THE TEXAS PENSION REVIEW BOARD: A MODEL FOR NATIONWIDE REFORM

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About the Author

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Contents

Executive Summary .................................................................................................4
Introduction .............................................................................................................5
PRB Structure and Responsibilities ......................................................................6
Building on the PRB Model ....................................................................................7
PRB’s Positive Impact ............................................................................................9
Conclusion ................................................................................................................10
Appendix ..................................................................................................................11
Endnotes ..................................................................................................................15
Executive Summary

Public pensions face significant funding challenges, largely driven by imprudent decision making by plans and their government sponsors. Rising pension costs are straining budgets and placing taxpayers and current and future retirees at risk. To mitigate the insecurity posed by underfunded pensions, states must increase oversight and adopt changes that limit shortsighted decision making. The Texas Pension Review Board (PRB) provides an example of how states might do so.

PRB is a state agency that oversees Texas’s 90-plus defined-benefit public pension plans. The agency provides local government sponsors, state policymakers, and taxpayers with independent, unbiased support on all issues related to public pensions. PRB’s expert assistance and oversight have demonstrably improved Texas’s pension policy, and the agency has been widely cited as a positive factor in the state’s financial stability.

This paper and the accompanying model legislation (see the Appendix) makes the case for a state-level pension review board. Policymakers who wish to implement a PRB-style agency in their state can use them as a road map. States that adopt a PRB are certain to see long-lasting benefits for future generations of public workers and taxpayers.
Introduction

State and local pension plans face huge challenges: costs have skyrocketed, debt is at historic levels, and investments are riskier than ever. While it is convenient to blame unexpected economic events for public pensions’ current problems, the real culprit is shortsighted policy decisions made by plans and their government sponsors. For public pensions to be sustainable, governments must improve decision making around pension funding, benefits, and investments. Unfortunately, the current governance model does not encourage prudent policy decisions.

Political scientist and Manhattan Institute senior fellow Daniel DiSalvo has argued that problematic incentives are inherent in the current public pension model. The problems begin with the fact that traditional defined-benefit pensions are enormously complex. Policymakers and taxpayers rely almost entirely on pension systems for information on the plan’s fiscal health and for key decisions related to actuarial calculations, funding needs, and investment allocation. These pension systems are independent, quasi-governmental agencies that are overseen by boards whose members have few, if any, education or experience requirements. While pension boards almost always include government representation, employee beneficiaries are generally in the majority or hold half the board seats. Pension boards, therefore, tend to have a strong interest in making the plan look inexpensive and keeping benefit levels high—an interest that conflicts with their fiduciary duty.

Governments, for their part, are responsible for setting pension benefit levels and paying the bill each year. Unsurprisingly, policymakers want to keep budgetary costs low and benefit levels high. It is this alignment of interests between pension boards and policymakers, together with the complexity of defined-benefit pensions and the long-term nature of benefit promises, that creates the problematic incentives that DiSalvo identified.

Empirical research by Sarah Anzia and Terry Moe has confirmed that the incentives embedded in the current governance structure often undermine public pensions’ financial integrity. Over the past several decades, pension plans have consistently underestimated benefits costs, and governments have promised public workers increasingly generous benefits without fully paying for them.

Complicating matters further, each state has dozens, hundreds, or, in a few cases, thousands of pension systems, each with its own board and frequently with overlapping jurisdictions. The sheer number of plans and the highly technical nature of defined-benefit pensions reduce accountability for responsible decision making. The predictable result has been that taxpayer interests generally receive short shrift.

Structural reforms, such as moving to defined-contribution plans, are necessary to comprehensively address current systems’ bad incentives, but it is unlikely that the majority of governments will adopt such reforms in the near term. Even states that make structural reforms can expect current plans to continue for decades
during the transition. Given the budgetary risk that public pensions create, states should pursue solutions that constrain pension decision makers so that the bad incentives inherent in the current system do not lead to catastrophic policy results.

Texas provides an example of how to exercise oversight of, and check poor decision making by, public pension plans. The Texas Pension Review Board (PRB) is a state agency tasked with overseeing the state’s 90-plus defined-benefit public pension plans. PRB’s core responsibilities include: 1) collecting, analyzing, and publicly disseminating comparative data that include the fiscal health, governance, and benefits of state pension plans; 2) providing technical assistance, education, and advice to pension systems and their government sponsors; and 3) advising and making recommendations to the governor’s office and legislature.

In short, PRB provides local government sponsors, state policymakers, and taxpayers with independent, unbiased support on all issues related to public pensions. While PRB does not have regulatory authority, its oversight has had a substantial impact in several ways. The agency’s transparency efforts (such as the Texas Public Pension Data Center) and reports have deepened stakeholder understanding of pensions, leading to a more data-informed policy debate.

PRB’s intensive plan reviews and best-practice guides have resulted in meaningful positive changes to many of Texas’s pension plans, including the Galveston police retirement plan. PRB’s technical assistance and policy recommendations have directly informed pension-reform legislation—most recently, for Dallas and Houston. These examples, which will be discussed in more detail below, are why a leading credit-rating agency has cited PRB oversight as a positive factor for the state’s financial stability. Other states should consider adopting PRB-like models to mitigate the risk that underfunded pensions pose to their budgets.

PRB Structure and Responsibilities

The Texas PRB was created in 1979 because the legislature saw the need for a single entity that was charged with “appraising and making recommendations with respect to the State’s public pension laws.” Chapter 801 of the Texas Government Code establishes the agency and lays out its governance structure and duties. States that wish to implement their own pension review board can use the Texas statute as a model guide. It is well structured and would be relatively easy to modify to fit the local context (see also the Appendix).

The agency has seven board members, all of whom are appointed by the governor and confirmed by the state senate. PRB board positions have specific experience/expertise requirements that cover a range of areas, and five of the seven are required to have specific technical expertise related to pensions.

The legislation that established PRB requires that the board include:

- Three persons who have experience in the fields of securities investment, pension administration, or pension law but who are not members or retirees of a public retirement system
- One person who is a fellow of the Society of Actuaries, a member of the American Academy of Actuaries, or an enrolled actuary under the federal Employee Retirement Income Security Act of 1974 (ERISA)
- One person who has experience in the field of government finance
- One person who is a contributing member of a public retirement system
- One person who is receiving retirement benefits from a public retirement system

PRB’s enabling statute clearly establishes the agency’s oversight role and responsibilities. The legislation lays out eight specific responsibilities. The paragraphs below describe each of these responsibilities and provide concrete examples of how PRB fulfills them.

First, PRB continually reviews all public retirement systems within the state. This means regularly gathering and publishing comparative information about plans’ benefits, financial health, and administration. Each quarter, for instance, the agency releases comparative funding data for every public pension in Texas in an easily accessible format. The data are also on the agency’s web-based Texas Public Pension Data Center. In addition, before each legislative session, PRB provides lawmakers and their staff a comprehensive primer on the state’s public retirement systems: “Guide to Public Retirement Systems in Texas.”

Second, PRB conducts and publishes studies of potential or existing problems that threaten the financial stability of public pension plans in the state. Between

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In legislative sessions, the agency selects important policy topics for study and releases a report on each topic immediately before the start of the session, with the goal of informing legislation. For example, prior to the 2019 session, PRB published reports titled “Funding Policies for Fixed-Rate Pension Plans” and “Asset Pooling for Small Pension Systems.” In addition to these more general studies, PRB conducts intensive actuarial reviews of individual plans that are struggling financially. The agency adopted objective criteria to select plans for intensive review, and over the past year has performed seven such reviews, including the Longview Firemen’s Relief and Retirement Fund and the Galveston Employees’ Retirement Plan for Police.

Third, PRB provides technical assistance and policy advice to state pension plans and their government sponsors. The agency fulfills this responsibility in two ways: by directly interacting with pension plans, policymakers, and other stakeholders; and through its public meetings. PRB meetings serve as an important accountability tool that allows board members to publicly push for needed improvements. The best examples of how this plays out in practice are the recent PRB actuarial committee meetings in which the committee discussed the results of the intensive actuarial reviews with representatives of the plans and their sponsoring governments.

Fourth, PRB is tasked with making concrete reform recommendations to be implemented by plans or their sponsoring governments. The agency routinely makes recommendations as part of the interim study and intensive review processes described above. PRB also maintains specific guidelines/principles around pension funding and benefit design. These best-practice recommendations help define the goalposts for policymakers and plans.

Fifth, PRB is required to analyze and comment on all legislation that affects Texas’s retirement systems. The agency provides actuarial and financial review so that legislators are well informed about the potential impact of pension bills before they cast their votes.

Sixth, PRB administers the reporting requirements that the Texas legislature has instituted for the state’s public pension plans. State law includes several reporting requirements for pension plans, including actuarial valuations, annual financial reports, and experience studies. These reports are common in other states; however, Texas has novel reporting requirements that other states should consider replicating, including the Funding Soundness Restoration Plan and Investment Practices and Performance Reports, both of which are discussed in more detail in the next section.

Seventh, the legislature recently required PRB to develop, administer, and track compliance with an educational training program for trustees and system administrators. The goal was to increase the overall level of knowledge among those responsible for managing the state’s public pensions and thus improve decision making and plan administration. In response, PRB has created a new, web-based Minimum Educational Training (MET) Program, defined a minimum education requirement, and monitored compliance.

Eighth, immediately before each legislative session begins, and corresponding to the budget review process, PRB must report on its activities over the previous biennium (Texas’s budgeting cycle). This biennial report specifically outlines how PRB is fulfilling both its overarching mission and the individual responsibilities and tasks assigned by the legislature. The report is a key accountability mechanism that ensures that the agency is an effective use of taxpayer resources.

Building on the PRB Model

PRB’s enabling statute is structured in such a way that it is relatively easy for the legislature to build upon. The MET Program is an example of a new responsibility that was recently added and implemented by the agency. Similarly, the Funding Soundness Restoration Plan (FSRP) and Investment Practices and Performance Reports statutes are examples of important new reporting requirements that have been added in the recent legislative session. All three examples illustrate how, once a state establishes a public pension oversight agency, it can add responsibilities and reporting requirements and delegate the monitoring of those provisions to the agency.

Policymakers interested in creating a pension oversight entity like the Texas PRB should consider building upon the base model in these areas:

- Education and training
- Funding remediation plans
- Reporting on, and oversight of, investment practices
- Stress testing

In each of these four areas, there are existing models on which states could base their own legislation. Texas provides useful examples for the first three, and several
states have implemented stress testing, based on the Pew Charitable Trusts’ model. For education and training, see PRB’s MET website for a wealth of additional information. The remainder of this section will briefly describe real-world examples in the other three areas.

Texas’s Funding Soundness Restoration Plan (FSRP) is an important tool for ensuring that the state’s many pension plans do not experience a funding crisis. FSRP sets a clear threshold for when funding remediation is needed and requires that pension plans work together with their sponsoring governments to develop a workable plan to fix any problems. The agency is required to monitor FSRP requirements and review and certify remediation plans when they are necessary.

The FSRP requirement has resulted in a more robust discussion of plan funding requirements and remediation between plans and their sponsors. Several pension plans have been subject to FSRP, have made substantial changes, and are now on the path to full funding because of the requirement and their PRB interaction.

The 2019 legislature enacted new reporting requirements for the state’s pension plans around their investments. The legislation, SB 322, requires that pension plans annually report specific information about investment fees and, on a rolling basis, contract with an independent firm to produce a report that analyzes their investment practices and performance (i.e., the Investment Practices and Performance Report).

The audit of investment practices and performance required in SB 322 is a big step in the right direction. PRB oversight will ensure that these reports meet the specifications of the law and result in a more robust public discussion of their content.

Public pension plan investment practices around the country have long been in serious need of more oversight. In Texas, the recent problems related to the Dallas Police and Fire Pension System put this issue front and center. Pension plans have traditionally made investments largely independent of any input from the governmental entity that is liable if things go wrong. However, recent reports on pensions’ big shift into alternative investments and the enormous impact that pension investments can have on taxpayer resources are beginning to change the status quo.

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Stress testing is the final area that states should consider. While Texas has yet to implement a stress-testing requirement, seven other states have done so, based on the recommendations of the Pew Charitable Trusts. Pew’s model, which mirrors similar exercises mandated for private-sector banks, requires pension plans to perform long-range projections using multiple economic and investment return scenarios and to report on the impact on their finances and the contributions necessary to reach and maintain full funding. Stress testing helps stakeholders understand and prepare for investment fees. The added scrutiny will likely lead to improvements that reduce excessive fees, especially for the state’s dozens of small plans.

As noted above, SB 322 requires pension plans, on a rolling basis, to hire an independent firm to “evaluate the appropriateness, adequacy, and effectiveness of the retirement system’s investment practices and performance and to make recommendations for improving the retirement system’s investment policies, procedures, and practices.” The legislation specifies that each evaluation must include:

- “an analysis of any investment policy or strategic investment plan;
- a detailed review of the retirement system’s asset allocation;
- a review of the appropriateness of investment fees and commissions paid by the retirement system;
- a review of the retirement system’s governance processes related to investment activities; and
- a review of the retirement system’s investment manager selection and monitoring process.”

The fee data are supposed to be included in plans’ annual financial reports, and PRB is tasked with monitoring compliance with this reporting requirement. This new reporting requirement and PRB oversight will undoubtedly increase transparency around investment fees. The added scrutiny will likely lead to improvements that reduce excessive fees, especially for the state’s dozens of small plans.
future pension cost uncertainty, hopefully avoiding painful surprises and future crises.

PRB’s Positive Impact

The Texas PRB has had a substantial positive impact on pension policy over its history. Due in large part to the agency, the transparency of the state’s pension funding, investments, governance, and benefits is unmatched across the country. Taxpayers, plan members, and policymakers can easily look up and compare key pension data, yielding more informed and productive policy discussion. In 2018, S&P Global listed PRB oversight as a positive long-term factor for the state’s finances. It viewed “the transparency provided by the PRB as elevating emerging national themes and standard practices to elected officials, plans, and the public.” S&P Global also noted that “the annual filing requirements raise awareness and could allow the PRB to recommend stopgap measures before a plan deteriorates to levels seen in New Jersey or Illinois.”

In addition to increasing transparency and the quality of retirement policy discussions, PRB has had a tangible impact on specific positive policy change. When the state’s Sunset Advisory Commission last looked at PRB in 2013, it found that in the previous decade, the agency had helped “shine light and bring resolution to problems that threatened … nine retirement systems.” The commission recommended that Texas maintain the agency:

In a state with many scattered local public pensions, PRB serves as a central source of objective pension information, bringing light to financial issues before they become unmanageable. The Board provides a public forum for holding pension systems and their sponsoring governmental entities accountable for their decisions, and the staff provides pension expertise that is especially important as the policy debate about the future of public pensions grows louder.

In 2017, when the Dallas Police and Fire Pension System was in crisis and Houston was trying to get the state to pass comprehensive reform legislation for all three of its pension plans (police, fire, and municipal workers), PRB provided valuable technical support and independent advice to the pension plans and the legislature. The agency also provided critical actuarial analysis of, and testimony on, the reform bills as they moved through the legislative process. In part as a result of PRB’s support, the legislature enacted changes that stabilized the Dallas system and comprehensively reformed Houston’s plans. Several state legislators, including Senators Joan J. Huffman and Paul Bettencourt from Houston and Senator Royce West from Dallas, have publicly praised PRB for the support and advice that the agency provided as the legislature was considering pension changes in these two cities. Bettencourt called PRB’s work “exceptional,” and Huffman has called PRB a “wise investment” for the state.

As noted above, PRB has started performing intensive actuarial reviews of plans with funding problems and requesting that these plans and their government sponsors come before the agency to discuss the results. This practice has surfaced issues with pension funding before they got too big to fix and has involved the plan and the government in the solution. Most of the seven jurisdictions that have been through the process have developed concrete remediation plans that they are working to implement.

The Galveston police retirement plan is a recent example. Between 2000 and 2017, the plan’s funded ratio fell from nearly 100% to 42%, and the city and the plan were at an impasse as to how to solve the problem. Over the course of several months, PRB conducted an intensive review of the system and met with the city and plan on several occasions in public meetings to discuss a path forward. These discussions culminated in the passage of reform legislation in 2019 that improved the plan’s governance structure, adopted funding policy based on PRB recommendations, and committed the city to make adequate payments each year.

Finally, the studies that the agency performs between legislative sessions often lead to important legislation. In the most recent session, the legislature required pension plan sponsors to develop and adopt a formal funding policy that “details the governing body’s plan for achieving a funded ratio of the system that is equal to or greater than 100 percent.” This legislation, SB 2224, was substantially based on PRB’s interim study on funding policy for fixed-rate plans.

While there are external groups (e.g., the Pew Research Center, the Center for Retirement Research at Boston College, and the Reason Foundation) that research important pension policy topics and provide governments with technical assistance, PRB’s work has more impact in Texas because it is more connected to local stakeholders and circumstances. The agency’s long-standing relationships with policymakers and other stakeholders, as well as its deep understanding of local context, make PRB more credible and effective than outside experts in most circumstances.
Conclusion

Across the country, state and local governments are struggling with rising pension costs. Pension debt is at historic levels, and the cost of paying down that debt has driven taxpayer costs higher and resulted in lower salaries and benefits for the current generation of public workers. Governments face these challenges despite consistently positive investment performance and a decade-long bull market that has seen the S&P 500 increase by 300% from its bottom in 2009.

Poor decision making, rather than investment performance, has driven the huge run-up in pension debt and taxpayer costs. Any lasting pension reform that comprehensively addresses the current problems must improve decision making about public pensions.

The Texas Pension Review Board is a model that other states should consider for restoring the financial soundness of their public pensions. PRB has increased transparency, oversight, and accountability, and its efforts have led to concrete positive improvements that are paying dividends for Texas’s taxpayers and current and future retirees.
Appendix: Model Legislation for a State Pension Review Board

Sec. XXX.XXX. DEFINITIONS. In this chapter:

1) “Public Retirement System” means a continuing program paying service-retirement, disability-retirement, or death benefits for officers or employees of the state, or a political subdivision thereof, or of an agency or instrumentality of the state or a political subdivision, except:
   a. a program for which benefits are administered by a life insurance company;
   b. a program administered by the federal government;
   c. a program providing only workers’ compensation benefits;
   d. an individual retirement account or individual retirement annuity within the meaning of 26 U.S.C. § 408, or a retirement bond within the meaning of 26 U.S.C. § 409;
   e. a plan described by 26 U.S.C. § 401(d);
   f. an individual account plan consisting of an annuity contract described by 26 U.S.C. § 403(b); or
   g. an eligible state deferred compensation plan described by 26 U.S.C. § 457(b).

2) “Governing Body” means the board of trustees, pension board, or other body that has the fiduciary responsibility for the assets of a Public Retirement System.

3) “Trustee” means a fiduciary member of the Governing Body of a Public Retirement System.

4) “System Administrator” means the person or entity designated by the Governing Body of a Public Retirement System to supervise the day-to-day affairs of the Public Retirement System.

5) “Governmental Entity” means a unit of government that is the employer of active members of a Public Retirement System.

6) The “State Pension Review Board” is an independent agency overseeing pension plans, the composition, powers, and duties of which are specified elsewhere in this chapter.

7) “Funding Soundness Restoration Plan” means a plan to restore a Public Retirement System to actuarial soundness, as adopted by the Public Retirement System’s Governing Body.

Sec. XXX.XXX. MEMBERSHIP. State Pension Review Board Composition.

[Note: the precise membership and appointment mechanism may vary by state; the goal is to have a majority of members with relevant financial or actuarial expertise.]

1) The governor shall appoint, with the advice and consent of the senate, seven members to the Board.

2) The governor shall appoint to the Board:
   a. One person who is a contributing member of a Public Retirement System;
   b. One person who is receiving retirement benefits from a Public Retirement System;
   c. One person, who is not a member or retiree of a Public Retirement System, who is a fellow of the Society of Actuaries, a member of the American Academy of Actuaries, or an enrolled actuary under the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1001);
   d. One person, who is not a member or retiree of a Public Retirement System, who has experience in the field of governmental finance; and
   e. Three additional persons, who are not members or retirees of a Public Retirement System, who have experience in the fields of securities investment, pension administration, or pension law.

Sec. XXX.XXX. BOARD DUTIES. State Pension Review Board General Duties.

1) The State Pension Review Board shall:
   a. conduct a continuing review of all Public Retirement Systems within the state, compiling and comparing information about benefit structures, financing, and administration of systems;
   b. conduct intensive studies of existing problems or potential problems that do or could weaken the actuarial soundness of any individual Public Retirement System, or the sum of obligations under all Public Retirement Systems;
   c. provide information and technical assistance to the Governing Bodies and System Administrators of Public Retirement Systems, their members, the Governmental Entities that sponsor them, the legislature, and the public;
   d. recommend policies, practices, and legislation to the Governing Bodies and System Administrators of Public Retirement Systems, their sponsoring Governmental Entities, the legislature, and the public;
   e. examine all legislation with potential impacts on any Public Retirement System within the state, assess the legislation’s likely effects,
Sec. XXX.XXX. RETIREMENT SYSTEM DUTIES. Obligations of Governing Bodies.

1) Independent Investment Assessments. The Governing Body of a Public Retirement System shall select an independent firm with substantial experience in evaluating institutional investment practices and performance to evaluate annually the appropriateness, adequacy, and effectiveness of the Public Retirement System’s investment policies, practices, and performance. The firm should provide an annual written report to the Governing Body summarizing its evaluation and making recommendations for improving the Public Retirement System’s investment policies, practices, and performance. Each annual evaluation must include:
   a. An analysis of any investment policy or strategic investment plan adopted by the Public Retirement System;
   b. An assessment of the Public Retirement System’s compliance with any such policy or plan;
   c. A detailed review of the Public Retirement System’s investment asset allocation including:
      i. the process for determining target allocations;
      ii. the expected risk and expected rate of return categorized by asset class;
      iii. the appropriateness of selection and valuation methodologies of alternative and illiquid assets; and
      iv. future cash flow and liquidity needs.

2) Annual Stress Testing. The plan actuary selected by the Governing Body of each Public Retirement System within the state shall conduct an annual stress test of its respective Public Retirement System and shall deliver the test results to the Governing Body and appropriate Governmental Entity.
   a. For the purposes of this subsection, a “stress test” shall include:
      i. Projections of assets, liabilities, pension debt, service costs, employee contributions, employer contributions, net amortization, benefit payments, payroll, and funded ratio for the employees’ retirement system for each of the next 30 years based upon the then-current actuarial assumptions, including the Public Retirement System’s assumed rate of return;
      ii. Alternative projections for the items listed in paragraph (i), assuming that investment returns are two percentage points lower than the assumed rate of return, under two scenarios:
         1. The state and Governmental Entity make employer contributions that vary with investment returns, as consistent with then-current funding policy, assuming contributions vary with returns; and
         2. The state and Governmental Entity make fixed-rate employer contributions without regard to investment returns.
      iii. Alternative projections for the items listed in paragraph (ii), assuming that there is a one-year loss on planned investments of 20 percent followed by a 20-year period of investment returns two percentage points lower than the assumed rate of return.
      iv. The estimated actuarially accrued liability, the total plan normal cost for all benefit tiers, and the employer normal cost for all benefit tiers. For purposes of this subsection, “normal cost” shall equal the liability of adding one additional worker-year. A “benefit tier” is a benefit tranche based upon the date of employment. Accrued liability, total plan normal cost, and employer normal cost should be calculated using:
         1. A discount rate equal to the assumed rate of return; and
         2. A discount rate equal to the rate of return on 30-year U.S. Treasury notes.

3) Regular Reporting Requirements. The Governing Body of a Public Retirement System shall submit to the State Pension Review Board a copy of:
   a. The independent investment assessment conducted pursuant to subsection (1), before the 31st day after the date the assessment is delivered to the Governing Body.
   b. Annual stress testing report conducted pursuant to subsection (2), before the 31st day after the date the assessment is delivered to the Governing Body.
   c. Each comprehensive annual financial report, before the [211th] day after the last day of the fiscal year under which the Public Retirement System operates.
   d. Any other actuarial valuation or actuarial experience study conducted on behalf of the Public Retirement System, before the 31st day after the date of the valuation’s or study’s adoption.

4) Funding Soundness Restoration Plans. From time to time, the Governing Body of a Public Retirement System shall develop and implement a Funding Soundness Restoration Plan.
   a. The Governing Body of a Public Retirement System shall notify its associated Governmental Entity in writing if the Public Retirement System it oversees receives an actuarial valuation indicating that the system’s actual contributions are not sufficient to amortize the unfunded actuarial accrued liability within 30 years.
   b. If a Public Retirement System’s actuarial valuation indicates, for two consecutive years, that the system’s actual contributions are not sufficient to amortize the unfunded actuarial accrued liability within 30 years, the Governing Body of the Public Retirement System shall formulate a Funding Soundness Restoration Plan for consideration by the Public Retirement System’s Governmental Entity.
   c. A Funding Soundness Restoration Plan formulated under this subsection must:
2) A peace officer shall serve a subpoena issued by the State Pension Review Board. If the person to whom a subpoena is directed fails to comply, the

1) The State Pension Review Board, if reasonably necessary in the course of performing a board duty, may subpoena witnesses; or books, records, or other documents. The presiding officer of the State Pension Review Board shall issue, in the name of the board, only such subpoenas as a majority of the State Pension Review Board may direct.

The State Pension Review Board may bring suit to enforce the subpoena in a district court of the county in which the witness resides or in the county in which the State Pension Review Board may direct.

The presiding officer of the State Pension Review Board shall issue, in the name of the board, only such subpoenas as a majority

other documents. The presiding officer of the State Pension Review Board shall issue, in the name of the board, only such subpoenas as a majority

of the State Pension Review Board may direct.

2) A peace officer shall serve a subpoena issued by the State Pension Review Board. If the person to whom a subpoena is directed fails to comply, the State Pension Review Board may bring suit to enforce the subpoena in a district court of the county in which the witness resides or in the county in which the books, records, or other documents are located. If the district court determines that good cause exists for issuance of the subpoena, the
court shall order compliance. The district court may modify the requirements of a subpoena that the court determines are unreasonable. Failure to obey the order of the district court is punishable as contempt.

3) The attorney general shall represent the State Pension Review Board in a suit to enforce a subpoena.
Endnotes

8 PRB, “September 2018 Actuarial Committee Meeting Video.”
10 PRB, Minimum Educational Training (MET) Program.
14 PRB, Minimum Educational Training (MET) Program.
17 See PRB Board Meeting, June 27, 2019, p. 16, for a full summary of SB 322.
18 SB 322, “AN ACT relating to the evaluation and reporting of investment practices and performance of certain public retirement systems.”
19 Ibid.
26 See, e.g., the comments from this budget hearing starting around the one-hour mark on the Texas Senate Streaming Video Player, Senate Committee on Finance.
27 The seven jurisdictions are Irving Firemen’s Relief and Retirement Fund, Longview Firemen’s Relief and Retirement Fund, Orange Firemen’s Relief and Retirement Fund, Beaumont Firemen’s Relief and Retirement Fund, Marshall Firemen’s Relief and Retirement Fund, Galveston Employees’ Retirement Plan for Police, and Greenville Firemen’s Relief and Retirement Fund.
28 Texas House Bill 2763, signed by the governor on June 14, 2019.
29 Texas Senate Bill SB 2224; PRB, “Interim Study: Funding Policies for Fixed-Rate Pension Plans.”