



Weekly Clips, March 23, 2018
Texas Pension Review Board
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PRB PLANS

A winning personality counts with Texas Muni

March 19, 2018, By Christine Williamson

If you want to manage money for the \$28.5 billion Texas Municipal Retirement System, get ready to have your personality analyzed.

The Austin-based pension fund is on a fast track for building its private equity portfolio, having only started investing in the asset class in 2015. To date, portfolio commitments total just \$1.2 billion, so Christopher M. Schelling, director of private equity, is meeting a lot of managers.

Pensions & Investments

Texas Teachers Pension Eyes Hiring Spree for Investment Group

March 23, 2018, By Michael McDonald

The Teacher Retirement System of Texas, one of the largest public pensions in the country, is considering almost doubling the size of its investing team so it can cut expenses by managing more of its money in-house.

Jerry Albright, chief investment officer at Texas Teachers, has proposed adding 120 people over five years, which would increase the team to almost 270 people, according to a video of a board meeting posted to the fund's website in late February. That would allow the \$150 billion pension to buy more assets directly, cut external fund managers and slice fees by at least \$600 million, Albright told the board.

Bloomberg

TEXAS ECONOMIC INDICATORS

Texas topped the country in commercial real estate development in 2017

March 19, 2018, By Steve Brown

Oil and cattle are the iconic business touchstones for Texas. But it's real estate development where the Lone Star State really leads the country. Last year, Texas was the top U.S. state for commercial real estate development contributions to the economy.

With more than \$24 billion in direct construction spending in Texas, the building sector contributed almost \$59 billion to the state's economy, according to a new report by the NAIOP, the Commercial Real Estate Development Association. The sector supports almost 380,000 jobs in the state, the new study finds.

Dallas News

Report: Houston real estate to benefit from better job growth

March 20, 2018, By Katherine Feser

Houston's rosier than expected job growth in 2017 has positioned the local real estate market to gain strength across the board, Houston-based real estate valuation firm Deal Sikes & Associates said in a report.

The Houston region added 62,900 jobs last year, the Texas Workforce Commission reported in its revised annual data. That's a 37 percent jump over initial estimates of 46,000 jobs.

[Houston Chronicle](#)

Texas Government Risks Credit Rating Downgrade, Comptroller Glenn Hegar Says

March 20, 2018, By Edgar Walters

If budget writers don't come up with money to address a state employee pension shortfall and mounting needs for public schools, health care and transportation, credit agencies are likely to downgrade Texas' AAA rating in the near future.

That was the warning Comptroller Glenn Hegar gave lawmakers at a Tuesday hearing of the Senate Finance Committee in Austin. Though the Texas economy is growing at a healthy pace, Hegar said, the state's budget is riddled with enough unfunded liabilities to worry credit rating agencies such as Moody's and Standard and Poor's.

[Houston Public Media](#)

Growth is bigger in Texas

March 21, 2018, By Maggie Gordon

New Census data released Thursday show six of the 10 counties with the nation's largest increases in population were located in Texas, thanks to economic growth, immigration and high fertility rates.

The six Texas counties with the biggest population increases between July 1, 2016, and July 1, 2017, are located throughout the state: Harris County had the fourth largest increase in the country; Tarrant was fifth; Bexar was seventh; Dallas was eighth; Denton was ninth; and Collin was 10th.

[Houston Chronicle](#)

Texas Unemployment In February Holds Steady At 4 Percent

March 23, 2018, By Associated Press

The Texas unemployment rate held steady in February at 4 percent.

The Texas Workforce Commission on Friday reported the latest statewide jobless rate was the same as January. Nationwide unemployment last month was 4.1 percent.

[Houston Public Radio](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Labor Department won't enforce investor protection rule after court decision

March 19, 2018, By Sarah O'Brien

Federal regulators for now are backing off enforcement of an Obama-era rule intended to protect retirement savers.

The 5th Circuit Court of Appeals ruled on March 15 that the Labor Department overstepped its authority by creating the so-called fiduciary rule, parts of which went into effect last year.

[CNBC](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

How pension costs clobbered one California city

March 18, 2018, By Dan Walters

When Santa Cruz, a picturesque and funky coastal city, first started to feel the pinch of rising retirement costs for city workers, it took several steps to limit the fiscal pain.

As recommended by the League of Cities and other authorities, Santa Cruz issued a bond to pay down its rising pension liabilities, set aside funds to cover increasing demands from the California Public Employees Retirement System (CalPERS), shifted some employees into lower-benefit pension plans and made sure that its workers paid significant portions of pension costs.

[The Sacramento Bee](#)

State of the Cities: The Case of Pensions

March 19, 2018, By NLC Staff

The state of retirement funding has become an obvious fiscal concern for city governments, especially since the Great Recession. In fact, a recent National League of Cities survey revealed the cost of employee/retiree pensions ranks third (following infrastructure needs and public safety needs) among the most negative factors impacting city budgets.

[CitiesSpeak](#)

The unemployment rate is low. It should be even lower.

March 19, 2018, By Ben Spielberg

The U.S. economy added an estimated 313,000 jobs in February, keeping the unemployment rate at 4.1 percent, where it's held steady for the past five months. And the good news is, experts agree, that it still has room to improve.

[The Washington Post](#)

Senate working on retirement savings package

March 19, 2018, By Hazel Bradford

The proposed Retirement Enhancement and Savings Act of 2018 was introduced March 8 in the Senate by Finance Committee Chairman Orrin Hatch, R-Utah, and ranking member Ron Wyden, D-Ore.

The bipartisan package, which mirrors a proposal introduced in the last Congress and unanimously approved by the Finance Committee, was expected to win Senate approval this month, and a House counterpart was introduced March 14. For now, its most likely path is to be included in a must-pass spending bill that both chambers have to address before the end of the month.

Pensions & Investments

California treasurer thwarted in push for CalPERS gun divestment

March 19, 2018, By Laila Kearney

The California Public Employees' Retirement System board on Monday voted against a proposal to move towards divesting its investments in assault rifle retailers and wholesalers, saying the move would do little to reduce gun violence.

State Treasurer John Chiang urged the board to take the step at a meeting in Sacramento. He was joined by relatives of mass shooting victims and California-based alumni of Florida's Marjory Stoneman Douglas High School where an attack occurred last month.

Reuters

New York State Fund Snubs All-Male Boards

March 20, 2018, By Joann S. Lublin

A major state pension fund intends to oppose the re-election of all directors at hundreds of U.S. corporate boards without a single woman.

The unusual campaign by the New York State Common Retirement Fund, announced early Wednesday, reflects its growing impatience with the pace of progress on gender diversity in the boardroom.

The Wall Street Journal

In Kentucky's pension fight, teachers want to remind you: They don't get Social Security

March 20, 2018, By Deborah Yetter

As a young teacher, Lauri Wade didn't think much about the fact that in Kentucky, public school teachers are not eligible for Social Security benefits upon retirement.

"When you're in your early 20s, you don't think about that stuff," said Wade, who retired after 28 years as a teacher with Jefferson County Public Schools.

But she does now and that's why she joined several dozen current and retired teachers early Monday at Atherton High School to rally in support of preserving teachers' pensions in Kentucky.

Courier Journal

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Global fund managers eye trillion dollar pension business in China

March 21, 2018, By Samuel Shen, John Ruwitch

Global asset managers are lobbying Beijing to offer tax benefits and other incentives to entice China's aging population to invest in mutual funds for their retirement, as funds eye a multi-trillion dollar opportunity in commercial pensions.

Their hopes for a bigger role in China's pension market and its reform process received a boost this month when regulators published guidelines for the introduction of Western-style pension target funds.

Reuters

Ontario Public Service Pension Plan gains 10.8% in 2017

March 21, 2018, By Rick Baert

Ontario Pension Board, which administers the province's Public Service Pension Plan, Toronto, on Wednesday announced the plan returned a net 10.8% on its investments in 2017, 40 basis points over its custom benchmark.

The 2017 returns delivered C\$2.5 billion (\$2 billion) in net investment income, helping boost the plan's assets to C\$26.4 billion as of Dec. 31, OPB said in a news release.

Pensions & Investments

Mexico to probe pension fund's losing investment in indebted builder

March 21, 2018, By Reuters Staff

MEXICO CITY (Reuters) - Mexican federal auditors are investigating an investment made by the country's state workers' pension fund, after Reuters reported it spent millions of dollars on shares in a company spiraling toward bankruptcy.

Pensionssste plowed more than \$20 million into construction company ICA (ICA.MX) and became the largest shareholder just before ICA suspended debt payments, Reuters reported this month. The fund is set to lose most of its investment in a restructuring.

Reuters

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