

OHIO COUNCIL OF HIGHER EDUCATION RETIREES (OCHER) REPORT OF NOVEMBER 16, 2021

Due to the pandemic, this was the fourth meeting of 2021 and the sixth meeting held through the Zoom format. Meeting called to order at 9:30 a.m. **NOTE:** The STRS building will not be open until January 10, 2022; so OCHER meetings will continue to be held virtually until further notice.

The Minutes from September 28, 2021 OCHER meeting via Zoom were approved with 3 minor corrections.

OCHER Treasurer, Jim Lapp (Univ. of Toledo). The current ending balance of the organization is \$5,680.45.

Jerry Newsom (OSU) reported on STRS Board Meeting (in October)

- STRS Executive Director, Bill Neville reported mortality has gone up 15% presumably because of COVID. There was no mention on what impact this has on STRS' projected liabilities.
- Callan, an investment consulting firm will make recommendations to the STRS Board in March 2022 on how investments should be allocated (i.e. what % should be in stocks, fixed income, real estate, etc). These allocation decisions are by far the most important decision that affects investment returns.
- Jim Voytko of RVK Investments (consultants for the Ohio Retirees Study Council), told ORSC that he felt Ohio pension funds are well diversified, have outperformed their assumed rates of return and are professionally run. This image is of course in sharp contrast to what ORTA (Ohio Retired Teachers Association) feels. ORTA who hired Ted Siedle to perform a forensic audit of STRS is very critical of STRS. Siedle claims that Funston (the company performing the current fiduciary audit of STRS) is known for producing reports that say nothing but great things about management and are known to produce corrupt reports. Siedle goes on to say that ORSC is "in bed" with the fund managers and are not doing their proper oversight.
- In the September 2021 OCHER report, it was mentioned that Ted Siedle tried to raise \$75,000 to do a forensic audit on OPERS and fell short. Only \$10,000 was raised so Siedle started a gofundme campaign and has raised a little over \$6,000 at the end of October.
- In light of all the "numerous complaints" about STRS triggered by Siedle, Auditor of State, Keith Faber will have a "special audit" of STRS. ORTA applauded this announcement at the STRS Board meeting. The investigation will be conducted in-house and likely will bill STRS for the cost (Faber states that this will be different than the audit of STRS' financial statements).
- The four states with the most troubled pension systems are Illinois, Kentucky, Pennsylvania and New Jersey.
- It was also mentioned in the September 2021 OCHER report that 2 retirees brought suit in federal court against STRS regarding the suspension of COLA's and the suit was thrown out of federal court; the suit has now been filed in state court-the Franklin County Common Pleas Court at the end of October.
- Cheiron, the STRS actuary agreed to come up with some possibilities to provide inflationary relief to retirees. At the STRS Board meeting they presented 16 possibilities and what the effect of each possibility would be on STRS' unfunded liabilities. These suggestions ranged from:
 1. cutting employee (active teachers) contributions
 2. reinstating the COLA at 3%, 2% and 1%

3. having a one-time pension increase also at 3%, 2%, 1%
4. starting a 2% COLA in 2024
5. 2% COLA on first \$30,000 of pension

These different possibilities presented mixed results on the unfunded liabilities and due to intergenerational equity, many feel that active teachers should have first dibs on relief. Also, the results are based only on if they reinstate the COLA, not if they also decrease active teachers' contributions. So, Cheiron is supposed to come back with results of combining both the reinstatement of the COLA and decreasing active teachers' contributions and see what the combination does to the unfunded liabilities.

- It is Jerry Newsom's **personal opinion** that if STRS has a 7% return on their investments this year, that there would be chance for some type of relief.

Greg Nickell (STRS) 2022 Health Care Update:

- Greg had no report on Health Care this month.

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

- Marla said things are still pretty quiet at the legislative level regarding the retirement systems, they have basically been working on redistricting.

Legislative Report (Gordon Gatiem, Director of External Relations for OPERS)

- Gordon announced that VIA BENEFITS for **PRE-MEDICARE** folks has been having some problems. Complaints have been excessive wait times on the phone. He gave three main reasons for this problem:
 - (a) Recruitment-like every other company in the nation, VIA BENEFITS is having problems finding people to work.
 - (b) Retention-again, people don't want to work so it's hard to keep them. Plus new hires have to be trained because they need to be licensed to sell the product.
 - (c) High call volume

Gordon said they are working with VIA BENEFITS and looking at all options, including extending the December 15th deadline. OPERS will not let anyone fall thru the cracks.
- OPERS is suing FACEBOOK. This has been initiated by the Attorney Generals' Office and it centers around FACEBOOK's lack of disclosures/transparency in regards to their investments. There was a loss of investments and OPERS is seeking to recoup those losses.
- Ohio Senator Brown has introduced a Bill to eliminate WEP (Windfall Elimination Provision) and Government Pension Offset. Gordon said OPERS would not oppose this, but also said full repeal of Bills is extremely unlikely to pass. Gordon said OPERS would have to restructure the entire Ohio benefit system and how would complete restructuring be paid for?????
- However, a Bill by Congressman Kevin Brady of Texas is looking to establish a new, fairer formula to WEP. Both Marla Bump and Gordon feel this Bill has a better chance of passing.
- Both Marla and Gordon think it is a good idea for OCHER to send a letter to our legislators for the passage of the WEP Bill that would establish a new formula.

ADVOCACY COMMITTEE- a new Advocacy Committee has been formed to help strengthen all benefits to retirees and also strengthen the state of the Retiree Associations at 13 Ohio universities. The committee has been tasked with the following:

- Finding out all the benefits that are available to retirees at their university and perhaps making these benefits more equitable across all 13 universities (i.e. University of Toledo took away free parking from all of their retirees; also some retirees are no longer receiving remission). The Advocacy Committee would like to find ways to perhaps petition the President, BOT, HR department at different campuses to get benefits returned to retirees.
- Contacting Shawnee State and Central State University to find out why they do not have a Retiree Association and helping them form one, or helping Cleveland State and NEOUCOM to keep theirs from going defunct.
- Sending a letter to legislators supporting (WEP) the development of a new formula for S.S.
- Following OPERS in regards to their possible COLA freeze.

CAMPUS AND ASSOCIATION REPORTS FROM OCHER MEMBER UNIVERSITIES

YSU

I submitted via email to all the OCHER members some current YSU Facts and the status of YSURA.

NEOUCOM

Made a statement that their Retiree Association is going defunct.

CLEVELAND STATE

Also stated that their Retiree Association is in chaos.

MISCELLANEOUS ITEMS

OCHER President, Jerry Feezel would like to hold a virtual 1 hour meeting on January 25, 2022. His feelings for this is that there is such a long stretch between our November and March meetings and our Advocacy Group is working on some things and he would rather they not lose momentum.

Next meetings of OCHER:

Tuesday, January 25, 2022 (1 hour-virtual)

Tuesday, March 22, 2022 (regular meeting-probably virtual because of weather concerns)

Tuesday, May 24, 2022 (regular meeting-tentatively held at STRS in Columbus)

Respectively submitted by
Marianne Anderson