

TEXAS PENSION PLANS

Uresti can't collect state pension, judge rules

August 14, 2018, By Patrick Danner

Former state Sen. Carlos Uresti can't start collecting his Texas pension just yet, a federal judge ruled Tuesday, offering this advice to solve the convicted felon's financial woes: He could start his prison sentence now.

Senior U.S. District Judge David Ezra declined to issue an order authorizing the Texas Employee Retirement System to start issuing monthly pension checks to Uresti, who has valued the benefit at more than \$80,000 a year.

Uresti, 54, has said he needs the pension because he's broke and has no money to survive. John "Bud" Ritenour Jr., Uresti's court-appointed lawyer, said the longtime San Antonio Democrat has been relying on relatives to get by.

Ezra responded by saying there was an alternative for Uresti. "The alternative is for Mr. Uresti to go into custody, and at that point he won't have issues with his personal expenses," Ezra said.

Uresti has been free on an unsecured bond.

"I am not going to allow them to make any distributions as yet," Ezra ruled, referring to the state agency that handles retirement benefits.

[San Antonio Express-News](#)

TEXAS ECONOMIC INDICATORS

Texas' hot economy expected to cool, says Dallas Fed

August 10, 2018, By L.M. Sixel

The Texas economy is likely to cool down during the second half of the year as export growth slows and wage pressures rise, according to a new report by the Federal Reserve Bank of Dallas.

The slowdown comes at a time when the Texas economy has been adding jobs at a "blistering" 3.6 percent annualized rate during the first six months of the year, making Texas the No. 1 state for job growth. Last year, Texas was No. 9.

Unemployment in Texas dipped in June to 4 percent, near its record low of 3.9 percent in November, which means that people who want to work are generally working. Any slack in the labor market has been largely absorbed, according to the Federal Reserve Bank, which is putting pressure on companies to raise wages. The bank is receiving anecdotal reports of worker shortages across industries and skills.

The Houston economy is also expected to slow as Hurricane Harvey-induced business activity fades. Houston makes up 25 percent of the state's jobs.

Despite predictions of slower growth ahead, the Federal Reserve Bank expects Texas to continue to grow faster than other states during the second half of the year.

[Houston Chronicle](#)

After \$9 million in hiring bonuses, Texas prisons still face 14 percent guard vacancy

August 9, 2018, By Keri Blakinger

The Texas prison system handed out more than \$9 million this fiscal year on bonuses to aid recruitment as they grappled with extensive officer vacancies, but department data shows the cash outlay has hardly moved the needle.

Seven months after the state launched a concerted effort to bring down the 14 percent officer vacancy rate, the Texas Department of Criminal Justice still has 3,675 unfilled positions - roughly 30 more than in January when the leadership started tackling the problem.

But prison officials are optimistic that the tide is turning, pointing out that vacancy numbers are down from a peak in April.

Staffing shortages have long plagued the prison system, a problem driven in part by the lock-ups' remote locations, the tough working conditions including a lack of air conditioning, and the relatively low pay.

Back in 2008, just over 13 percent of officer positions were unfilled and, though the vacancies decreased over the next two years, by 2012 some units were so poorly staffed the state was forced to take nearly 700 beds offline due to a lack of guards.

[Houston Chronicle](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

President signs bill expanding review of foreign investment

August 13, 2018, By Hazel Bradford

Legislation updating the authority of the Committee on Foreign Investment in the United States to review — and potentially block — foreign investments that could raise national security considerations was signed Monday by President Donald Trump as part of a defense authorization package.

The CFIUS reform provision expands the committee's focus from not just whether a foreign investor could "control" a U.S. business but to include determining whether a foreign investor is "non-passive," said Kirkland & Ellis partner Mario Mancuso, a former national security official.

The first major CFIUS update in more than a decade, the bipartisan bill called the Foreign Investment Risk Review Modernization Act of 2018 allows a deeper look into foreign minority-position investments made through U.S. venture capital and private equity funds.

"Every board, banker and investor should take careful note of FIRRMA. Once implemented, FIRRMA's regulations will broadly reshape the deal (and competitive) landscape for transactions in infrastructure, technology and many other sectors," Mr. Mancuso said in an email.

[Pensions & Investments](#)

What a New Jersey panel urges to improve state's fiscal health

August 13, 2018, By Andrew Coen

The 25-member New Jersey Economic and Fiscal Policy Workgroup unveiled Thursday a series of wide-ranging proposals including shifting workers with less than five years of service from a defined-benefit pension plan to a hybrid defined contribution plan. The committee also suggested cutting health benefits for retirees from platinum plans to gold and exploring feasibility of transferring assets such as the New Jersey Turnpike system to the state pension system in an effort to lower a heavy unfunded liability burden.

The panel, which met for seven months, was co-chaired by Sarlo, Sen. Steven Oroho, R-Sparta Township, Assembly Majority Leader Louis Greenwald, D-Lindenwold, along with a group of economists and tax experts. In addition to seeking overhauls of a struggling pension system, the committee also wants to explore cost savings from merging school districts into regional systems and considering high-occupancy toll lanes.

Regina Egea, president of the Garden State Initiative, said the panel's recommendations don't go far enough. Egea, who was chief of staff to former Gov. Chris Christie from 2015 to 2016, said the report's focus on achieving health benefit savings is a positive, but stressed that the committee failed in addressing a specific path toward implementation or in tackling the state's pension woes.

Gov. Phil Murphy included a record \$3.2 billion pension payment in his 2019 fiscal year budget, which still only met 60% of the actuarially determined contribution. New Jersey's pension woes triggered 11 credit rating downgrades under Christie to the lowest of all U.S. states outside Illinois. The Garden State now has general obligation bond ratings of A-minus from S&P Global Ratings, A3 from Moody's Investors Service and A from Fitch Ratings and Kroll Bond Rating Agency.

[The Bond Buyer](#)

U.S. Stocks Fall as Trade Tensions Persist

August 15, 2018, By Ben St. Clair and Amrith Ramkumar

Investors widely sold risky assets from stocks to commodities Wednesday as the market continued to weigh whether trade tensions and an emerging-markets rout could slow the global economy.

The Dow Jones Industrial Average dropped 286 points, or 1.1%, to 25014, while the S&P 500 slumped 1.1%. Both indexes were on track for a fifth decline in the past six sessions. The Nasdaq Composite fell 1.4%.

Although U.S. stocks have largely shaken off fears of a weaker global economy, investors have recently grown anxious that a currency rout in Turkey and other emerging markets might spread. Adding to worries: Base metals like copper, widely used in construction and manufacturing, have plummeted, a bearish sign to analysts that use them as an economic indicator.

On Wednesday, Turkey' President Recep Tayyip Erdogan took another step in the U.S.-Turkey spat, raising tariffs on some U.S. imports in retaliation against U.S. sanctions. The tariffs cover U.S. products including alcoholic beverages, passenger cars, tobacco, cosmetics, rice and coal.

[Wall Street Journal](#)

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