



## Weekly Clips, August 11, 2017

Texas Pension Review Board  
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## **PRB PLANS**

### **After shared sacrifice, Dallas Police and Fire pension problems addressed**

August 8, 2017, By Alicia H. Munnell

At the end of May, the governor of Texas signed a pension reform bill for the Dallas Police and Fire Pension System (and separate measures for Houston' three pension plans). This legislation reduces benefits, reforms the Deferred Retirement Option Program (DROP), and raises revenues. (A DROP is an arrangement under which employees entitled to retire continue working and have their monthly benefit deposited in a notional account where it accrues interest and can be taken out as a lump sum.)

#### **Market Watch**

### **Pension reform helps spike police retirements**

August 9, 2017, By Mike Morris

Mayor Sylvester Turner attended the Cadet Class 231 graduation ceremony Monday night, cheering the addition of 65 new officers to the ranks of the Houston Police Department. He'll need every last one of them.

Just as a round of pension reforms in 2004 led to a spike in police retirements that drove down HPD's headcount for several years, the passage of the landmark reforms Turner pushed through the Legislature earlier this year has contributed to another spike in departures.

#### **Houston Chronicle**

### **With days left in special session, Senate committee makes major changes to House's school finance bill**

August 11, 2017, By Shannon Najmabadi

The Senate Education Committee drastically altered the House's primary piece of school finance legislation Friday by stripping out \$1.5 billion in funding.

But with just days left in the special session, the committee's chairman suggested compromise with the lower chamber was still possible.

State Sen. Larry Taylor, R-Friendswood, said the \$1.8 billion originally included in the lower chamber's bill, House Bill 21, set a "false expectation," but added that he'd continue to work with his counterpart in the lower chamber, House Public Education Committee Chairman Dan Huberty, R-Houston. On Tuesday, Taylor had described the House proposal as "not a long-term solution" and said he would not concede on the bulk of it.

#### **Texas Tribune**

# **TEXAS ECONOMIC INDICATORS**

## **El Paso economy grows; home sales up and unemployment down**

August 7, 2017, By David Crowder

Adam Pacheco, the El Paso director of Associated General Contractors, isn't complaining about the El Paso economy these days – not at all.

“As far as construction goes, you couldn't ask for anything better,” he said, describing the projects underway half way through 2017. “This is pretty much what contractors look for.”

By far, the majority of work is publicly financed – the city quality of life bond projects, highway construction and a new building under construction at Texas Tech University Health Sciences Center to name a few projects.

### **[El Paso Inc.](#)**

## **Should Texas loosen lending laws that shielded the state from foreclosures?**

August 7, 2017, By Lydia DePillis

Twenty years ago, Texas became the last state in the union to legalize the home equity loan, allowing people for the first time to use their own homes as collateral. But lawmakers also kept tight restrictions on the loans, which saved Texans from the excesses that contributed to a housing bust that nearly brought down global economy.

Across the country, homeowners borrowed against the value of their properties to supplement their incomes as a bubble grew, piling on debt that became unsustainable when the market tanked. Texas' limits on home equity loans were widely credited with saving the state from the worst of the foreclosure crisis.

### **[Houston Chronicle](#)**

## **National Study Reveals Sky-High Growth of North Texas Economy**

August 9, 2017, By Kimberly Richard

Everything is bigger in Texas, including the economic impact of North Texas' arts and cultural industry.

According to a national economic impact study conducted by Americans for the Arts, “Arts & Economic Prosperity 5”, the North Texas region generated \$1,473,366,015 in annual economic activity.

Of the 341 regions and communities who participated in this study, the North Texas cultural industry ranks as the third largest in the nation, following Washington and Philadelphia and supports 52,848 full-time equivalent jobs. New York and Los Angeles did not participate in the study.

### **[NBC DFW](#)**

## **Dallas-Fort Worth has top two spots in U.S. based on 5-year economic forecast**

August 10, 2017, By Tracy M. Cook

Denton and Collin counties are projected to be the nation's fastest growing economies over the next five years, according to an Oxford Economics forecast.

Of the top six U.S. counties, four are in Texas: The rates measure expected GDP growth through 2021. The same study projects U.S. economic growth to land at a steady 2 percent this year and next year.

## [Dallas News](#)

### **San Antonio based Andeavor to build \$225M pipeline in West Texas**

August 11, 2017, By Rye Druzin

San Antonio-based refiner Andeavor Corp. will build a \$225 million crude oil pipeline in West Texas.

Andeavor, formerly Tesoro Corp., said the first phase of the 130-mile Conan Crude Oil Gathering Pipeline system will transport 250,000 barrels per day and begin in Loving County and Lea County, New Mexico and will connect with other pipelines in Loving County, according to a news release.

A second phase could double the pipeline's capacity to 500,000 barrels a day.

## [My San Antonio](#)

# **LEGAL PROCEEDINGS, LAWS & REGULATIONS**

### **These Five Retirement Issues Brought Out the Lobbyists**

August 8, 2017, By Madison Alder and Jasmine Ye Han

Five hot-button issues in retirement policy were at the forefront of lobbying efforts in the second quarter of 2017, Bloomberg Government data show.

But despite the intense U.S. political debates occurring around retirement, lobbyists overall spent 15 percent less this quarter than last, the lobbying data indicate.

The fiduciary rule, multiemployer reform, retirement issues relevant to tax reform, repeal of state retirement plans, and Pension Benefit Guaranty Corporation premiums were the top topics, in terms of number of lobbyists weighing in on them in the second quarter.

## [Bloomberg](#)

### **DOL wants 18-month delay on rest of fiduciary rule**

August 9, 2017, By Hazel Bradford

The Department of Labor is proposing to extend the Jan. 1 applicability date for the remaining portions of the fiduciary rule, according to documents released Wednesday in a court challenge to the rule.

DOL officials said they proposed to the Office of Management and Budget that three exemptions — one for a best-interest contract, a class exemption for principal transactions in certain assets between fiduciaries and employee benefit plans, and certain transactions with insurance agents, brokers and consultants — do not become applicable until July 1, 2019.

## [Pensions & Investments](#)

# **NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION**

## **Public Pensions Up 12.4% Return Most in 3 Years**

August 8, 2017, By Martin Z. Braun

The fuse on the public pension time bomb got a little longer.

Record-breaking equity markets boosted U.S. state and local-government pension investments the most in three years in fiscal 2017, easing pressure on governments that have to put more money into plans when investment returns fall short of expectations.

Public pensions booked a median gain of 12.4 percent for the fiscal year ended in June and have returned an annualized 20-year median return of 7 percent, according to the Wilshire Trust Universe Comparison Service.

### **Bloomberg**

## **Puerto Rico financial board grounds for own removal**

August 08, 2017, By Ojel L. Rodriguez

Scanning recent tax revenues, one would think that all is well in Puerto Rico. On Aug. 2, the Puerto Rican Treasury Department announced that tax collection for the first month of fiscal year 2018 was ahead of its forecast. In addition, there was the publication of data showing the government collected more than \$150 million above the forecasted revenue figures in fiscal year 2017.

Yet, on Friday, the federally-appointed financial oversight board announced the implementation of a two-day government furlough program beginning this September, along with a 10-percent cut to public pension benefits beginning in fiscal year 2020.

This proposed program came in response to the liquidity problems facing the government, but Puerto Rico Governor Ricky Rossello disputes the board assertion noting that, "There is about \$1.4 billion to \$1.7 billion. Cash flow is there and is a result of the measures we have taken so far."

### **The Hill**

## **Corporate Pension Funding Gap to Hit Record This Year**

August 11, 2017, By Simon Constable

Just when you thought things were getting better, up pops another problem.

This time it's the pensions provided by the biggest U.S. companies. The level of underfunding at these plans is set to reach a record this year, according to the author of a recent report.

The gap between what the largest corporations owe for their pension plans versus what they have set aside for the obligation already hit \$391 billion at the end of last year, according to a report from S&P Dow Jones Indices published Wednesday.

### **Forbes**

## **Tensions Between U.S and North Korea Spur Global Stock Sell-Off**

August 11, 2017, By Prashant S. Rao

LONDON — A sell-off in global markets accelerated on Friday as tensions between the United States and North Korea escalated, driving investors toward havens.

Asian stock markets closed lower and European indexes opened sharply down on fears that the verbal back-and-forth between Washington and Pyongyang had raised the risk of actual conflict.

Hong Kong's benchmark Hang Seng Index fell 2 percent, and South Korea's main share index also dropped. Stock markets in Britain, France and Germany were all lower by noon in London.

[NY Times](#)

## **WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION**

### **EU expresses worry over Poland reviving different retirement age for men and women**

August 7, 2017, By Gabriela Baczynska

BRASILIA (Reuters) - Brazilian President Michel Temer has burned through political capital fighting corruption charges and is struggling to push forward his economic agenda meant to rein in a gaping budget deficit.

Even allies in Congress now doubt he can achieve anything but watered-down measures, likely delaying any fix to Brazil's fiscal crisis until the economy recovers from deep recession.

With continued deficits, Brazil risks further downgrades in its credit rating. It lost its investment grade two years ago, adding to the cost of financing mounting public deb

[Reuters](#)

### **Brazil president weakened by graft charge, losing fiscal battle**

August 11, 2017, By Anthony Boadle

BRUSSELS (Reuters) - The EU's executive arm, the European Commission, is concerned that reintroducing a different retirement age for men and women in Poland could violate the bloc's equality rules, according to a letter from Brussels to Warsaw seen by Reuters.

Poland's ruling Law and Justice (PiS) party and President Andrzej Duda - who comes from the same political grouping - campaigned on promises to undo a 2012 reform that had been gradually raising and equalising the retirement age at 67.

The government's change, largely popular among Poles, will take effect from October, reintroducing a retirement age of 65 for men and 60 for women.

[Reuters](#)

## **Tata Steel agrees deal to restructure UK pension fund**

August 11, 2017, By Paul McClean

Tata Steel has struck a deal to restructure its British pension fund, in a move that follows months of negotiations and brings the troubled industry a bit more financial stability.

The Indian conglomerate said it had reached an agreement with regulators and pension bodies that will allow it to offload the £15bn British Steel Pension scheme.

The settlement involves a rarely-used legal mechanism called a regulated apportionment arrangement, which allows an employer in financial difficulties to rid itself of defined benefit pension liabilities.

[Financial Times](#)

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