

OHIO COUNCIL OF HIGHER EDUCATION RETIREES (OCHER) REPORT OF MAY 25, 2021

Due to the pandemic, this was the second meeting of 2021 and the fourth meeting held through the Zoom format. Meeting called to order at 9:15 a.m.

The Minutes from March 23, 2021 OCHER meeting via Zoom were approved.

OCHER Treasurer, Jim Lapp (Univ. of Toledo). The current ending balance of the organization is \$6,300.45. The \$500.00 contribution was paid to HPA (Healthcare and Pension Advocates). The OCHER Executive Board decided to suspend collection of dues for 2021-22. Will more than likely reinstate dues for 2022-23. Jim Lapp will send notification to the appropriate contact of all of the Retiree Associations.

Jerry Newsom (OSU) reported on STRS:

- STRS Board members now have the option of appearing in person or virtually for Board meetings, but the building will not open to the public until September.
- Retirement applications for public school teachers in Ohio is up sharply; most likely COVID related. As of mid-April STRS on pace to have 4,000 retirements.
- The ORTA Forensic Audit claims that STRS is withholding information that should be public record and ORTA is filing a lawsuit asking the Ohio Supreme Court to force STRS to release the information. STRS claims the information is proprietary or a trade secret.
- STRS saves \$108 million annually by managing nearly 70% of their assets internally.
- April 2021 investment returns were up +2.80%, giving a tentative return for the first three quarters of FY2021 a very strong +24.35%.
- Cheiron, the STRS actuary informed the Board that their best estimate for rate of return is now between 6.25% to 7.00%. STRS is currently at 7.45%. New rules are now in place--if the Board's rate of return differs from the actuary's "best estimate", the actuary must notify the ORSC and they will require a satisfactory explanation from STRS as to the difference. This is a process that STRS would like to avoid.
- So, hinging on the statement above, the STRS Board continues to discuss lowering the Rate of Return on Investments. (It has been noted that STRS is the only large Ohio retirement plan with the assumed return greater than 7.25% and they need to look at the impact of not meeting that expected return). Cheiron's recommendation at this point is lowering it to 7.00%. Time will tell.

Greg Nickell (STRS) 2022 Health Care Update:

- Board proposing to move to Express Scripts National Preferred Formulary for **Non-Medicare** enrollees.
- Board proposing the Premier Performance Formulary for **Medicare** enrollees.
- Three-tier drug copay with a new option for non-preferred brand in addition to generics and preferred brand drugs.

Tier	Retail	Mail
Generic	\$10.00	\$25.00
Preferred Brand	\$30.00	\$75.00
Non-Preferred Brand	\$75.00	\$187.50

- Decrease drug maximum out-of-pocket limit to \$5,100 from \$6,550.
- Board will approve any health care changes for 2022 at June 2021 meeting.

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

- Marla said things are still pretty quiet at the State and Washington right now regarding Pension/Retirement issues. (still concentrating on Budget).
- RFP's sent out for actuarial and fiduciary audits for STRS. Responses due late June, early July.
- Congressman Richard Neal looking at the Windfall Elimination Provision (WEP) again.

Legislative Report (Matt Overturf in place of Gordon Gatien, Director of External Relations for OPERS)

- OPERS will allow in-person retirement counseling sessions beginning May 20th.
- Assets in the Defined Contribution Fund increased by \$95.9 million during the first quarter.
- Defined Benefit Fund posted a 12% return and the Health Care Fund posted an 11% return for the year.
- OPERS ended 2020 with a defined benefit funding of 83% and the unfunded liability is at 18 years if all assumptions are met.

Special Presentation-OPERS Health Care for Pre-Medicare Retirees

(Gretchen Feldman, Assistant Director for Health Care and Donna Castiglione, Assistant Director of Member Services)

- The OPERS **Pre-Medicare** group plan will terminate December 31, 2021.
- Pre-Medicare Retirees will need to purchase their own health care plan.
- All OPERS Retirees must **opt-in** to receive a monthly HRA deposit (opting-in will take place during the annual enrollment period November 1-December 15, 2021).
- Via Benefits will provide assistance and education in choosing a plan.
- Options are the use of an HRA allowance **OR** premium tax credit (you can't receive both-the premium tax credit is through the Affordable Care Act). This is called the Open HRA Model, it allows for a lot of flexibility.
- The HRA is tax free money to be used for expenses and the premium tax credit allows you to lower your premiums. So, according to the federal government, this would be taking advantage of 2 tax opportunities and the feds say NO WAY!
- 95% of Ohio participants will have access to 3 or more insurance carriers.
- You can continue to purchase the OPERS vision and dental plans **OR** you can purchase them on the open market.
- OPERS has been disseminating this information to members in a number of ways, letters, website, Webinars, etc.

CAMPUS AND ASSOCIATION REPORTS FROM OCHER MEMBER UNIVERSITIES

BOWLING GREEN STATE UNIVERSITY

- No in-person summer classes; planning on in-person classes for Fall.

- 7 students indicted for hazing incident, cannot be on campus ever again. The school feels this will effect Fall enrollment.
- No adjustments mentioned for this year's football season.
- No cuts in faculty/staff.

Retiree Association:

- Members may not reconvene in person until September.

OHIO UNIVERSITY

- President Nellis leaving and returning to faculty (2 years prior to the end of his contract).
- Enrollment in Spring 2021 was 30,563 (down from 32,535 in Spring 2020), with 18,590 students on the Athens campus. Spring 2021 was basically virtual, except for approved hands-on instruction classes.
- Fall 2021 projections are "up" from what was earlier expected (after housing deposits).
- The 2020-21 faculty/staff furloughs were ended early, with full pay restored in March 2021 (all faculty/staff were permitted to complete the furlough "days").
- There is a new Dean in the College of Business, Dr. Jackie Rees Ulmer. She is the first female dean in the College of Business.
- Two dean vacancies exist: College of Health Sciences and Professions and The Patton College of Education.

Retiree Association:

- 620 Members
- April meeting speaker spoke about natural habitat planting.
- May meeting speaker was Donal, Dean of Arts and Sciences.
- In June, meeting in person for a reception at the Athens Country Club.
- This summer Association volunteers will host viewings of Quilt National '21 at the Athens Dairy Barn Cultural Arts Center.
- This summer Association volunteers will help with garden maintenance of the Emeriti Park on the Athens campus.

WRIGHT STATE UNIVERSITY

- The University was planning on terminating 113 faculty members, but are now in the process of an ERP with a 1 year buyout for those having 20 years or more of service. University is hoping enough people will take the ERP so they can reduce the number of terminations.
- Enrollment is stabilized at the 11,000+ range.

Retiree Association:

- Still hosting on-line events at this time.

UNIVERSITY OF TOLEDO

- Nothing Reported on University

Retiree Association:

- Retiree membership is 792 (declined a little bit).
- They have two Scholarship Funds with a combined balance of just under \$206,000.

- Fewer retirees attending their virtual events, so they opened them up to Alumni and seem to be getting more attendees thru the Alumni.
- Retiree group is returning to on-campus meetings July 1st.
- Held their 2021 Alumni Association Day of Giving (a 36 hour fundraising event) in April and raised over \$1.3 million.

UNIVERSITY OF AKRON

- Enrollment is low for Fall 2021. Plan on in-person classes.

Retiree Association:

- Membership is down to 314 members.
- Going to try for June Board meeting in person, if not completely in person, then hybrid.
- Scholarship endowment = \$118,000. Granted two \$2500.00 scholarships for the academic year.

KENT STATE UNIVERSITY

- University hired the first ever African American Athletic Director.

Retiree Association:

- Nothing Reported on Retiree Association.

MISCELLANEOUS ITEMS

OCHER group decided to try a one year trial membership in AROHE (Association of Retiree Organizations in Higher Education), providing the membership fee is still \$120.00

Providing the STRS building does open in September, it was decided that we will hold September 2021 and May 2022 OCHER meetings in person; and November 2021 and March 2022 meetings virtually (since weather can be inclement in these months).

Next meeting of OCHER is September 28, 2021

Respectively submitted by
Marianne Anderson