

Pension Review Board
Summary of Budget Recommendations - Senate

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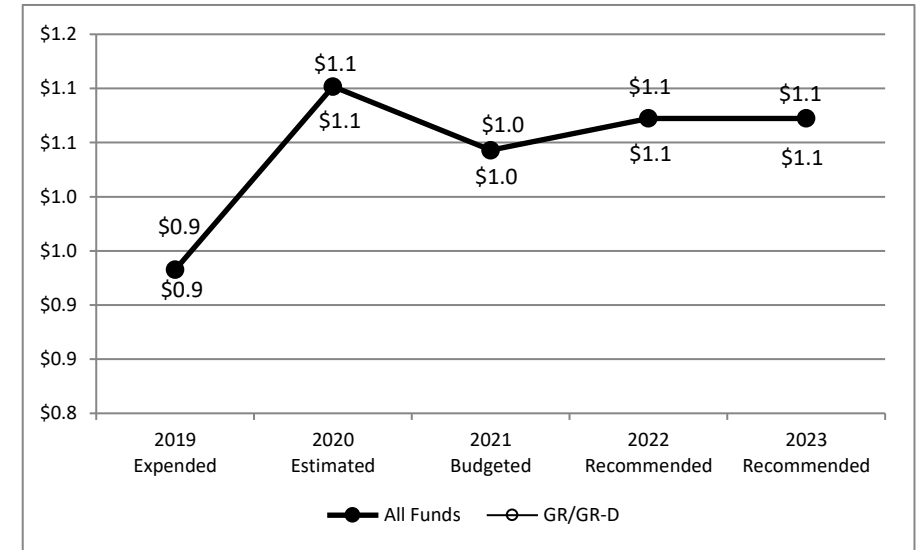
Anumeha Kumar, Executive Director

John Posey, LBB Analyst

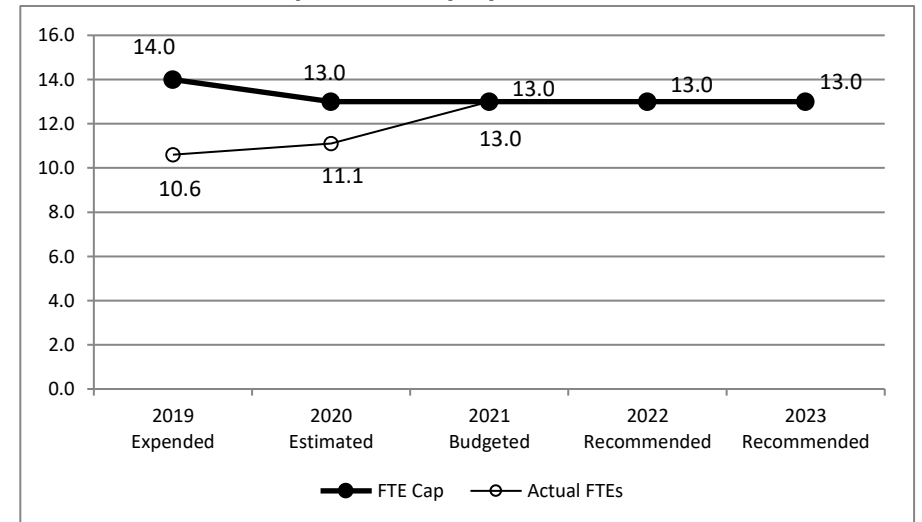
Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$2,144,623	\$2,144,623	\$0	0.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$2,144,623</i>	<i>\$2,144,623</i>	<i>\$0</i>	<i>0.0%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$2,144,623	\$2,144,623	\$0	0.0%

	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	13.0	13.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2022-23 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2022-23 biennium.

**Pension Review Board
Selected Fiscal and Policy Issues - Senate**

1. **Assessment of Retirement Systems' Investment Practices and Performance.** The enactment of Senate Bill 322, Eighty-sixth Legislature, requires the Pension Review Board (PRB) to implement on-going assessments of retirement systems' investment practices and performance. Senate Bill 322 requires the majority of Texas' public retirement systems to report enhanced investment expense information to the PRB. To assist retirement systems to comply with this requirement, the PRB has engaged with systems and addressed concerns regarding the format and timing of the first investment expense disclosures; published rules to assist with reporting investment expenses; and created a template and a guide as requested by systems for further assistance. Senate Bill 322 also added Section 802.109 to the Texas Government Code to require systems with at least \$30 million in assets to select an independent firm to evaluate the appropriateness, adequacy, and effectiveness of the system's investment practices and performance and to provide recommendations for improvement. The PRB also created an Investment Committee to submit an investment performance report to the Governor and Legislature which will summarize and compile the evaluations and provide potential legislative recommendations to improve the law.

2. **Five percent reduction affect on FTEs.** The PRB is authorized for 13 FTEs and currently has 12 FTEs. To comply with the 5 percent reduction of the agency's budget for the current biennium, the PRB will leave 1.0 FTE position for a financial analyst vacant. The agency is requesting \$112,875 in General Revenue to fill this position, which is not included in the recommendations.

**Pension Review Board
Items Not Included in Recommendations - Senate**

		2022-23 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
		GR & GR-D	All Funds	FTEs			
Agency Exceptional Items Not Included (in agency priority order)							
1)	Restoration of the Agency's 5% Baseline Budget Reduction. The request is to fill an FTE, a financial analyst position, left vacant as part of the 5 percent reduction. The funding would come from General Revenue.	\$112,875	\$112,875	0.0	No	No	\$112,875
TOTAL Items Not Included in Recommendations		\$112,875	\$112,875	0.0			\$112,875

**Pension Review Board
Appendices - Senate**

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* Appendix is not included - no significant information to report

**Pension Review Board
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS**

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
RETIREMENT SYSTEM REVIEWS A.1.1	\$965,803	\$965,803	\$0	0.0%	The agency maintains current allocations across strategies.
TECHNICAL ASSISTANCE AND EDUCATION A.2.1	\$1,178,820	\$1,178,820	\$0	0.0%	
Total, Goal A, SOUND RETIREMENT SYSTEMS	\$2,144,623	\$2,144,623	\$0	0.0%	
Grand Total, All Strategies	\$2,144,623	\$2,144,623	\$0	0.0%	

**Pension Review Board
FTE Highlights - Senate**

Full-Time-Equivalent Positions	Expended 2019	Actual 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	14.0	13.0	13.0	13.0	13.0
Actual/Budgeted	10.6	11.1	13.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 3	\$112,750	\$126,730	\$126,730	\$126,730	\$126,730

Notes:

- a) The PRB is authorized for 13 FTEs but currently has 12 FTEs. To comply with the 5 percent reduction for the current biennium, the agency has left 1.0 FTE, a financial analyst position, vacant.
- b) The agency is not requesting any changes to its exempt position. The State Auditor's Office Report, Executive Compensation at State Agencies (Report 20-706, August 2020), indicates a market average salary of \$127,148 for the Executive Director position at the Pension Review Board.
- c) The State Auditor's Office is the source for the FY 2019 and FY 2020 annual average (actual) FTE levels.