

OHIO COUNCIL OF HIGHER EDUCATION RETIREES (OCHER)

NOVEMBER 28, 2017

Nancy Wardwell called the meeting to order at 9:30, placed on file the minutes of the last meeting (Michele Hobbs) and the treasurer's report (Jim Lapp) and introduced the new ORTA Executive Director, Dr. Robin Rayfield.

Michele Hobbs (OSU) reporting for OPERS addressed the changes in the COLA. Beginning in 2019 all future COLAS will be tied to the CPI, capped at 2¼%. The new COLA will be delayed two years for OPERS members who retired from 2010 through 2012. For future retirees the first COLA will be delayed until their second pension anniversary. OPERS will also provide a one-time pension adjustment to restore 85% purchasing power for those retirees whose purchasing power is less than 85%. Finally, should OPERS' required time to pay off unfunded liabilities top 30 years, the COLA will be frozen for the next calendar year. In the event inflation exceeds 3% for an extended period of time, the Board could increase the COLA to 3% if OPERS' funding is strong. Also she spoke of Public Employees Retirees, Inc. (PERI), having a mission to protect OPERS pensions and benefits.

Gerald Newsom (OSU) gave the Health and Pension Advocate (HPA) and STRS Board Reports reminding us that there will be little change in health care in 2018 and 2019. He also reported that more money is coming in to the STRS portfolio, but we are not yet where we were before the "Great Recession".

Greg Nickell, STRS Health Care Director, reported that after reviewing and analyzing 8 different funding plans, the STRS board selected a plan that would provide members of Medicare a subsidy with an inflation cap of 6% and will go into effect in 2019. This plan is projected to extend solvency of the STRS Health programs to year 2047, up from previous projection to year 2034. Nickell said about 80% of enrollees will have 2018 premiums equal to or lower than their 2017 premiums-including more than 100,000 Aetna Medicare Plan enrollees who will see no increase. He also recommended that when a STRS member makes a call to Aetna to be sure to state that you are a STRS retiree.

Marla Bump, STRS Legislative Liaison, reported that she has been in touch with new members of the State Legislature and see little in the Ohio State legislature that affects STRS, but some activity for OPERS, namely the actions related to COLA. Nationally, she said that the new House tax proposal could have some effect on our state pensions which could subject certain investments of state and local governmental pension plans to the unrelated business income tax (UBIT). Letters have been written to appropriate legislators expressing our concern.

Shara Bailey, STRS Higher Education Representative, offered some interesting statistics regarding STRS membership:

- The fund total as of October 31, 2017 is \$77 billion
- The total fund return July 1, 2016-July 1, 2017 is 14.29%
- STRS has 190 recipients 100 or older—172 female and 18 male!

Three state universities gave reports of significant aspects of their universities and retirees' groups.

Miami University:

- Their new president is Gregory P. Crawford as of July, 2016
- They have been designated a military friendly university
- Increased number of students abroad
- Their enrollment has experienced a modest growth this year but are still a pretty homogeneous population (little diversity)
- In terms of their retirees' association, they are constituted as a faculty and staff organization. They have a difficult time getting people to volunteer to organize activities. Nonetheless, they have had a wine taste that attracted 75, yet the president (with no food or wine) attracted only 30. The activities that are low cost or free are the most popular. Among other activities are holiday events, hockey and baseball games and health/ wellness activities.

Kent State University:

- They have seven campuses, second only to Ohio State; their Senate recently passed a resolution requesting the state legislature to pass a law exempting students from paying sales tax on books.
- Ranked well in several categories by U.S. News and World Report, i.e. diversity, military friendly
- Their weak link in sports is football; otherwise pretty good in athletics. They have high graduation rates and GPAs. It was here that we had a discussion of the efficacy of college athletics, particularly football. Kent was somewhat proud of their poor record in football; many wondered out loud about how important big time football really is. Wright State said they have not had a losing season since 1967. Why? That is when they gave up football!
- KSURA has a new scholarship program; they have no memberships, only 800 names. They meet monthly, 10 months a year.

Cincinnati:

2018

-They have a new president, Neville Pinto and are searching for a new provost and five new deans. Changes in real revenue from 2009-~~2018~~: Tuition and fees 29% to 38%; State revenue down from 21% to 17%; grants and contracts down from 24% to 17%. Expenditures during the same period: instruction +2.5%, academic support +25.2%; institutional support +38.2%

-They have a record enrollment of 45,300 students, with mean ACT just under ACT 90th percentile. The tuition and fees are the 2nd highest of Ohio public institutions. For several years UC has been subsidizing athletics in amounts of \$20million per year. For the past few years, both football and men's basketball have had negative revenue.

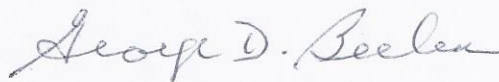
-They are bracing for a visit from white supremacist, Richard Spencer

-UC is attempting to initiate a UC Emeriti Center, Campus and Academy. The acting provost has committed to on-going funding for a part-time Director of the Emeriti Association.

A couple of additional points:

-Dr. Rayfield, ORTA, Executive Director answered questions I was charged to investigate. Hugh Earnhart asked if ORTA's sponsorship of insurance coverage such as long-term care, heart and stroke issues, air ambulance and end of life coverage is legitimate. Rayfield said these insurance benefits are offered in concert with AARP and AMB (Association Member Benefits). He is willing to talk with us collectively or individually and can be reached at [rrayfield@orta.org](mailto:rreyfield@orta.org) or (614) 431-7002. He said the above is not part of the infamous POP group.

Respectfully submitted,



George D. Beelen