

TEXAS PENSION PLANS

Is Texas Taking Care of Its Teachers?

September 16, 2018, By Jan ross Piedad

About 40 percent of Texas teachers expect to take on other jobs outside of the classroom in order "to meet family expenses," according to the Texas State Teachers Association.

Data collected by the National Education Association for 2017 shows the average salary for teachers nationwide at just under \$60,000. Texas is ranked number 29 in the country for teacher salaries at an average of \$52,575.

The Texas education system is also facing problems regarding educator pensions. At least 3,600 teachers have left the state's retirement plan as the public pension system considers raising premiums for healthcare.

Educators in states across the nation have gone on strike for better compensation, but Texas teachers are discouraged from joining the picket lines, as engaging in "organized work stoppage" could result in loss of certification or retirement benefits.

[Texas Public Radio](#)

Fort Worth approves budget. Why a tragedy has temporarily put pension fix on hold

September 18, 2018, By Bill Hanna

The City Council approved the Fiscal Year 2019 budget and dropped the tax rate from 80.5 cents per \$100 valuation to 78.5 cents per \$100 valuation. But the passage of the budget occurs without a fix for the troubled pension system, which is facing a \$1.6 billion shortfall.

If nothing is done to shore up the Fort Worth Employee's Retirement Fund, it could run out of money by 2048.

Earlier this month, the city upped its proposal, increasing its contribution from \$92 million to \$110.7 million annually and preserving the cost-of-living adjustment (also known as the COLA) for retirees. But it would cut the cost of the COLA from 2 percent to 1 percent.

The leadership of both the Fort Worth Police Officers Association and the Fort Worth Professional Firefighters Local 440 said they couldn't support this latest proposal because it would impact the cost of living adjustment for retirees.

Complicating matters is whatever pension fix is eventually approved will be subject to an employee vote that requires the majority of all employees to approve — not just those who cast ballots.

[Star-Telegram](#)

TEXAS ECONOMIC INDICATORS

Poverty in Texas drops to lowest levels in more than a decade

September 13, 2018, By Alexa Ura and Elbert Wang

Despite the grim, long-standing realities of income inequality in the state, 2017 proved to be a year of solid economic improvement for Texas with ongoing gains that are reflective of the state's post-recession bounce. The overall poverty rate and child poverty rate dropped to their lowest levels in more than a decade, and incomes continued to rise across the board.

The latest estimates released Thursday by the U.S. Census Bureau put the state's poverty rate at 14.7 percent, down from a high of 18.5 percent in 2011. Roughly one in five Texas children — 20.9 percent — lived in poverty last year — a significant decrease from a recent high water mark set in 2011, when almost 27 percent of children were poor.

That progress, though, was dimmed at the local level. The poverty rate either increased or barely budged in a third of the state's 25 metro areas, and the share of residents living in poverty in half of those areas surpassed the state figure with poverty concentrated in places like South Texas, where the poverty rate is double the state rate.

[Texas Tribune](#)

Austin's economy topped U.S. metro areas in growth in 2017

September 18, 2018, By Bob Sechler

The local economy grew by 6.9 percent in 2017, making the Austin-Round Rock region the fastest-growing large metro area in the country last year in terms of inflation-adjusted gross domestic product, according to the Bureau of Economic Analysis.

The region's output of goods and services totaled \$148.75 billion, according to federal data. That's up from \$135.98 billion in 2016 and from about \$103.5 billion in 2012. Adjusting for inflation, the federal agency pegged growth in the Austin-Round Rock metro's economic output since 2012 at about 36 percent.

The rate of the local expansion sped up last year, after coming in at 5.5 percent in 2016, according to the new figures. In addition, the region's 2017 growth substantially outpaced the second-place finisher for metros with over 2 million people — the Seattle area in Washington state — which logged a 5.2 percent increase in its gross domestic product.

Austin's expansion "is really, really impressive — not only is it No. 1, but it is more than three times the average" growth rate of 2.1 percent for U.S. metro areas overall, said Bernard Weinstein, a Southern Methodist University economist.

[Austin American-Statesman](#)

Report says gentrification threatens to displace Austin's low-income residents, communities of color

September 18, 2018, By Brandon Formby

Revitalized neighborhoods surrounding Austin's urban core provide affluent residents more housing options closer to downtown, increase developers' profits and fetch city hall additional property tax revenue.

But all that infill redevelopment is also pushing the city's low-income residents, who are often people of color, farther from the jobs and public services that help people climb the socioeconomic ladder.

"Absent major interventions by the City of Austin and other stakeholders, these residents—who are largely low-income persons of color—will be pushed out farther away from opportunity and dislocated from their communities," the report says. "In the process, neighborhoods that have historically been home to African-American and Hispanic residents will lose their cultural character and become enclaves for largely white and wealthier residents."

[Texas Tribune](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Illinois governor signs bill establishing statewide deferred comp plan for teachers and university employees

September 15, 2018, By Doug Finke

Gov. Bruce Rauner recently signed House Bill 5137, which requires Teachers' Retirement Systems to establish a voluntary deferred compensation program that allows teachers to save money that will supplement their regular teacher pension on retirement.

Teachers can already participate in deferred compensation programs if their school districts offer one. However, the programs are administered by individual school districts and that can be a problem, said Rep. Robert Martwick, D-Chicago, the bill's sponsor.

Martwick said some school districts offer plans that have high investment returns with low costs to the participants. In other cases, he said, the selection of a plan administrator is less rigorous.

"The truth of the matter in a lot of these instances, their goal is not to provide a higher performing, low cost system for teachers. It's to make money," he said. "We're talking potentially losing a couple hundred thousand in investment income."

Thus a new law having the state's largest pension system set up a deferred compensation system that will be run under its auspices.

[State Journal-Register](#)

Federal court orders Baltimore County to pay back workers who overpaid for pensions

September 19, 2018, By Pamela Wood

A federal appeals court ruled Wednesday that Baltimore County must pay back employees who were forced to overpay into the county's pension system for years.

A lower court will determine how much the county would have to reimburse older workers who, until 2007, were charged more for pension contributions than younger workers. The county has previously estimated it could be on the hook for up to \$19 million.

The case affects county employees who were hired before 2007, when Baltimore County ended its decades-long practice of setting pension contribution rates for new hires based on an employee's age. Workers who were hired at an older age were required to pay more into the pension plan than newly hired workers who were younger.

[The Baltimore Sun](#)

Poway City Council considering special pension account

September 19, 2018, By Steve Drever

Poway City Council members informally agreed Tuesday night the city needs to get more proactive in dealing with steadily rising employee pension plan costs.

The city should seriously look into creating a "Section 115 Trust" into which surplus city funds can be invested, the council agreed during a non-binding "workshop" session. The fund would be used to make annual payments to the California Public Employee Retirement System (CalPERS), which administers the pension plans for most of the city's employees.

"Establishing a 115 trust would provide the city with an alternative to sending funds directly to CalPERS and would provide greater city control over assets and portfolio management," City Manager Tina White wrote in a staff report.

The city will be paying about \$4.6 million to CalPERS this fiscal year, White said, with employees contributing another \$1.3 million.

[The San Diego Union-Tribune](#)

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