

OHIO COUNCIL OF HIGHER EDUCATION RETIREES (OCHER) REPORT OF MAY 16, 2017 MEETING

President Roger Anderson called the meeting to order at 9:30 a.m., accepted the minutes of the March 21, 2017 meeting and accepted the treasurer's report without objection or correction. All member universities are current in the \$100 yearly assessments; notices for the 2017-2018 assessments will be sent out within the next few weeks.

Michelle Hobbs (OSU) reported the total assets of OPERS at 89.2 billion dollars and that COLAS will continue as in the past, based upon cost of living up to 3% (unlike STRS that is discontinuing the COLA for at least five years, at which time that status will be reconsidered). Hobbs also reported that OPERS is the largest public pension fund in Ohio and the 11th largest public pension fund in the U.S. OPERS recognized its 82nd year in 2017. It serves more than one million members, including more than 200,000 retirees and beneficiaries. Historically, two-thirds of OPERS' revenue, from which benefits are paid, is derived from investment returns. The remaining one-third is from employee and employer contributions. OPERS member benefits are in line with those offered by Ohio's large private employers, according to an independent study by compensation expert Aon Hewitt. The OPERS Investment Plan is available on the OPERS website. She, as well as most of our OCHER members, believed the OPERS Health Care Plan appears to be working satisfactorily.

STRS report by Shara Bailey indicated that STRS continues to evaluate several models that will keep the pension plan solvent over the long haul. Also reported were results of a membership survey that included active educators and retirees: among the results, most members have a positive overall impression of STRS; more than 80% are confident in and trust STRS; compared with last year, fewer members believe the pension system is sound; compared with last year, fewer members believe their pension is an excellent or good value; most members are satisfied with communications; more than nine out of ten retiree households have at least one source of income in addition to STRS.

There was no ORTA report because Executive Director Dr. John Cavanaugh, who reported to us at the last meeting, has been fired from that position. Reasons for the firing range from fraud, inefficiency, and insubordination of Dr. Cavanaugh and/or the ORTA Board.

Gerald Newsom reporting for Health and Pension Advocates (HPA) reiterated a number of items: mitigating rate is now set at 4.47%, hardly changed from the current 4.5%; actuaries and consultants are concluding that the assumptions underlying projected income and expenses for STRS are overly optimistic, and if so, cuts of some sort could be forthcoming; and that retirees are living longer, investment returns are not as strong as we need and health care costs continue to rise. He also reported that Defined Benefit pension plans continue to be under attack; Michigan is a recent example.

Marla Bump, STRS Legislative Liaison, again reported that not much is happening, state wide or nationally. She said "we will monitor the new legislation (H.B.520) that makes some revisions to the state pension systems."

Campus and Association reports from OCHER member universities included:

Bowling Green U.--U.S. News and World Report has rated Criminal Justice Online Masters Program the eighth best among 1300 assessed. At three separate events, about 50 retirees gathered together.

Kent State U.--Enrollment up, higher academic quality and higher retention, except decline in retention of some males. University addressing issues relating to the Ohio Concealed Carry law and immigration problems created by President Trump.

NEOMED--Governor Kasich honored NEOMED's Bio-Med Science Academy with a School Innovation Award. The Academy is the first rural STEM school in Ohio and the first STEM school in the nation to be located on the campus of a medical university. Retiree database has 149 individuals, some of whom gather together for the annual holiday party and the new members annual dinner.

University of Toledo--Enrollment up slightly; total enrollment for spring 2017 was 19, 221. The semester length has been changed from 16 weeks to 15 weeks.

Wright State U.--Experiencing significant financial difficulty and as a result between 80-120 positions to be retrenched. Needless to say, a hiring freeze is in effect.

Respectfully submitted,

George D. Beelen