

## OHIO COUNCIL OF HIGHER EDUCATION RETIREES (OCHER) REPORT OF SEPTEMBER 26, 2017

President Nancy Wardwell (OSU) called the meeting to order at 9:30 a.m. and announced her meeting plans for 2017-18. **1)** to continue what the group has been doing in the past; **2)** to ensure OCHER keeps OPERS and PERI members informed and represented; **3)** to keep the duration of the OCHER meetings at a reasonable hour, we will be receiving updates from only 3 member institutions each meeting, instead of trying to hear from all institutions at one meeting.

The minutes of the May 16, 2017 meeting were read and accepted without correction.

OCHER Treasurer, Jim Lapp (Univ. of Toledo) handed out the OCHER Statement of Revenues and Expenditures as of 9/26/2017. The current ending balance of the organization is \$5,701.37. Only two universities, Cleveland State and Miami University have not paid their 2017-18 assessment yet. Jim also made available the OCHER Annual Report for 2016-17. No changes or corrections were made to either report.

Michele Hobbs (OSU) reported that OPERS is currently funded at 80% and is well within state mandate. She also discussed the COLA survey mailed to all members, and though I appreciate the work Michele put into her report, more current information has been mailed to OPERS members just this past week. Even though OPERS is currently funded at 80%, they have \$19 billion in unfunded liabilities, plus \$2.7 billion in losses from previous years. Even if their target 7.5% investment return is realized over the next 2 years, the funded ratio would decrease to 78.3%. OPERS received 72,000 responses to the recent COLA survey and based on the feedback, their Board has decided to focus on changes to a cap rather than a freeze. Considerations are **1)** a cap less than 3%; **2)** extend the waiting period for the 1st COLA for new retirees; **3)** a flat dollar COLA. They are also considering increasing base pension amounts for approximately 3,700 long time retirees who were paid lower COLA's because of the use of a different formula. **Ohio Legislature would have to enact legislation for any changes to the COLA.**

Jerry Newsom (OSU) reported for the STRS Board and the Health and Pension Advocates (HPA) stating that STRS is focused on the health care fund because projections are much more difficult for health care since so much depends on Congressional action. The question is how to treat non-Medicare retirees since their health insurance costs are much higher than Medicare retirees. There are six pathways being considered and STRS staff are currently researching the lifetime costs for each. The STRS Board will likely vote on one of these pathways at their October meeting. Jerry also attended the HPA meeting in March and their recommendations were to have **non-Medicare** retirees continue to receive the 2018 STRS subsidy with future health care increases paid by the retirees. **Medicare** retirees would continue with the current plan except the STRS subsidy would be capped at 5% each year. Under this plan, at least some subsidy is maintained for all and it avoids the shock that other proposals had in dropping the non-Medicare subsidy all together. At the STRS Board meeting on September 21, 2017 the Board made frequent reference to the above HPA recommendation.

Carl Leier (OSU) reported on the Big 10 Retirees Association meeting held at Purdue University. Their retiree associations also have a difficult time getting names of new retirees. Many schools rely on their HR departments, but run into problems with privacy laws. The Alumni Office can also provide retiree information. It was also suggested at the meeting to go through the various on-campus unions to obtain their reports with the names of the new retirees.

Greg Nickell (STRS) gave a Health Care Update: **1)** not much change in 2018 except for the maximum annual expense for enrollees prescriptions went up \$50.00 from \$4,950 to \$5,000. Premiums won't increase because

insurance costs are staying the same, but Greg said not to get used to this--future years will likely bring increased premiums; **2)** Open Enrollment information will be mailed the 3rd week of October. Since there are not any changes, look for just a legal size envelope (not a large packet)--the envelope will be stamped with OPEN ENROLLMENT INFORMATION. This will save STRS printing and mailing charges. Plan changes can be made November 1 thru November 21. If you are happy with your current health care you do not have to do anything; **3)** Greg emphasized keeping STRS informed of changes to mailing and email addresses. He said many people change their email service providers and don't notify STRS; **4)** The STRS Board continues to work on Strategic Health Care issues for the future. Working on plans to achieve 30-33 years solvency; **5)** on the political platform, Greg said there are not enough facts yet to comment on the Medicare For All Program and on Ohio Ballot Issue #2, (the Drug Price Standards Initiative) he doesn't feel the State of Ohio will benefit. He said to be discerning, to read and have dialog on the issue before voting.

STRS Factoids: Oldest STRS recipient is 107 years old; Oldest STRS survivor of a recipient is 109 years old; there are 100 recipients 99 years old; there are 190 recipients over 100 years old; 12 recipients with 50 years of service; 1 recipient with 59.17 years of service.

Marla Bump, STRS Legislative Liaison again reported that not much is happening at the Statehouse. A few things she mentioned, **1)** STRS Government Relations staff is meeting with any new lawmakers in the General Assembly to update them on the STRS system; **2)** Marla also said that tax reform is on the upcoming agenda for Congress; **3)** Washington is also talking about the "Rothification" of retirement savings. Rothification is making contributions on a post tax basis instead of pre-tax for 401(k), 457 and 403(b) plans. STRS staff will continue to monitor and report on this issue.

#### **CAMPUS AND ASSOCIATION REPORTS FROM OCHER MEMBER UNIVERSITIES**

**University of Akron-** University on the upswing, Enrollment, Honors College and Retention are all up; the university's \$30 million budget shortfall has been eliminated and \$12 million added back to savings; some staff members previously let go have been brought back on a part time basis---staff morale is increasing, but still has a long way to go; new International Institute opened and the university is reaching out to international students; they are trying to reinstate the baseball program and introduce lacrosse; President Wilson is very supportive of the retirees group and finally, the retirees endowed scholarship is at \$103,000 after 8 years.

**Bowling Green State University-** They are the first public university in Ohio to post checkbook level expenditures on line at OhioCheckbook.com. ; Fall admission is down by 2.4%; Graduate college admission is down because international students from restricted countries are having a hard time entering the U.S. therefore missing the admissions deadline; Retention rate is 75.8% (up 5%) which is good because the State bases subsidy on retention; their retiree scholarship fund is about \$40,000.

**Cleveland State University-** President Ron Burton is leaving office; the university's emphasis is on new programs with collaboration between CSU and public/private organizations (i.e. theater programs and Playhouse Square in Cleveland); a new state-of-the-art facility was recently opened for the Campus International program helping to revive downtown Cleveland; their retiree organization has about 150 paid members.

Submitted by  
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