

AGENDA ITEM DETAILS

- Subject:** Agency Update
- 2021 Legislative Session
 - 1836 San Jacinto building update
 - 2021 Get Fit Texas Challenge
 - Chief Investment Officer Search
 - Deputy Executive Director and General Counsel
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2021 Legislative Session –

The 87th Session of the Texas Legislature convened on Tuesday, January 12, 2021. Thus far, the executive director has testified before the Senate Finance and House Appropriations Committee on the need for additional funding to restore the pension funds to actuarial soundness.

ERS staff is reviewing filed legislation to determine the effects of proposed legislation on ERS operations and programs. Staff prepares a report of bills that could have a significant impact on the agency, state employees and retirees, and other program participants. The most recent version of the report is attached as **Exhibit A**. The bills listed on this report are also posted to the ERS public webpage, and anyone who is interested can sign up to get an email update whenever the webpage is updated.

1836 San Jacinto building update –

The construction of the 1836 San Jacinto Building has continued to progress, and here are some of the highlights and ongoing activities since our last board meeting in December:

- Permanent power to the building has been turned on.
- Building “dry-in” (which keeps out wind and rain) has been completed.
- Conditioned air in the building is now operational.

The commissioning of the building will start soon and substantial completion is scheduled for the end of March. ERS is finalizing the schedule for staff moves into the new building, cognizant of the continued need for social distancing for COVID-19.

Renovation of the existing building is in the planning stages.

During a recent tour we saw the granite panels that were saved from the original Annex building going up on the feature wall in the first floor lobby.

The planning is underway for a socially distanced ribbon cutting event on April 21 (San Jacinto Day) to commemorate the construction of the 1836 San Jacinto Building. More details to follow.

Work continues to lease the building. Talks are ongoing with several potential tenants.

2021 Get Fit Texas Challenge –

The *2021 Get Fit Texas Challenge* kicked off on January 11, 2021 and runs through March 21, 2021. The challenge offers the chance for state employees to get active in an agency-to-agency competition to see which agency can claim the title of being the “Fittest State Agency.” State employees will strive to be physically active for 150 minutes per week for at least six weeks of the 10 week challenge. As administrators of the state’s health plan, and aware of the positive effect of regular exercise, we are encouraging ERS employees to reach 150 minutes in all 10 weeks.

In 2018, 2019 & 2020 ERS earned #1 Fittest State Agency in the mid-size category (agencies with 201-500 FTEs). We intend to defend our title again this year.

ERS employees who successfully complete six weeks of the 10 week challenge will earn four hours of wellness leave, employees who complete eight of the 10 weeks will earn six hours of wellness leave and employees who complete all 10 weeks will earn eight hours of wellness leave.

Francesca Dooley in Human Resources serves as ERS' coordinator for this year's challenge.

Chief Investment Officer Search –

Tom Tull announced his plans to retire at the end of the fiscal year after nearly 12 years as an ERS employee. His service to ERS started prior to that, as a member of the Investment Advisory Committee. Through the competitive bidding process ERS selected Korn Ferry, a well-respected, global organizational consulting firm from Los Angeles, CA, to assist in finding ERS' next Chief Investment Officer.

Michael Kennedy, Senior Client Partner with Korn Ferry, will update the Board and Committee on the status of the search since it began in September 2020.

An ERS search committee plans to conduct interviews in the spring. Porter Wilson expects to finalize the search process by early summer.

Deputy Executive Director and General Counsel –

Paula Jones, ERS Deputy Executive Director and General Counsel, announced her retirement in February. Her last day of service will be March 31. ERS will appoint an Interim General Counsel and conduct a search for a permanent successor.

Paula has been a tremendous resource to the agency, the Board, and the Investment Advisory Committee throughout her many years of service at ERS. As this will be her last Joint Board and Investment Advisory Committee meeting, please join with me in recognizing her many contributions.

ATTACHMENTS:

1. Exhibit A – Legislative Bill Report
2. Exhibit B – Deputy Executive Director and General Counsel Resolution
3. Slides – Agency Update