

## OHIO COUNCIL OF HIGHER EDUCATION RETIREES (OCHER) REPORT OF NOVEMBER 27, 2018

Meeting called to order at 9:30 a.m.

The Minutes of September 25, 2018 OCHER meeting were read and approved.

OCHER Treasurer, Jim Lapp (Univ. of Toledo) handed out the OCHER Statement of Revenues and Expenditures as of 11/27/2018 and it was approved with no changes. The current ending balance of the organization is \$6,231.57.

Again, Jim wanted us to extend thanks to all the folks responsible for sending their 2018-19 dues in a timely fashion.

Michele Hobbs (OSU) reported on OPERS: Michele included in her report a letter from the OPERS Chief Investment Officer:

- The CIO was pleased to announce that OPERS had a very successful investment year. They achieved returns of 16.8% for the Defined Benefit (DB) Plan which was twice the 7.5% actuarial target return. The Health Care returns were 15.2%. These returns were achieved after deducting all manager costs.
- The returns above the benchmark are considered "excess" or "active" returns and they equate to \$1.1 billion in excess returns for the DB Plan and \$0.1 billion for Health Care in 2017.
- Active returns in 2017 were the best since OPERS began keeping records in 2002.
- The CIO reminds everyone they must still remain focused on long term investing. Good years like 2017 help balance out the bad years like 2016 and 2008.
- Even with all this good news, one of the OCHER members heard that the COLA issue would be revisited in Spring 2019.

OCHER President, Steve Howe stated that an OPERS representative will be attending for 1 hour, both of our meetings in March and May 2019. Gordon will help our group determine what kind of OPERS questions we are concerned with so he knows what other OPERS staff should attend our future meetings. If anyone has any OPERS questions they would like answered, please submit them to my email at [mca1@zoominternet.net](mailto:mca1@zoominternet.net).

Legislative Report (Marla Bump, Director of Government Relations for STRS Ohio)

- Marla said still not much going on in the Legislature regarding the pension systems mainly because elections were just completed.
- The State Officers and the Legislature remain in Republican control after the 11/18 elections.

Shara Bailey (STRS Higher Education Specialist)

- Shara and Steve Howe discussed investment fees and expenses for both OPERS and STRS and noted that STRS has an internal investment team and their fees and expenses are much lower than OPERS.
- Shara is the STRS educator and she travels to institutions of higher education to educate new employees on the Defined Benefit Plan for STRS.
- There is much concern about more new employees opting for Alternative Retirement Plans (ARP's) instead of the Defined Benefit (DB) plan. More folks going into the ARP's affects the level of defined benefits.

- OCHER members asked Shara who counseled new hires in higher education about the ARP's. Shara didn't know but gave each of us a list of contacts at their respective universities who would know the answer to this question.

Gerry Newsom (OSU) reported on STRS:

- STRS was 3rd in its peer group of 17 large US public pension funds for lowest investment costs, mainly because of its use of internal investment managers for about 70% of the pensions assets.
- he commented on how other pension systems in states like Kentucky have so many problems because their state did not make the necessary pension contributions and further stated that Ohio does not have this sort of problem. Ohio always makes their contributions to the pension system and the state does not borrow from the pension systems to cover operating costs like other states do.

**2019 STRS Health Care Update:** Greg Nickell (STRS)

- The health care plan has assets exceeding liabilities due to the fact that the 2017 rate of return on investments was higher than expected.
- STRS had a health care planning meeting on 11/15/18, and bottom line of the meeting is the ability for STRS to provide a sustainable long term health care benefit for 60+ years. Most of his report was about the stress tests they applied in their planning meeting to determine if this goal was feasible.

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

### **Kent State University-**

- President Beverly Warren is leaving as of June 2019. An active search for a new President is underway.
- Fall 2018 was largest freshmen class of 4,365 students with 49% of these students earning an average 16.9 college credits in high school.
- Kent has an 89% retention rate from Spring 2018.
- Their retiree association continues to maintain 7 monthly program meetings and annual social events of a holiday luncheon and a June picnic.
- They have given 2 small scholarships from an expendable account and have started raising donations for an endowed Scholarship fund.
- Their listserv membership is currently 880 (including faculty and staff), but they continue to get only 25-30 people at their meetings.

### **Miami University-**

- President Crawford has announced a Strategic Plan that will focus on academics, especially liberal arts.
- Fall 2018 enrollment was 17,327 undergraduates, 2,425 graduates.
- Regional campuses in Ohio enroll 4,664 students combined.
- Tuition for in-state is \$15,378 and out-of-state is \$34,894.
- Miami celebrated their 50th anniversary of the campus in Luxembourg and more than 700 alumni attended the celebration in Luxembourg.

### **University of Cincinnati-**

- Record enrollment of a little over 45,000 students.

- Incoming students have an average ACT of 26.3 and an average SAT of 1257.
- Nothing on their retiree association.

**NEOMED-**

- NEOMED has graduated 4,352 medical students.
- Their SOAR Program is Student Outreach for Area Residents Free Clinic. It is a student run free clinic that delivers high quality, non emergent, no cost health care to the underserved residents of Northeast Ohio.
- The retirees association of NEOMED (R.A.N.) consists of about 1/3 of all their retirees.
- The association continues with Brown Bag luncheons where a faculty or staff member present a timely topic of discussion.
- They have an annual new member dinner in August and attend the annual holiday party on campus.

Next meeting of OCHER is March 26, 2019.

Respectively submitted by  
Marianne Anderson