEXAS ECONOMIC INDICATORS

Local businesses fear 'Sanctuary Cities' ban will harm economy

May 10, 2017, By Jordan Bontke

Some Austin businesses fear the newly signed anti-sanctuary cities law will damage the Texas economy.

Magdalena says that negative effects started shortly after Trump's inauguration.

For the past eight years, Magdalena has worked at department store near Rundberg and Lamar in North Austin. Much of her client base come to the store in the strip mall to cash checks or transfer money, sometimes to family out of the country.

[KEYE](#)

Texas House passes measure to increase "Buy America" provisions

May 11, 2017, By Alex Samuels

The Texas House on Monday gave tentative approval to a measure that would require large state projects - such as buildings, roads and bridges - to purchase iron and steel from an American supplier if the cost doesn't exceed 20 percent more than the price of cheaper, foreign imports.

Senate Bill 1289 by state Sen. Brandon Creighton, R-Conroe, would increase %Buy America+ provisions already in effect for the Texas Department of Transportation and the Texas Water Development Board to all state agencies. The bill also says that if American suppliers aren't prepared to supply a project or there is a compelling state interest, any country's iron and steel can be used.

[Texas Tribune](#)

Texas Named 'Best State for Business' 13th Consecutive Year

May 12, 2017, By Merrill Hope

Each year, the publication surveys hundreds of the nation's top executives who rank all 50 U.S. states from best to worst based on a variety of factors including business climate, taxes and regulations, workforce quality, local attitudes towards business, and quality of life.

%For the 13th straight year, Texas proudly assumes the mantle of being recognized as the best state for business by America's CEOs,+said Texas Governor Greg Abbott in response to the recent accolade from the business publication.

[Breitbart](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

CHRISTIE CV'S BILL GIVING COPS, FIREFIGHTERS MORE CONTROL OVER PENSIONS

May 9, 2017, By John Reitmeyer

Gov. Chris Christie has conditionally vetoed a bipartisan bill seeking to give New Jersey's police officers and firefighters more say over how their pensions are managed. Now it's up to legislative leaders to decide whether they can accept his numerous recommendations or try for an elusive override.

Had he signed it outright, the bill that Christie sent back to the Legislature yesterday afternoon would have created a new **board of trustees** to administer the New Jersey Police and Firemen's Retirement System, a proposal that came from union officials in response to their growing frustration with how their retirement fund has been managed by the state in recent years.

[NJ Spotlight](#)

Fiduciary Rule Violates First Amendment, Law Firm Argues

May 11, 2017, By Jacklyn Wille

The Department of Labor's fiduciary rule violates the First Amendment by restricting the truthful, commercial speech of financial advisers, the Washington Legal Foundation told a federal appeals court (*Chamber of Commerce v. U.S. Dep't of Labor*, 5th Cir., No. 17-10238, amicus brief filed 5/9/17).

The nonprofit law firm is urging the U.S. Court of Appeals for the Fifth Circuit to revive a First Amendment challenge to the DOL's fiduciary rule, an Obama-era regulation aimed at reducing the allegedly conflicted investment advice given to retirement savers. In February, a federal judge dismissed the First Amendment claims brought by the Chamber of Commerce and others, explaining that the groups waived this claim by failing to raise it during the DOL's rulemaking process.

[Bloomberg BNA](#)

Agency That Oversees Fiduciary Rule May Be Leaderless Until Fall

May 11, 2017, By Kristen Ricaurte Knebel

Now that Alexander Acosta is in place as the Secretary of Labor, attention shifts to who will lead DOL's subagencies like the Employee Benefits Security Administration.

There is some sense of urgency in getting an EBSA head in place, given that President Donald Trump asked the DOL to review the Obama-era fiduciary rule, which was drafted by EBSA, the subagency tasked with regulating employee benefits. The rule, portions of which are set to become applicable on June 9, aims to reduce the allegedly conflicted investment advice given to retirement savers.

[Bloomberg BNA](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

CPS says it may fall short on upcoming pension payment

May 10, 2017, By Juan Perez Jr. and Hal Dardick

Chicago Public Schools has enough cash to complete the school year but the system is still short hundreds of millions of dollars needed to make a pension payment due at the end of June, Mayor Rahm Emanuel's top finance official said Tuesday.

CPS and city officials say that's because the state still owes CPS about \$467 million in aid that has been held up by Illinois' budget impasse.

[Chicago Tribune](#)

Puerto Rico's Debt Crisis Claims Another Casualty: Its Schools

May 10, 2017, By Frances Robles

Natalia Hernández stood before dawn with a bullhorn in her hand in front of the mountainside elementary school that four generations of her family attended, rattling off its academic accomplishments.

More than half the pupils are on the honor roll. There are tutors, a social worker and even a speech therapist, she said. But there has been an exodus of families from Puerto Rico in the face of its economic collapse, so little Luis Santaella School has a big problem: Only 146 children are enrolled compared with about 250 in the past.

[The New York Times](#)

Puerto Ricans Face 'Sacrifice Everywhere' on an Insolvent Island

May 6, 2017, By Frances Robles

Angel González, a retired schoolteacher facing a 10 percent cut to his pension, is beginning to wonder whether his three-person household will have to cut back to one cellphone and take turns using it.

Santiago Domenech, a general contractor with \$2 million of his savings tied up in bonds Puerto Rico just defaulted on, once had 450 employees. Now he has eight. His father-in-law, Alfredo Torres, owns Puerto Rico's oldest bookstore, but it has been going downhill for two years.

[The New York Times](#)

State and Local Government Pensions at the Crossroads

May 2017, By Craig Foltin, DBA, CPA, Dale L. Flesher, PhD, CPA, Gary J. Previts, PhD, CPA and Mary S. Stone, PhD, CPA

Underfunding, questionable investment decisions, imperfect assumptions on future market returns, declining interest rates, and the structure of defined benefit plans have created a fiscal crisis for many public pension funds. The implementation of several recent GASB pronouncements has made these

problems more apparent and distinct to the public. The authors examine the current reporting challenges, describe the approaches taken by some governments, and suggest their own potential solutions.

[The CPA Journal](#)

U.S. life expectancy varies by more than 20 years from county to county

May 8, 2017, By Joel Achenbach

Life expectancy is rising overall in the United States, but in some areas, death rates are going conspicuously in the other direction. These geographical disparities are widening, according to a report published Monday in JAMA Internal Medicine.

Life expectancy is greatest in the high country of central Colorado, but in many pockets of the United States, life expectancy is more than 20 years lower, according to the report from the University of Washington's Institute for Health Metrics and Evaluation.

[The Washington Post](#)

CalPERS, CalSTRS outline diversity efforts at forum

May 10, 2017, By Randy Diamond

As CalPERS reduces its number of external managers, it remains committed to racial and gender diversity among its managers, the pension fund's chief investment officer told a diversity forum Wednesday in Sacramento.

Theodore Eliopoulos said he anticipates that when CalPERS gets down to its goal of 100 outside managers, 15 of them will be part of a transition program. The program is designed to help promising managers, including women- and minority-owned firms, move from managing small stakes of CalPERS' portfolio to larger shares.

[Pensions & Investments](#)

Largest public pension funds see funding improvements in first quarter — report

May 10, 2017, By Meaghan Kilroy

The aggregate funded status of the 100 largest public pension funds rose to 72% as of March 31, up from 70.1% as of Dec. 31, as asset growth outpaced liabilities, said Milliman's quarterly public pension funding study released Wednesday.

Assets rose 3.6% to an estimated \$3.383 trillion in the three months ended March 31, the result of a 4.29% aggregate investment return. Liabilities, meanwhile, rose 0.8% to an estimated \$4.698 trillion as interest on liabilities and new benefit accruals outpaced benefits paid to retirees.

[Pensions & Investments](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

UK scheme surplus rules causing concern for sponsors: KPMG

May 5, 2017, By Stephen Bouvier

An influential survey of UK defined benefit (DB) pension accounting has revealed uncertainties regarding rules governing the reporting of scheme surpluses.

KPMG's Pensions Accounting Survey 2017 reported the concerns following the decision of the International Financial Reporting Standards (IFRS) Interpretation Committee to amend its asset-ceiling guidance, IFRIC 14. This helps companies determine when they can recognise an DB surplus as a balance sheet asset.

IP&E

Brazil Congress still has no date for pension reform vote

May 9, 2017, By Anthony Boadle

Brazil's government has no clear timeline for winning approval in Congress for pension reform, the cornerstone of its plan to control a gaping budget deficit, as it strives to secure the necessary votes, officials said on Tuesday.

The unpopular bill, which would force Brazilians to work years longer before retirement, cleared a congressional committee last week by 23 votes to 14.

Reuters

Aussie QROPS Fears As Expat Pension Rules Change

May 11, 2017, By Rob Dawson

Australia pension providers fear superannuation funds may fail to meet strict Qualifying Recognised Overseas Pension Scheme (QROPS) rules from April.

HM Revenue and Customs (HMRC) in the UK has flagged the QROPS 70% rule will be scrapped in the next financial year giving more flexibility over pension freedoms but restricting pay outs to retirement savers under 55 years old.

Money International

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