



Weekly Clips, October 6, 2017
Texas Pension Review Board
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PRB PLANS

Hospital board to consider District 3 applicants

October 2, 2017, By Jessica Bruha

Ector County Hospital District board members will consider the appointment of a District 3 board member during their regular meeting Tuesday and a familiar face is one of the applicants.

Former District 3 Board Member Richard Herrera has put his name back in the hat after stepping down from the seat earlier this year. The other applicant is Lettie England.

ECHD Board Secretary Jan Ramos said there was a third applicant who applied for the vacant seat, but after verifying the applicants with the election board they found she did not live in District 3. The third applicant

[Odessa American](#)

TEXAS ECONOMIC INDICATORS

DACA, immigration to be key topics at nation's Hispanic business leaders meeting in Dallas

September 30, 2017, By Cassandra Jaramillo

The chilling effect of immigration policies on some industries is expected to be a topic of discussion as the leaders of some of the largest Hispanic-owned businesses in the country gather in Dallas for a three-day convention starting Sunday.

This is the second time the U.S. Hispanic Chamber of Commerce, which claims to represent more than 4.2 million businesses that contribute over \$668 billion to the national economy, is holding its annual gathering in Dallas.

[Dallas News](#)

Blanco: Who Is Going to Rebuild Texas

September 30, 2017, By Cesar J. Blanco Blanco

Now that it has been over one month since Hurricane Harvey brought destruction and devastation to Houston and the Texas Coast, it is time to rebuild and heal.

As Houston and the Texas Coast begin to recover, many questions still need answering in the aftermath of Harvey, that according to Texas Governor Greg Abbott, may cost upwards of \$180 billion.

[Rio Grande Guardian](#)

Dallas Fed releases Harvey impact studies

October 1, 2017, By Nicolas Galindo

Hurricane Harvey negatively affected 77 percent of companies and businesses along the Gulf Coast that responded to a Federal Reserve Bank of Dallas survey.

Almost three-fourths of companies and businesses suffering after Harvey said their production or revenue losses weren't covered by insurance.

More than half of businesses that had physical damage said their losses weren't covered by insurance, according to a news release.

Victoria Advocate

Dallas Fed: Texas Economy Will Withstand Impact From Harvey

October 1, 2017, By Florian Martin

Before Harvey hit, the Texas economy saw solid job growth and low unemployment. Immediately after the storm, the number of unemployment claims increased nearly five times.

That's similar to the time after Hurricane Ike, when there were more claims for about five weeks, Laila Assanie, senior business economist at the Federal Reserve Bank of Dallas, said.

"Given that the magnitude of the disruption caused by Harvey was larger than Ike, the expectation is that claims will likely remain elevated for a similar or longer period," she said.

Houston Public Media

Houston Mayor Calls Off Tax Hike After Texas Delivers \$50 Million for Harvey Recovery

October 2, 2017, By Mike Morris

Mayor Sylvester Turner on Friday said he would withdraw a proposed property tax rate hike after Gov. Greg Abbott handed him a check for \$50 million to help fund the city's recovery from Hurricane Harvey.

The exchange came as the mayor and governor held a joint City Hall news conference, a sharp departure from the last several days when the pair had traded letters and criticism over each other's response to the historic storm.

Governing

Where are the fastest-growing cities?

October 2, 2017, By Melissa Wylie

Texas is prime for rapid economic growth as four Texas cities made the top 10 of WalletHub's Fastest-Growing Cities in America.

WalletHub analyzed 15 measures of growth to compare 515 cities of varying population size. The overall fastest-growing city was Frisco, Texas, ranking No. 1 in sociodemographics and No. 27 for jobs and economy. Frisco, about 30 miles north of Dallas, also tied with Fort Myers, Fla., for highest job growth.

Kent, Wash., came in second in the overall rankings and had the highest population growth, and Lehigh Acres, Fla., came in third. Here are the rest of the cities in the top 10:

The Business Journals

Amazon has quietly more than doubled its Austin presence in past year

October 4, 2017, By Sebastian Herrera, Bob Sechler and Shonda Novak

Amazon has more than doubled its Austin workforce in the past year, and indications are that more local growth could be in the works, separate from the e-commerce giant's splashy purchase of Austin-based Whole Foods Market and its high-profile search for a second corporate headquarters.

The company, which opened an Austin office in 2015, has increased its local footprint from 350 employees last year to more than 900 now, with another 100 positions currently open but unfilled, Amazon confirmed to the American-Statesman.

[Austin American-Statesman](#)

Panel weighs changes to pricing in the state's electricity market

October 4, 2017, By Bob Sechler

Electricity that most Texans take for granted when they flip on their lights or crank up their air conditioners is increasingly being generated by power plants running on cheap natural gas or by the wind turbines proliferating across the state.

The result has been lower wholesale electricity prices and plaudits from advocates for a cleaner energy mix. But some power plant operators say the trend also has revealed cracks in how prices are set on the state's wholesale market — and they're advocating changes to the system that, among other things, would make it more expensive for remote Texas wind farms or any other faraway generator to transmit electricity to population centers.

[Austin American-Statesman](#)

Global Cruise Industry Contributes \$1.42 Billion to Texas Economy

October 4, 2017, By Johnathan Silver

Washington DC, Oct. 04, 2017 -- The global cruise industry contributed \$1.42 billion to the Texas economy in 2016, up 6.9 percent since 2014, according to a new study from Cruise Lines International Association (CLIA), the largest cruise industry trade association and the leading authority of the global cruise community.

CLIA's 2016 Economic Impact Analysis, an independent study commissioned by CLIA and conducted by Business Research and Economic Advisors (BREA), shows that the cruise industry's direct expenditures in Texas generated total economic impacts of 25,166 jobs and \$1.62 billion in wages and salaries.

[Econo Times](#)

16 years After Boeing Downtown Dallas Chasing 'Bigger, Better Trophy' in Amazon

October 4, 2017, By Julia Bunch

Downtown Dallas Inc. Vice Chairman John Crawford has a long memory. Sixteen years ago, Dallas was a top contender to land the headquarters of aerospace giant Boeing. When North Texas ultimately lost out to Chicago, movers and shakers in downtown Dallas, including Crawford, got to work making the urban core more vibrant.

As the Dallas Regional Chamber prepares to submit a response to Amazon's RFP for its second headquarters that promises to bring 50,000 jobs, Crawford is having flashbacks.

[Dallas Magazine](#)

State comptroller touts Waco's aerospace industry

October 6, 2017, By Mike Copeland

Texas Comptroller Glenn Hegar toured the SpaceX rocket development plant in McGregor on Thursday and later touted Greater Waco as a hotbed of aerospace-related companies contributing to a statewide manufacturing base that eclipses the total economy of Portugal.

Hegar spoke to about 60 business and community leaders at the Greater Waco Chamber of Commerce headquarters, his third visit on a "Good for Texas Tour: Manufacturing Edition." Topics ranged from Hurricane Harvey and school finance to the challenge of accommodating the 1,200 people who have moved to Texas daily "the past 15 to 20 years."

[Waco Tribune-Herald](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Supreme Court back to work with major employment dispute

October 1, 2017, By Lawrence Hurley and Robert Iafolla

WASHINGTON(Reuters) - The U.S. Supreme Court kicks off its new nine-month term on Monday with a major employment case that could deprive workers of the ability to join together to file lawsuits when taking on companies over a wide range of labor disputes.

The Trump administration will argue alongside companies that agreements requiring workers to arbitrate disputes with their employers individually, rather than bringing class-action lawsuits collectively with their co-workers, are valid.

Class-action litigation can result in large damages awards by juries and is harder for businesses to fight than cases brought by individual plaintiffs.

In an unusual twist, the administration will face off against an independent agency of the federal government, the National Labor Relations Board (NLRB).

[Reuters](#)

Supreme Court declines to hear ABB-Tussey investment mapping case

October 02, 2017, By Robert Steyer

The U.S. Supreme Court on Monday announced without comment it had declined to hear a long-running complex ERISA case involving ABB Inc., Cary, N.C., and participants in two ABB 401(k) plans.

In the latest incarnation of litigation that started in 2006, the Supreme Court denied a petition to review a request by ABB based on a ruling by the 8th Circuit Court of Appeals in St. Louis on March 9, 2017.

In that ruling, the appeals court vacated and remanded a decision by a U.S. District Court in Jefferson City, Mo. The appeals court said the district judge had mistakenly ruled for ABB regarding potential damages to participants when the ABB plans mapped one investment option to another and how revenue sharing is administered in defined contribution plans.

[Pensions & Investments](#)

Equifax And Wells Fargo Apologize To Congress; Lawmakers Not Buying It October 3, 2017, By Marilyn Geewax and Emily Sullivan

When corporate chief executives appear before Congress, they come braced for battle, but hope for gentle treatment.

Tender handling is not what they got on Tuesday. Not from Republicans. Not from Democrats.

Not when they were representing Wells Fargo and Equifax — two huge companies that recently have harmed Americans.

"At best, you were incompetent. At worst, you were complicit. And either way you should be fired," Sen. Elizabeth Warren, D-Mass., told Wells Fargo CEO Tim Sloan.

[National Public Radio](#)

Extension of Nondiscrimination Relief to Certain Closed Defined Benefit Plans October 03, 2017, By Kay Kemp and Diane M. Morgenthaler

The Internal Revenue Service (IRS) recently extended the temporary nondiscrimination relief for closed defined benefit plans. This extended relief is intended to enable closed pension plans (defined as pension plans that have been closed to new participants but continue to provide ongoing benefit accruals for certain participants) to more easily satisfy certain nondiscrimination testing requirements. In most cases where the relief applies, the closed defined benefit plan is aggregated with a defined contribution plan to satisfy the nondiscrimination testing requirements, and the relief assists the aggregated plan in passing nondiscrimination requirements that apply to accrued benefits and to certain rights and features relating to those benefits. Public pension funds in Texas are preparing for the coming of Hurricane Harvey, which is expected to hit landfall on Friday.

[The National Law Review](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

\$890,000 to help Illinois businesses export their goods September 29, 2017, By The Associated Press

Illinois is getting an \$890,000 federal grant to help small businesses in the state better export their goods.

The Illinois Department of Commerce & Economic Opportunity's director Sean McCarthy says in a news release that in an increasingly global economy, companies need to look beyond domestic markets. And he says that with less than one percent of U.S. companies exporting their goods, foreign markets present a "huge growth opportunity" for small companies in Illinois.

The money awarded by the Small Business Administration goes to a program in which small companies can participate in group trade missions, prepare international marketing campaigns and take part in other activities.

[The News Tribune](#)

At Work, the ‘Irregulars Are Starting to Get Protection

October 2017, By J.B. Wogan

If you're an hourly employee in most parts of the country, there's a good chance you don't know when you're working next week. The boss can call you in at the last minute during busy shifts or send you home early when business is slow. If you show up and there's not much to do, he doesn't have to pay you. To get a full 40 hours, you might need to pick up consecutive closing and opening shifts, even if that means only a few hours of rest in between.

Governing

Equifax: 2.5 million more Americans may be affected by hack

October 2, 2017, By Ken Sweet

Credit report company Equifax said Monday that an additional 2.5 million Americans may have been affected by the massive security breach of its systems, bringing the total to 145.5 million people who had their personal information accessed or stolen.

Equifax said the company it hired to investigate the breach, Mandiant, has concluded its investigation and plans to release the results "promptly." The company also said it would update its own notification for people who want to check if they were among those affected by Oct. 8.

The information stolen earlier this year included names, Social Security numbers, birth dates and addresses — the kind of information that could put people at significant risk for identity theft.

Chicago Tribune

Hurricane Harvey, Irma lift U.S. factory activity index to 13-year high

October 2, 2017, By Lucia Mutikani

WASHINGTON (Reuters) - A measure of U.S. manufacturing activity surged to a near 13-1/2-year high in September as disruptions to the supply chains caused by Hurricanes Harvey and Irma resulted in factories taking longer to deliver goods and boosted raw material prices.

Still, details of the Institute for Supply Management's (ISM) survey on Monday underscored the economy's underlying momentum, with factories reporting stronger order growth last month. A measure of factory employment hit its highest level since 2011.

Reuters

US weekly jobless claims total 260,000, vs 265,000 expected

October 4, 2017, By Laura McDermott

The number of Americans filing for unemployment benefits fell more than expected last week, but the continued impact of Hurricanes Harvey and Irma on the data made it difficult to get a clear picture of the labor market.

Other data on Thursday pointed to underlying economic strength despite the weather-related disruptions. The trade deficit narrowed in August as exports of goods and services rose to more than a 2-1/2-year high, tempering expectations of a sharp slowdown in third-quarter gross domestic product growth due to the storms.

CNBC

Pension costs ‘crowding out’ spending on parks, schools and social services, report says

October 4, 2017, By Adam Ashton

California governments likely will make do with fewer teachers, parks employees and other public workers while they struggle to absorb fast-rising pension costs in the next few years, a former state lawmaker argues in a study released this week through Stanford University.

Former Democratic Assemblyman Joe Nation projects that many cities, counties and school districts will double their spending on pensions by 2030, “crowding out” their ability to fund public services.

[The Sacramento Bee](#)

Companies can’t find workers to rebuild after Harvey and Irma

October 4, 2017, By Danielle Paquette

After Hurricane Irma pounded the Florida Keys, flooding waterfront homes and shredding docks, Brett Ekblom's phone kept ringing with homeowners desperate to rebuild — and fast.

“I’m hearing from people who have had quite a bit of destruction,” said Ekblom, who owns Native Construction Contracting in Key Largo.

On a typical day, he'd get one inquiry about a renovation. Now, he's getting four.

[The Washington Post](#)

Pension numbers boost budget pressure

October 4, 2017, By Lloyd Dunkelburger

TALLAHASSEE — State analysts agreed Thursday to lower the expected rate of return on Florida’s \$154 billion pension fund, which will put more pressure on lawmakers as they craft a new state budget.

The decrease from a 7.6 percent return to 7.5 percent will require an additional \$124 million in state funding in the 2018-2019 budget to keep the pension fund financially sound, according to the state’s long-range fiscal analysis.

[The Gainesville Sun](#)

Mortgage rates jump as bond selloff drags on and housing runs out of steam

October 5, 2017, By Andrea Riquier

Rates for home loans jumped to a six-week high as bonds sold off in the wake of hawkish comments from the central bank and expectations for tax reform, mortgage provider Freddie Mac said Thursday.

The 30-year fixed-rate mortgage averaged 3.85% during the October 5 week, up two basis points. The 15-year fixed-rate mortgage averaged 3.15%, also up two basis points. The 5-year Treasury-adjusted hybrid adjustable-rate mortgage averaged 3.18%, down from 3.20%.

Mortgage rates have resumed their close relationship with the benchmark U.S. 10-year Treasury TMUBMUSD10Y, +0.16% yield. Treasuries soared after the November presidential election, when investors began to anticipate stronger economic growth, inflation from tax cuts, and less regulation.

[Market Watch](#)

Dollar Erases Gain, Stocks Drop Amid Korea Angst: Markets Wrap

October 5, 2017, By Randall Jensen

The yen rose versus the dollar and gold erased declines after Russia's news agency reported North Korea may ratchet up tension with the U.S. On Thursday, President Donald Trump cryptically said that a gathering with military leaders might mark "the calm before the storm." The S&P 500 Index fell 0.3 percent, extending its first loss in nine days on the Korea news.

Earlier, data showing a spike in U.S. wages added optimism in the economy and sent the dollar to a two-month high. The 10-year Treasury yield spiked to near 2.40 percent before falling back three basis points. Crude sank 3 percent.

Bloomberg

U.S. economy loses 33,000 jobs after hurricanes, first decline in seven years. But unemployment falls to 4.2 percent

October 6, 2017, By Tracy Jan and Danielle Paquette

The U.S. economy lost 33,000 jobs in the aftermath of Hurricanes Harvey and Irma last month, the first decline since September 2010. The unemployment rate declined slightly to 4.2 percent.

Analysts had been expecting job growth to slump in September after the one-two punch from the hurricanes. This was worse than predicted -- but economists expect the numbers to rebound in coming months.

Washington Post

U.S. economy sheds jobs for first time since 2010 as hurricanes hit

October 6, 2017, By Akin Oyedele

The US economy in September lost more jobs than it created for the first time in seven years.

Amid the damage caused by the hurricanes Harvey and Irma, nonfarm payrolls fell by 33,000, the Labor Department said Friday in its monthly report.

Most of the losses occurred in the leisure-and-hospitality sector, where most employees can't work remotely and are paid only if they show up. It shed 111,000 jobs, the most dating back to at least 1945. Employees who weren't paid during the Labor Department's survey week (of September 12) were not counted as employed.

Business Insider

Treasury Lays Out Plan for Loosening Dozens of Walls

October 6, 2017, By Robert Schmidt and Benjamin Bain

The Trump administration urged the overhaul of key rules underpinning trading in U.S. stock, bond and derivatives markets, calling on regulators to loosen dozens of restrictions imposed on Wall Street after the financial crisis.

In a 220-page report issued Friday, the Treasury Department laid out a series of recommendations to streamline regulations affecting the largest banks, hedge funds and exchanges. Rather than making specific demands, the document is intended to be a road map for action by the Securities and Exchange Commission and the Commodity Futures Trading Commission.

Bloomberg

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

India's flagging economy draws dire warnings of recession

September 28, 2017, By Nirmala George

Prime Minister Narendra Modi came to power on a euphoric wave of promises to boost India's economy, add millions of jobs and bring "good times" to the developing nation.

Three years later, India's economic prospects look decidedly grimmer. India's economic expansion has slowed to its lowest level in three years. Small businesses are struggling, or even shutting down, after overhauls of the nation's currency and sales tax system. Modi's own allies warn of a dire outlook, with some raising the specter of an economic depression.

While government ministers have urged patience, analysts and others in Modi's governing Bharatiya Janata Party are not so sanguine about the current trends.

ABC News

Greek state budget sees steady pick-up in economy

October 2, 2017 By Associated Press

ATHENS, Greece — Greece's government on Monday presented what it calls the last of the bailout-era state budgets, predicting economic growth of 2.4 percent and a significant budget surplus in 2018.

In the draft 2018 budget, the economy is expected to expand 1.8 percent this year, up from no growth last year.

The 2018 primary surplus — which excludes the cost of financing debt — is forecast at 3.6 percent. The government has committed to high surpluses for years to come, to secure fiscal sustainability and help pay off the country's crippling debts.

The Washington Post

Europe Could See Another Brexit-Like Rupture-Beyond Spain

October 4, 2017, By John Micklethwait

Some of the great moments of history sneak up on businesspeople. Two years ago, Britain looked to be Europe's most economically rational country; now its companies seem to be rolling from one economic earthquake to another, with Brexit looking increasingly likely to be followed by the election of a near-Marxist prime minister, Jeremy Corbyn.

Looking back, two things stand out. First, there were some deep underlying "irrational" causes that business ignored, such as the pent-up anger against immigration and globalization. Second, there was a string of short-term political decisions that proved to be miscalculations. For decades, for example, attacking the European Union was a "free hit" for British politicians. If David Cameron had it to do over again, would he really have made the referendum on whether to stay in it a simple majority vote (or indeed called a vote at all)? Does Angela Merkel now regret giving Cameron so few concessions before the Brexit vote? Would the moderate Labour members of Parliament who helped Corbyn get on their party's leadership ballot in the name of political diversity really do that again?

Bloomberg

Catalonia moves to declare independence from Spain on Monday

October 4, 2017, By Angus Berwick and Sonya Dowsett

BARCELONA/MADRID (Reuters) - Catalonia will move on Monday to declare independence from Spain following Oct. 1's banned referendum as the European Union nation nears a rupture that threatens the foundations of its young democracy.

Mireia Boya, a Catalan lawmaker from the pro-independence Popular Unity Candidacy (CUP) party, said on Twitter that a declaration of independence would follow a parliamentary session on Monday to evaluate the results of the vote to break away.

"We know that there may be disbarments, arrests ... But we are prepared, and in no case will it be stopped," she said.

[Reuters](#)

East Asia growth forecasts, sees geopolitical risks

October 4, 2017, Evelyn Cheng

The World Bank raised its economic growth forecasts for developing East Asia and Pacific for this year and 2018, but added the generally positive outlook was clouded by risks such as rising trade protectionism and geopolitical tensions.

The Washington-based lender now expects the developing East Asia and Pacific (EAP) region, which includes China, to grow 6.4 percent in 2017 and 6.2 percent in 2018.

Its previous forecast in April was for 6.2 percent growth in 2017 and 6.1 percent growth in 2018.

[CNBC](#)

IMF chief: economic recovery takes hold in most of the world

October 5, 2017, By Paul Wiseman

The head of the International Monetary Fund said Thursday that "the long-awaited global recovery is taking root" and that three-quarters of the globe is enjoying an economic upswing in "the broadest-based acceleration since the start of the decade."

In remarks prepared for delivery at Harvard's Kennedy School of Government, IMF Managing Director Christine Lagarde suggested that the 189-country finance agency will likely upgrade its outlook for global growth when it releases its latest forecasts next week.

In July, the IMF predicted that global growth would hit 3.6 percent in 2018 — fastest since 2011 and a welcome sign the world economy had broken out of a period of stagnation following the Great Recession of 2007-2009.

[ABC News](#)

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