

TEXAS PENSIONS

Texas Municipal's Executive Director to Retire Next May

June 5, 2019, By Chris Butera

The executive director of the Texas Municipal Retirement System is retiring in 2020.

Next May, David Gavia will leave behind a 10-year legacy at the \$29.3 billion pension plan, Bill Philibert, the fund's chair announced. Gavia first joined in 2001 as a general counsel.

Philibert called Gavia the fund's "dedicated caretaker" for the past decade. He praised the outgoing exec's communication skills, specifically with policymakers and stakeholders, as well as his "unwavering" ethics and integrity. "Because of David, TMRS is well-positioned to achieve its vision of being the model for empowering retirement," said Philibert.

With Gavia's pending departure, the board has begun a search for his replacement.

"I believe that actions by the board and the staff have made TMRS one of the best-designed retirement systems in the USA," said Gavia, who called it a "personal goal" to work with the board and staff over the next year to help find the next head.

Chief Investment Officer

Texas Teachers Managing Director Randall Named New ILPA Board Chair

June 6, 2019, By AltAssets

Global limited partner trade association ILPA has elected Teacher Retirement System of Texas PE managing director Neil Randall as the chair of its board of directors.

Randall takes over from Tanya Carmichael, managing director of global funds at the Ontario Teachers' Pension Plan, who has completed her 3.5-year tenure in the role.

ILPA also elected four new board directors, including CPPIB's Sonal Doshi, Ontario Teachers' Joe Topley and Alison Nankivell from the Business Development Bank of Canada.

Outgoing directors included Fabrizio Natale of the Washington State Investment Board and Steve Whatmore from QIC.

Neil Randall said, "I am incredibly honored to have the opportunity to lead such a distinguished board at a time when our association is thriving, thanks in no small part to those who have dedicated themselves to serving limited partners over the last decade.

AltAssets

TEXAS ECONOMIC INDICATORS

Tariffs on Mexico Would Cost Texas Thousands of Jobs, Billions to Economy: Analysis

June 3, 2019, By Erin Douglas

Texas could lose over 100,000 jobs if tariffs are levied against Mexico by the U.S., as President Donald Trump threatened on Twitter last week, and could cost the state's economy billions of dollars, according to recent economic analysis.

If the president follows through with the threat, a 5 percent tariff could cause a loss of nearly \$11.9 billion in gross product to the Texas economy as the tax multiplies throughout households and businesses, and result in 117,335 jobs lost across the state, according to analysis by the Perryman Group, a Texas economic consulting firm.

[Houston Chronicle](#)

Are the Billions Texas Lawmakers Committed for Schools and Lower Property Taxes Sustainable?

June 6, 2019, By Edgar Walters and Aliyya Swaby

2019 may have been the perfect year for lawmakers to pass an ambitious and expensive school finance reform and property tax reduction plan. Now Texas politicians face questions about whether doing so — without raising taxes elsewhere — will be sustainable in less auspicious times.

Lawmakers decided to pump almost all of the new revenue at their disposal into the education portion of the state budget.

The result was a new school finance bill — still awaiting Gov. Greg Abbott's signature — that will cost more than \$11.5 billion in 2020 and 2021. Of those funds, about \$5 billion go toward cutting property taxes on homes and businesses and \$6.5 billion pay for educational reforms, including a 20% hike in schools' baseline per-student funding.

[Texas Tribune](#)

Economic Growth Improved, But Trade Woes Hurt Business Optimism Across U.S.: Fed Report

June 6, 2019, By Erin Douglas

Economic activity expanded across the U.S. from April through mid-May, and slightly improved from the last period, according to a Federal Reserve report, but some areas of the country saw signs of slowing activity and Texas' region reported heightened fears of trade uncertainty.

Manufacturing across the U.S. was generally positive in recent months, with some slowing activity, and there was solid hiring demand for most sectors, according to the central bank's "Beige Book," a report of current economic conditions across the 12 Federal Reserve Districts.

[Houston Chronicle](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Kansas Lawmakers Settle Fiscal Issues Amid Medicaid Protest

May 29, 2019, By John Hanna

Republican legislators on Wednesday reversed actions by Kansas' Democratic governor to reshape the state budget to her liking, but they couldn't save a GOP tax relief plan and had their work briefly delayed by a loud protest in favor of expanding Medicaid.

The GOP-controlled Legislature overrode Democratic Gov. Laura Kelly's vetoes of several items in the next state budget, including an extra \$51 million payment to the state's public pension system to help boost its long-term financial stability. She had argued for socking away more funds in the state's cash reserves as a hedge against a future economic downturn.

[AP News](#)

\$5.2 Trillion Of Government Pension Debt Threatens to Overwhelm State Budgets, Taxpayers

May 31, 2019, By Chuck DeVore

Pension Tracker, a project of the Stanford Institute for Economic Policy Research led by former California State Assemblyman Joe Nation, Ph.D., is out with its updated assessment of the nation's unfunded state and local government pension fund liabilities. It's not a pretty picture—especially if you live in Alaska, California, Connecticut or Illinois where your per household pension debt ranges from \$102,084 to \$76,398.

While the healthy economy and rising stock market has lifted pension fund investments around the nation, most pension funds assume unrealistically high returns and expose taxpayers to significant risk if their investment decisions don't return projected earnings.

State and local governments, including public schools, either pay into Social Security just as private sector employers do, or they run their own pension systems.

[Forbes](#)

Illinois Lawmakers Repeal 3 Percent Pension-Spiking Cap

June 3, 2019, By Greg Bishop

Illinois state lawmakers repealed a measure that was intended to curb pension spiking for public educators as the state's unfunded pension liabilities continue to grow.

The bill enacting the next budget for the state of Illinois that is on the way to Gov. J.B. Pritzker's desk would allow local schools and public universities to give teachers end-of-career pay bumps of up to 6 percent without having to pay for the increased pension costs of those raises.

[The Neighbor](#)

The information contained in the PRB Weekly Clips is for informational purposes only and does not represent the views, positions or opinions of the Texas Pension Review Board.