



Weekly Clips, July 28, 2017
Texas Pension Review Board
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PRB PLANS

Texas Senate panel approves teacher bonuses, retirement benefits

July 22, 2017, By Aliyya Swaby

The Senate Finance Committee Saturday approved a proposal Lt. Gov. Dan Patrick listed as a priority for Texas education: providing bonuses and pay raises for long-term teachers, and reduced health-care costs for retired teachers.

The committee voted 10-3 to approve Senate Bill 19, authored by Sen. Jane Nelson, R-Flower Mound, which would provide \$193 million for teacher bonuses starting September 2018, put \$212 million into state-run health insurance for retired teachers, and require school districts to increase teacher pay by \$1,000 starting in 2019.

[Texas Tribune](#)

TEXAS ECONOMIC INDICATORS

Texas unemployment rate dropped as job growth picked up in June

July 21, 2017

Job growth picked up in June in Texas, according to two reports out Friday, indicating that the state economy is picking up after a slump spurred by the drop in oil prices.

The Texas Workforce Commission reported that the state's unemployment rate declined to 4.6 percent, the second straight monthly decline, as the state economy added 40,200 jobs. Nationwide, the unemployment rate was 4.4 percent.

Separately, the Federal Reserve Bank of Dallas said the state added 36,100 jobs, lifting job growth for the first six months of the year to 2.7 percent after rising just 1.2 percent in 2016.

[Star-Telegram](#)

Engineering firm to open second Texas office in San Antonio

July 26, 2017, By Ryan Salchert

Illinois-based civil engineering and surveying firm Manhard Consulting announced the opening of a new office in San Antonio, according to a press release.

The new San Antonio office will be the firm's second office in Texas. The first, which opened last fall, is in Woodlands.

Manhard's national network of civil engineers, surveyors and environmental consultants will provide expertise in hydraulics, hydrology and environmental site assessment. The expansion is to better service the rapidly growing Central Texas economy, says the press release.

[San Antonio Business Journal](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Treasury Department Gives Thumbs Up to Second Pension Rescue

July 21, 2017, By David B. Brandolph

A pension fund in Nashville is now the second plan covering unionized workers to receive Treasury Department approval to cut members' benefits.

The department, in a letter dated July 20, approved the United Furniture Workers Pension Fund Act application under the Multiemployer Pension Reform Act, also known as the Kline-Miller Act. That law was designed to rescue financially troubled plans from insolvency. The Cleveland-based Iron Workers Local 17 Pension Fund is the only other union plan that received Treasury permission to cut participant benefits.

[Bloomberg BNA](#)

Class-action lawsuits face tougher road after court ruling, federal positions

July 24, 2017, By Hazel Bradford

Class-action lawsuits, an important tool for public pension funds and other investors to address perceived wrongs, could become less viable options following a Supreme Court ruling and new positions from the departments of Labor and Justice.

One of the biggest game changers came June 26, when the Supreme Court ruled 5-4 against the \$323.6 billion California Public Employees' Retirement System, Sacramento, in a case challenging the amount of time investors have to decide whether to opt out of securities class-action lawsuits and pursue their cases alone.

[Pensions & Investments](#)

Iowa Senators to Meet to Discuss Public Pension System

July 24, 2017

Some Iowa senators will gather at the Capitol to discuss Iowa's largest pension system for public employees.

Democrats and Republicans are scheduled to meet Tuesday morning to talk about the Iowa Public Employees' Retirement System, also known as IPERS. The agency's chief executive officer is expected to talk about a study on the system and unfunded liability issues.

[U.S. News](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Timber, agriculture cycles forcing firms to examine new avenues

July 24, 2017, By Arleen Jacobius

Managers in a number of real asset sectors - with the possible exception of infrastructure - are having a tough time raising capital. And that is only the leading edge of the storm buffeting them.

Some timber funds are nearing the end of their lives with managers expected to bifurcate into the haves and have-nots when they go out to raise new funds;

Farmland is in a state of flux, with managers now making value-added investments;

Real estate managers have more money than they can spend, with a record amount of dry powder but fewer deals.

Pensions & Investments

States take varied routes to solving pension woes

July 24, 2017, By James Comtois

A hybrid DB/DC plan is one option that states are using to try and solve their underfunding woes. But it's not the only solution.

Several states recently have taken different approaches to fixing their pension problems, from spreading the pain between employer and employee, tapping the lottery and even tinkering with actuarial assumptions.

Pensions & Investments

NC state pension fund's chief investment officer unexpectedly resigns

July 24, 2017, By David Ranii

Kevin SigRist, the chief investment officer for the \$94 billion state pension fund the past four years, has unexpectedly resigned.

SigRist submitted his resignation on Friday.

I was surprised when Mr. SigRist gave me his resignation letter, state Treasurer Dale Folwell, SigRist's boss, said in a prepared statement. I was not asked for, but I feel confident that we will continue to provide stable management for the pension fund. We will be announcing plans for the department in the very near future.

News Observer

State Pension Funds Beat Expectations As Stocks Soar

July 24, 2017, By Russell Blair

Investment returns for the state's two largest pension plans significantly outperformed expectations in the last fiscal year, State Treasurer Denise Nappier said Monday, rebounding from a poor showing the year prior.

The Teachers Retirement Fund and the State Employees Retirement Fund posted returns of 14.4 percent and 14.34 percent, respectively, for the fiscal year that ended June 30. The state's projections for the two funds were 8 percent and 6.9 percent.

[Courant](#)

CalPERS wants a place for 'in-between' managers

July 24, 2017, By Randy Diamond

CalPERS is looking for a few growing money managers to fill a new transitional program.

The \$323.6 billion pension fund's new effort focuses on firms that are too big to be part of its emerging manager program but too small to be in its regular manager lineup.

[Pensions & Investments](#)

Official says Iowa's largest public pension fund is "sound"

July 25, 2017, By The Associated Press

The head of Iowa's largest public pension system says the trust fund that pays out retirement benefits is "sound," but at least one GOP lawmaker thinks changes might be needed.

Donna Mueller, chief executive officer for the Iowa Public Employees' Retirement System, known as IPERS, says her assessment is based on industry standards. She spoke Tuesday to a handful of lawmakers at the Capitol.

[Star-Telegram](#)

Jacksonville Police and Fire re-signs with consultant, custodian

July 25, 2017, By Rob Kozlowski

Jacksonville (Fla.) Police and Fire Pension Fund renewed the contracts of investment consultant Summit Strategies and custodian Northern Trust for one year through Sept. 30, 2018, according to a summary of its July 21 board meeting posted on the pension fund's website.

The \$1.9 billion pension fund's board approved the renewals based on the recommendation of the financial investment advisory committee. Both firms' contracts were to expire on Sept. 30.

[Pensions & Investments](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Global prospects strong overall, report shows

July 24, 2017, By Sophie Baker

The International Monetary Fund downgraded growth outlooks for the U.S. and U.K. amid concerns over fiscal policy and economic activity, but said global growth is on a firmer footing.

The World Economic Outlook Update for July revised April growth outlooks for countries and regions across the world. The IMF said global growth is set for 3.5% this year and 3.6% in 2018, unchanged from April.

Pensions & Investments

Millennials need to put 20 percent of income into a pension to match retirement of baby boomers

July 25, 2017, By Marina Gerner

Millennials . those aged 25-34 years . are required to save 20 per cent of their annual income to enjoy the kind of retirement baby boomers are currently having, according to a new report by the International Longevity Centre.

The report has deemed the UK pension system inadequate as young people today face a monumental savings challenge to ensure a decent retirement. Moreover, the findings offer further proof of the systemic intergenerational inequality in the UK.

Money Observer

Sponsors 'must review DB terms' after accounting rule change

July 26, 2017, By Stephen Bouvier

Consultants have urged UK defined benefit (DB) scheme sponsors to take seriously the risk posed to corporate balance sheets by controversial new accounting rules.

The International Accounting Standards Board (IASB) has proposed changes to the asset ceiling test under International Accounting Standard 19, Employee Benefits (IAS 19). This affects how DB deficits and surpluses are reported on company balance sheets.

IP&E

Pension fund AustralianSuper says avoiding energy infrastructure for now

July 26, 2017, By Jane Wardell

Australia's largest pension fund, AustralianSuper, is interested in investing more in infrastructure projects at home but will avoid the energy sector given uncertainty over government policies.

Chief Executive Ian Silk, whose fund manages A\$120 billion (\$95 billion), said government policy on energy right now was a "dog's breakfast" which was deterring investment.

Reuters

European agencies want input on pension data reporting standards

July 26, 2017, By Paulina Pielichata

Europe's occupational pensions regulator and central bank are seeking industry input on standardization of pension data reporting.

The European Insurance and Occupational Pensions Authority issued a public consultation Wednesday on a single reporting framework that aims to transfer the burden of regular reporting onto national supervisory authorities.

Pensions & Investments

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