

TEXAS PENSIONS

Paying the Bill: The Need for Adequate TRS Funding

April 22, 2019, By Byron Hildebrand and Anthony Randazzo

If you only make the minimum payment on your credit card for 13 of the past 15 months, your debt would climb fast. Unfortunately, that's what the Texas Legislature has done to the Teacher Retirement System (TRS) for 13 of the past 15 years. Those inadequate contributions are a big reason why TRS currently has a \$46 billion shortfall.

Pension funding policy can be complicated, but one principle always works for keeping debt in check: pay your bills on time.

TRS retirement benefits can be a great bargain for employers and the state. The state can promise an amount of monthly retirement income to educators and contribute a portion of that promised amount into a pool that earns investment returns. For example, over the last two years, the state's contributions to TRS were only about 14 percent of TRS' total revenue, the largest chunk being investment income.

Just because TRS retirement benefits are a great value doesn't mean they don't have a cost. If the contributions fall short, or the returns don't cover the balance of promised benefits, pension debt accumulates. Ensuring adequate contributions is like paying a full credit card bill every month — you purchase items and the cost is ultimately reflected in an amount to be paid.

[TribTalk](#)

Texas House Votes to Advance Bill to Shore Up Teacher Pension Fund

April 24, 2019, By Aliyya Swaby

The Texas House voted Wednesday to advance legislation that would make the Teacher Retirement System pension fund financially healthy and give one-time checks to retired teachers.

By a voice vote, House members gave preliminary approval to Senate Bill 12, endorsing a more costly revised version of the teacher pension fixes that was originally proposed in the lower chamber. The House's version of SB 12, sponsored by state Rep. Greg Bonnen, R-Friendswood, would increase the amount the state contributes to the pension fund by 2% over the next five years, and give retirees a one-time check of up to \$2,400 by September 2020, in addition to their monthly checks of that amount.

"TRS cannot issue a badly-needed cost of living increase or supplemental payment because the fund is not actuarially sound," Bonnen said explaining the bill Wednesday. The bill still needs a final vote in the House — usually just a formality — before the chambers can form a conference committee and negotiate the differences.

[Texas Tribune](#)

TEXAS ECONOMIC INDICATORS

Houston Co. Starts Construction On \$170M Wind Farm

April 19, 2019, By Joshua Mann

Houston-based Engie North America Inc. — an arm of France-based Engie SA (EPA: ENGI) — has started construction on the Jumbo Hill Wind Project.

Jumbo Hill is a \$170 million wind power generation project in Andrews County, Texas, according to a tax incentive document published by the Texas Comptroller on March 18.

The project is expected to complete in spring 2020, according to an April 16 press release. Once that happens, it will employ five people full time, according to the comptroller document, though the press release says that number could be as high as 12.

[Houston Business Journal](#)

Oil Leaps To 6-Month High as US Vows to Strangle Iran Exports

April 22, 2019, By Alex Nussbaum, Bloomberg

Crude leapt to its highest level in almost six months after the Trump administration said it will no longer give China, India and other major economies a pass on sanctions barring purchases of Iranian oil.

Futures rose as much as 3.5 percent Monday in London to top \$74 a barrel. U.S. Secretary of State Mike Pompeo said no more waivers will be issued on sanctions aimed at isolating the Islamic Republic. In response, Iran threatened to shut the Strait of Hormuz, a key maritime chokepoint for Persian Gulf crude producers, and said it's engaged in "intensive" talks with partners to blunt the impact of Trump's escalation.

[Midland Reporter Telegram](#)

Dallas-Fort Worth Saw the Biggest Population Growth Among All U.S. Cities in 2018

April 22, 2019, By Casey Leins

The Dallas-Fort Worth-Arlington, Texas area gained more new residents in 2018 than any other metro area in the nation, according to recent U.S. Census Bureau data.

The city's population, now more than 7.5 million, grew by nearly 132,000 people from 2017 to 2018, marking a 1.8 % increase. Over the past eight years, Dallas-Fort Worth, the fourth-largest metro area in the country, has added more than 1 million people.

"If you look at Dallas-Fort Worth, its economy is continuing to expand and that is creating economic opportunities," Texas State Demographer Lloyd Potter told the Fort Worth Star-Telegram.

[U.S. News & World Report](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Jefferson County Teachers' Group Endorses Edelen

April 22, 2019, By Bruce Schreiner

Democrats running for Kentucky governor have turned Republican Gov. Matt Bevin's feud with some teachers' groups into a frequent attack line against the incumbent.

With political activism surging among teachers, courting their support has been a priority leading up to the May 21 primary. Each of the leading Democrats claims to be the education champion, and now Adam Edelen has picked up a key endorsement.

The Jefferson County Teachers Association says it's backing Edelen for the Democratic gubernatorial nomination. The influential group is from Kentucky's most populous county and a Democratic stronghold.

[AP News](#)

As Industry Spends Millions on Lobbying, Congress Moves on Retirement Legislation

April 22, 2019, By Victor Reklaitis

The financial industry has engaged in significant lobbying on legislation that would revamp the U.S. retirement system, and it's now sounding delighted about the bills that are making their way through Congress.

Bipartisan bills in the House and Senate — dubbed the SECURE Act and the Retirement Enhancement and Savings Act, or RESA, respectively — would bring a range of changes, from boosting the use of annuities to helping small employers team up to improve their plans.

[Market Watch](#)

How Rising Teacher Pension Costs Hurt School Districts

April 22, 2019, By Sarah Butrymowicz

Glenn Gustafson was already bracing for a rough Valentine's Day. Looming on his calendar was a sure-to-be-wrenching meeting to cut \$10 million in spending from the Colorado Springs School District's budget, a move largely forced by rapidly declining enrollment as families moved out of the district and singles moved in. Gustafson, the district's CFO and — according to his wife — the "world's only extroverted accountant," had dubbed the meeting the "St. Valentine's Day Massacre."

And then, the week before the scheduled budget bloodshed, he attended a presentation by the director of the state's pension system and got some unpleasant news. Gustafson learned that his district might have to slash an additional \$890,000 next year, as part of the state's latest attempt to make the system solvent by 2049.

[The Hechinger Report](#)

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