

TEXAS PENSIONS

Longview Fire Pension Liabilities Increase as Trustees Adjust Numbers

July 21, 2019, By Jimmy Daniell Isaac

The bad news for the Longview Firemen's Relief and Retirement Fund is that the amount of money for which the fund is liable has swelled about \$12 million since last year.

The good news is that the nearly 25 percent increase was expected, as managers of the fund implement changes in how liabilities are calculated, said Kolby Beckham, captain of the Longview Fire Department and chairman of the fund's board of trustees.

In the latest actuarial study of the fund released this past week, unfunded liabilities — the amount of money that the fund must accrue to pay out pensions — reached \$62 million, up from \$50 million in 2018, he said.

[Longview News-Journal](#)

Texas Teachers to Shake Up Strategic Asset Allocation

July 23, 2019, By Chris Butera

The Teacher Retirement System of Texas' board voted to change up the \$153 billion retirement plan's strategic asset allocation at its Friday meeting.

The fund will increase its private equity, real estate, and energy, natural resources, and infrastructure holdings by one percentage point each. Private equity will go to 14% of the total investment portfolio (from 13%), real estate will become 15% (from 14%), and energy, natural resources, and infrastructure will become 6% (from 5%).

[Chief Investment Officer](#)

TEXAS ECONOMIC INDICATORS

Texas Unemployment Rate Posts Another Record Low as Businesses Struggle to Find Help

July 19, 2019, By Erin Douglas

Texas' unemployment rate fell to a new record low in June as a strong national economy, robust job gains and slowdown in population growth continue to tighten the local labor market to an unprecedented level.

The unemployment rate slipped to 3.4 percent last month from 3.5 percent in May, the Texas Workforce Commission reported Friday. Nationally, unemployment averaged 3.7 percent in June.

[Houston Chronicle](#)

South Texas Is Steel Dynamics' Top Pick For \$1.9 Billion Plant

July 22, 2019, By Chris Ramirez

Officials for Steel Dynamics have made up their mind where to open their next steel mill — on a 2,500-acre sorghum field near Sinton.

"We are extremely excited to announce our selection of Sinton as the site for our next-generation, new flat roll steel mill investment," said Mark. D. Millett, president/CEO of the Fort Wayne, Indiana steel giant.

[Caller Times](#)

Hurricane Harvey Relief Program to Assist Even More Families Thanks to Follow Up Grant from the Rebuild Texas Fund

July 23, 2019, By GlobeNewswire

The Rebuild Texas Fund has awarded the Texas State Affordable Housing Corporation (TSAHC) and Enterprise Community Partners (Enterprise) a \$1.1 million follow-up grant to support the Housing and Economic Assistance to Rebuild Texas (HEART) Program. HEART, a partnership between TSAHC and Enterprise, offers grants and technical assistance to local nonprofits that provide home repairs, case management, and direct financial assistance to low-income families whose homes were damaged by Hurricane Harvey. The follow-up award will enable HEART grantees to build on the recovery work achieved through their initial grant funding, including the repair of at least 75 additional hurricane-damaged homes and ongoing disaster case management services.

[Yahoo! Finance](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Why Public Pensions are Taking More Risk

July 19, 2019, By Alicia McElhaney

In a low-interest-rate environment, public pension funds facing widening gaps between their assets and liabilities are making riskier investments, new research shows.

The United States Federal Reserve has kept interest rates low in the wake of the Great Recession of 2008 to 2009. The federal funds rate is now hovering around 2.5 percent, with the Federal Reserve signaling that it will keep rates there for the time being.

Members of the Federal Reserve Bank of Boston set out to determine how persistently low rates affect the tolerance of public pension plans, particularly those that are underfunded, meaning the value of their assets is worth less than their obligations. In a research paper entitled "Reach for Yield by U.S. Public Pension Funds," published earlier this month, four members of the Boston Fed, along with a member of the Board of Governors of the Fed, concluded that this combination of factors pushes pensions to take more risk.

[Institutional Investor](#)

Chicago Teachers Union President Threatens Strike

July 22, 2019, By Tivas Gupta

Lightfoot offered the CTU a pay increase of 14% over five years, which would cost taxpayers \$300 million over that time. That offer fell short of the 5%-per-year increase demanded by the CTU, which would compound to a 27% pay increase over five years.

Lightfoot's \$300 million offer came after the mayor proposed the state bail out the city's pension funds, an idea rejected by Gov. J.B. Pritzker. Lightfoot has also floated a "service tax" to shore up the city's pensions.

Illinois Policy

Kentucky House Narrowly Approves Gov.'s Pension Bill

July 23, 2019, By Chris Butera

The proposal would freeze the recently hiked contribution rates for regional universities, health departments, community violence centers, and other quasi-governmental agencies until April. It would also put future hires into a defined contribution plan and give the organizations the option to leave the Kentucky Retirement System, which is in charge of the pension assets for the quas and other government workers.

Employer contributions for quasi-agencies dramatically increased July 1, to 83% of employee payroll from 49%.

The voting is part of a special session for the General Assembly — which Bevin had been calling for since the end of the year's regular session — that began Friday. The regular session had again failed to get a pension reform passed to help prevent its badly funded retirement system from going insolvent.

Chief Investment Officer

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