

Josh B. McGee – Prepared Opening Remarks for PRB Board Meeting 2-11-16

Thank you to our firefighters, police officers, teachers, and other state and local workers for their service to the State of Texas. This state could not function without you working to make our streets safe, without you coming to our aid when we are in need, and without you teaching our children—the next generation Texans.

I have a deep and abiding respect for what public workers do for this state.

I am also grateful to Governor Abbott for the opportunity to serve the citizens of the State of Texas.

The Legislature created the State Pension Review Board (PRB) in 1979 to monitor Texas' public pension plans and to bring to light any funding problems before they become too large. The agency has no authority to make plan changes and cannot force action by any of Texas' retirement systems.

The primary purpose of PRB oversight is to help ensure that the state's public employers responsibly fund workers' benefits so that those benefits are financially secure and can be paid when due, and so that mismanaged pension funding does not threaten the fiscal health of our communities.

It is important to remember that when funding problems do exist, it is not the individual public workers who are to blame; they pay what is asked of them out of every paycheck. And it is those public workers who stand to lose the most when their retirement systems face funding challenges.

In the coming year I plan to focus on two priorities:

1. Review and update the *Guidelines for Actuarial Soundness* and
2. Consider a multi-tiered rating system for plan fiscal health.

The PRB has taken up both of these tasks in the past; and given that many years have passed since they were last considered, it makes sense to once again revisit them. In both of these tasks, the board's aim will be to provide clear, helpful information and guidance to plans, plan sponsors, members, and the Legislature in order to facilitate informed decision-making regarding responsible retirement plan funding. As we engage in these tasks there will be ample opportunity for stakeholder feedback.

The mission of the PRB is to help ensure adequate pension funding so public workers' benefits are secure. While on the board, I will do my best to serve the agency's mission, and I look forward to collaborating with my colleagues on the board, the PRB staff, and public retirement systems across the state.