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**FOR IMMEDIATE RELEASE**

July 27, 2018

## **ATPE comments on TRS Board decision to lower “assumed rate of return”**

*ATPE believes the Texas legislature must provide the necessary funding to ensure the soundness of TRS pension fund*

**AUSTIN, Texas**—The Teacher Retirement System of Texas (TRS) Board of Directors voted on July 27 to lower the TRS pension fund’s “assumed rate of return,” an assumption of how well the fund’s investments will perform over time. [The Association of Texas Professional Educators](http://The Association of Texas Professional Educators) (ATPE) shares the following statements on what this decision means for Texas educators.

“With the majority of experts and TRS’s peers expecting less robust investment returns in the near and mid-term future, this move is in line with broader trends in the public pension sector,” said ATPE Lobbyist **Monty Exter**, who has followed and reported on TRS-related matters for ATPE and its web project [Teach the Vote](#) for several years. Exter testified during the TRS Board of Directors meeting on July 27 about this issue.

The proposal to lower the assumed rate of return was based upon investment forecasts provided to the TRS board by both TRS staff as well as third-party experts. In response to the proposal, some educator groups urged their members to flood TRS board members with calls and emails urging them not to lower the assumed rate of return. ATPE believes that these calls to action, while well-intentioned, were misdirected. The association acknowledges that the TRS board has a fiduciary duty to act in what it believes to be the best interest of the fund based on the prudent advice of its financial experts.

To offset the anticipated loss of investment revenue and maintain the long-term health of the fund without decreasing pension benefits, contribution rates, which are set by the Texas legislature, will need to be increased, Exter explained.

“The burden is now on the Texas legislature to step up and provide the necessary funding to ensure actuarial soundness of the TRS pension fund and give educators peace of mind that they will not face cuts in their pensions,” he said.

ATPE believes it is the Texas legislature’s duty to ensure the soundness of the TRS pension fund—a duty that the legislature’s current members have not always met, according to Exter.

“Unfortunately, the Texas legislature has not historically prioritized funding for retired educators’

needs,” said Exter. “In fact, the state’s current contribution rate toward teacher retirement ranks last among all 50 states.”

“The only way to avoid a major TRS funding shortfall that will hurt the educators who depend on the pension fund is to demand legislative action, and that starts well before the 86th Legislature convenes in January,” he added. “Educators who care about the health of TRS must go to the polls in November and elect legislators who will prioritize public education funding, including filling the holes created by TRS’s anticipated lower investment returns.”

For more a full report on the TRS board’s decision, or for detailed information on other TRS-related matters, visit ATPE’s web project, [www.teachthevote.org](http://www.teachthevote.org).

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### **About the Association of Texas Professional Educators (ATPE)**

ATPE has been a strong voice for Texas educators since 1980. It is the leading educators’ association in Texas with approximately 100,000 members statewide. With its strong collaborative philosophy, ATPE speaks for classroom teachers, administrators, future, retired and para-educators and works to create better opportunities for Texas’s five million public school students. ATPE is the ally and the voice of Texas public education. Learn more about ATPE at [atpe.org](http://atpe.org).