

Ohio Council of Higher Education Retirees
November 17, 2015 Meeting

After dealing with the minutes and treasurer's report (all state universities except Miami are current); we accepted both as mailed.

Michele Hobbs (OSU) reported for OPERS:

--Total assets now at \$91.2 billion

--Mitigating rate controversy continues; Ohio legislature reluctant to increase rate beyond 1.5% in 2017 and 2% in 2018. Some OSU members are unhappy with any mitigating rate.

--Under 65 OPERS members will face increased costs in 2016, with deductibles, out-of-pocket costs and co-pays rising; only decreases will be out-of-pocket maximum for drugs. To reduce the impact of the increases, OPERS is providing a partial premium reduction over the next three years.

--Connector plan appears to be working for most, but not all.

Dick Hill (OSU) reported for STRS:

--State pension funds are in funding compliance with Ohio law. That is in contrast to 3-4 years ago, which made changes/reforms necessary.

--STRS assets were down slightly in October (\$69.6 billion) but still up over the last decade. However, a concern is the diminishing ratio of active vs. retirees

--Our health care services must continue to run on its own (without the 1% formerly transferred from pension fund to health care) to continue for the immediate future. STRS is continuing to study this matter. We are often reminded that STRS is under obligation to provide pensions but not health care.

--A recent study regarding state integrity and transparency shows that Ohio's laws and systems are given a grade of D+ (6th best in country!); only grade of A for Ohio is given to State Pension Management. We are told by STRS personnel that it is due to the in-house management of our assets.

--A study shows Ohio's education workforce is getting younger and less experienced.

Greg Nickell, STRS, Director, Health Care Services reported:

--2016 Aetna Medicare Plan changes continue to build incentives for seeking services for in-network providers and primary care physicians.

--2016 Express Scripts plan changes include an increase in deductible for covered brand name drugs to \$225; increase maximum annual expense per enrollee to \$4,850.

--We are making positive gains regarding our unfunded liability, which should be at or below a benchmark of 30 years.

--Greg also reminded us of the unfavorable ratio of active to retired members and also of the intent of STRS to continue to study restoring health care funding.

Some notes regarding other state universities:

--Akron U. is in debt (\$40-60 million) and is trying to privatize by out-sourcing, hiring, at a high cost, administrators with employment experiences in White Hat Management and the University of Phoenix. The former has been deeply involved with charter schools and the latter with a long history in online courses and a 7% graduation rate. Among other recent activities: a dean was hired over the negative recommendations of most of the search committee, 215 staff positions were summarily cut, E.J. Thomas Performing Arts Hall was basically closed, the Division of Student Success was decimated, their University Press essentially was closed. Bob Gandee, OCHER rep from Akron, reported that the chaos continues and that the Corp-Think mentality is on-going. Gandee also said "a former Big Ten football coach would have been a very good selection for the presidency of the University of Akron."

--Bowling Green has an active retirees group. They have been designated as "best for vets." The freshman class is 12% higher than last year; 77.2% of last year's freshman class has returned; the overall enrollment is up 2.1% from last year. BGSU has been ranked 185 by U.S. News and World Report.

--Cleveland State has also been designated military friendly; has recently completed a \$47.5 million dollar center for innovation in medical professions; and has developed an accelerated MBA program. It was reported that the City of Cleveland is enjoying a renaissance, thanks to the pending GOP convention. CSU has 1,850 first-year students, largest-ever freshman class.

--University of Cincinnati-Their retired group is made up exclusively of emeritus professors. They are very active in community and are working with the university and a private developer to consider creation of a University Linked Retirement Community (ULRC) such as at Dennison and Oberlin.

--Kent State-They also have been designated a military friendly university. KSU Has jumped 19 spots in U.S. News and World Report, to 175. Student athletes have among the best GPA's. KSURA have asked Institutional Advancement for office/lounge space in a new building in exchange for participating in Development fundraising.

--Miami U. is going through a presidential search. They have a record incoming enrollment of 4,002 first-year students following an 8.5% increase in applications. They have two groups of retirees-Society of Miami Emeriti and Society of Miami Retirees.

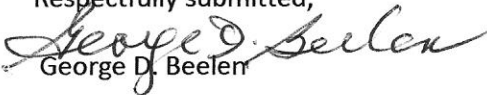
--OSU has experienced a first-year retention rate of over 93% (2014); a five-year graduation rate of 80% and a six-year rate of over 83%. They are moving toward requiring both first year and second year students to live on campus. The medical area now employs more people than the rest of the university.

OSU has an active retiree group that is connected with the Alumni Office rather than H.R.

--Ohio U. is engaged in a \$450 million capital campaign. They have two campuses-one in Cleveland and one in Dublin. The president's house is infested with bats.

--University of Toledo experienced an increase in student retention but a decrease of 301 students overall. UT has a new president, Dr. Sharon Gaber, the first female president; they are faced with more than a \$11 million shortfall; they are reorganizing colleges again; they signed a \$4.5 million agreement with Coca-Cola, switching from Pepsi.

Respectfully submitted,


George D. Beelen