

OHIO COUNCIL OF HIGHER EDUCATION RETIREES (OCHER) REPORT OF MARCH 21, 2023

Meeting called to order at 9:30 a.m. ZOOM meeting held in case of inclement weather.

The Minutes from November 15, 2022 OCHER meeting were modified by making a few **non-monetary** changes to the Treasurer's Report.

OCHER Treasurer, Jim Lapp (Univ. of Toledo). The current ending balance of the organization is \$5,294.05.

Four new members were welcomed to OCHER-1 from OU; 2 from Cleveland State and 1 from BGSU.

Gerald Newsom (OSU) reported on STRS Board Meeting

- The recent failure of Silicon Valley Bank has caused problems for STRS with critics lambasting their investment procedures. 0.03% of STRS investments were in this stock.
- The Board feels that on average their investments are doing well, they aren't the best, but also not the worst.
- OCHER member asked when STRS members would know if there will be a COLA in 2024. Jerry Newsom said **HOPEFULLY** in April 2023 there will be a decision on a 2024 COLA, but he also stated that the Board cannot communicate anything unless their actuary tells them they can.
- There is an open seat on the STRS Board. One of the current disgruntled members of the Board is making statements like **"if you want a COLA...then you need to convince an existing board member to do the right thing and vote for what is in the members' best interests or elect a new Board member for the active seat in 2023"**. This is misleading the membership because no one on the Board can promise a COLA unless the **actuaries** approve it and so far they are saying NO.
- Ted Seidle and ORTA supporters are accusing STRS of investing in cryptocurrency funds and there is absolutely no evidence of that. It seems like the critics just want control, not the truth.

Greg Nickell (STRS) 2023 Health Care Update:

Currently working on Health Care for 2024:

- **CVS will be the new Administrator for prescriptions in 2024.** STRS knows there will be some disruption in changing administrators, but they feel more members will be positively impacted, than negatively impacted. They do feel that there will be better coverage with CVS.
- STRS is not anticipating too many plan changes to Health Care premiums—they are mainly focusing on the transition to CVS.
- Of the 700,000 prescriptions that go thru STRS Health Care, they feel that only about 4% of those scripts will be impacted by the change (i.e. tier change, covered/not covered).
- **One nice thing**, some members in the past have had trouble with mail order prescriptions. Greg said now a member can go to a brick and mortar CVS and get a **90 day prescription at the same cost as the mail order.**
- STRS is working feverishly to make the transition to CVS as smooth as possible.
- An OCHER member asked Greg how long can members expect the cost of health care premiums to last given inflation. Greg's response was at this time the Health Care fund is still well-funded and they are able to keep the premiums where they are (or maybe even

a little less). They are definitely working with their fiduciary consultants on this. Greg said the Health Care fund has not received any funding from employers since 2014 and yet it's still in good standing.

- Another OCHER member said he received an email from OMADA and he asked Greg if this was a SCAM. Greg said no, it's a company working with Express Scripts regarding targeted drugs. Greg said he will try to get something on STRS' website announcing this new program and informing people that OMADA is not a SCAM.
- A point was made that we need an OPERS Health Care person like Greg Nickel at our OCHER meetings.

Legislative Report, Anne Erkman in for Marla Bump, Director of Government Relations for STRS Ohio

- HB758-this Bill only impacts STRS' Board composition. Allows for re-employed retirees to run for a seat on the Board.
- Senate Bill 6-impacts the systems fiduciary duties. This Bill affects all Ohio Pension systems. Both Ann (STRS) and Gordon (OPERS) feel that the Bill is not necessary because both systems are already in compliance with the language of SB6. Both systems consider all risk factors when it comes to investing.
- HB4-this Bill prohibits investing in any companies that are boycotting or discriminatory. The Treasurer of State has to make a list of these companies and the pension systems would then have to divest from these companies (providing they were invested in them to begin with). This type of Bill is not unique to Ohio; other states have similar bills.
- Ann says STRS plans on talking to Legislature about raising employer contributions---it failed last years Legislature because the big question is "where's the money going to come from". This would be in association with HB512, (see OPERS bullet below) but in OPERS raising employer contributions just deals with Police and Firefighters.

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

OPERS PENSION FUND:

- HB94 (identical to HB611 from 2022)-deals with Multiple Service Credit for Police and Firefighters. (Active duty Policemen pay into Police and Fire Pension; if they retire and get a job at Cleveland Metroparks they pay into OPERS). This makes it difficult to know which pension system they should get paid under.
- HB512 (also from 2022 session)-Police and Firefighters want to raise employer contribution rates. Police=19 ½%; Firefighters=24%. Too much disparity between the contribution rates.
- OPERS Board is pushing to hold virtual meetings. An emergency meeting was called and they had to get Board members to travel from all over the State to Columbus in a hurry. If virtual meetings were allowed the Board members would not have had to rush to Columbus.
- WEP and GPO-Gordon said it's being reintroduced into Congress again this year. He said it's the same old song and dance—it basically failed. Full repeal of GPO would be very costly, but no one seems to be coming up with an alternative.

An OCHER member announced that HB83 was up for discussion. She said this would overhaul all of public education including the University level. Everything an educator is going to discuss in the

classroom everyday would need to be documented and the Bill would determine how teachers would be evaluated. Another OCHER member suggested we ask Congress to give us a syllabus of what they're going to talk about everyday (LOL)!

CAMPUS AND ASSOCIATION REPORTS FROM OCHER MEMBER UNIVERSITIES

NEOMED

- They are pursuing a Dental School. It would only be the 2nd state funded school in Ohio. They are hoping for the first dental class in 2025, but of course it depends on funding. They are doing a lot of fund raising—need \$25M to get started. Recently hired a Dean to help get things moving in the right direction.

NEOMED RA

- Their Retiree Association is basically defunct. Cheryl Hodnichak (OCHER member) is trying to resurrect it, but it seems as though all the previous information has been lost and she doesn't know who to contact about it.
- They started to collect money for a scholarship. However, they didn't collect that much to establish a Scholarship Fund, but Cheryl doesn't even know where those few funds were even deposited.
- The retirees used to have life insurance benefits, but the University eliminated that benefit. Cheryl said because their retiree association was defunct, retirees had no input on this decision.

Ohio State University:

- OSU got rid of their superb President. Will probably have an interim President for a while, but OCHER members from OSU feel they will have a hard time finding a new President.

Ohio State University RA

- Seem to be losing membership at about 3% a year.
- The association is not having nearly as many programs as they used to.

University of Toledo:

- October 12th was celebrated as Founder's Day, kicking off a year-long celebration of UT's sesquicentennial.
- In February, the University adopted a new five-year Strategic Plan called "UToledo Reimagined: Strategic Plan 2023-2028." Focused on 6 goals.
- Decline in student enrollment continues. Fall 2022 enrollment was 15,603 a drop of -8.6% from Fall 2021 which was 17,070. Fall 2010 enrollment was 23,085 so enrollment has dropped 32%.
- Spring 2023 enrollment is 14,363 compared to 15,569 in Spring 2022.

University of Toledo RA

- Membership currently stands at 726, a decline of about 50 members from 1 year ago.

- There are 524 life members; 125 annual members; 77 comp members.
- Their treasury remains stable at \$39,000.
- Scholarship funds combined balance is \$206,738. For the 2022/23 academic year 11 scholarships were awarded totaling \$10,900.
- Retiree Association activities-annual holiday brunch, wine and cheese tasting, lecture on the early history of UT. Upcoming events include a lecture on global climate disruption, recycling program, annual meeting/luncheon in June, a cruise down the Maumee River to Lake Erie in July, August bus trip to Lancaster Pennsylvania Dutch Country and Gettysburg.
- They also have an active Book Club and breakfast group that meets monthly.
- Their association has been named the Alumni Association Affiliate of the Year for 2022-23. This is the 4th time in the past 12 years that they received this honor.

OCHER Advocacy Committee:

- Working on issue of misinformation circling STRS and how to get that corrected. It is felt that ORTA is disseminating a lot of this misinformation, but how does the Advocacy Committee address this issue without creating controversy between OCHER and ORTA.
- Working on issue of better communication between STRS and its members.
- OCHER also needs to weigh in on legislation (i.e. House Bills, Senate Bills). Especially if the issue involves any legislation that would restrict the pension systems from getting the best rate of return for its members; specifically referring to Senate Bill 6.
- An OCHER member brought up the fact that due to our 501C status, they are not sure how far our group can go in advocating/lobbying without losing our status.

New Business:

- Continued discussion on holding an OCHER Regional Meeting sometime in Fall 2023. Discussed who our audience would be? What topics would be discussed? Should the meeting be hybrid (in-person and ZOOM)?
- Nominations Committee will bring nominations for Treasurer position to the May 23,2023 OCHER meeting. Current Treasurer, Jim Lapp wants this to be his last year.

Next Meeting:

Tuesday, May 23, 2023 in Columbus

Respectively submitted by
Marianne Anderson