

OHIO COUNCIL HIGHER EDUCATION RETIREES MINUTES NOVEMBER 28, 2023

Meeting called to order at 9:20 a.m. on ZOOM.

The Minutes from September 26, 2023, OCHER meeting were approved.

OCHER Treasurer, Jim Albert (Bowling Green State University). The current ending balance of the organization is \$5,975.25. Four universities have not paid their 2023-24 dues yet, Cincinnati, Miami, Ohio University and NEOMED (NEOMED retiree organization is possibly defunct). Shawnee State sent in their dues; this is the first time in several years; maybe they're making a comeback??

Gerald Newsom (OSU) reported on STRS Board Meeting

- The most recent STRS news is the suspension of Bill Neville as Executive Director, based on an anonymous letter claiming to be from staff members. As Director, he's a lightning rod for critics of the system.
- Cheiron, the actuary for pension and healthcare noted that 4.6% of assets are needed each year to pay pensions and other expenses. More than most public pensions, STRS relies more on investment returns to make payments, resulting in lower contribution rates from employers/employees than in most states,
- September saw a net loss in investments of 2.29%, so the 1st quarter of FY 2024 has not been good for investments.
- Every year STRS earns several million dollars by renting out securities they own to companies that may need to cover a shortfall. The program has raised \$345M for STRS since its inception in FY92.
- Cheiron will announce at the March Board meeting how much they will approve for the Board to spend on benefit enhancements (i.e. COLA) for the next fiscal year.
- The SEC established rules in August 2023 to make investment fees more transparent, but they said it would probably be a year or year in a half before we see the new rules enforced.

Lynn Hoover (Acting STRS Director and CFO)

- An investigation has begun into Director Bill Neville's conduct by an outside attorney firm (appointed through the Attorney General's Office). Lynn feels the investigation may take a couple of months **BUT THIS IS ONLY HER PERSPECTIVE.**
- Lynn spoke to STRS' external auditor and assured them the current situation with Neville has absolutely nothing to do with financial problems within STRS, the situation strictly concerns personnel/personal issues.
- Lynn feels STRS will get through the challenges, they just need to stay true to the plan.
- Board has just recently contracted with a Governance Consultant called Aon. Aon attended their first STRS Board meeting in November. Aon consults for pension plans across the country. Aon is currently looking at the suggestions made in the Fiduciary Audit.
- There will also be some changes in Investment consulting. The firm, Mikita has been hired as the new general investment consultant. They **may** start in January 2024.
- The STRS Board has also secured a Parliamentarian for their board meetings. It is a woman from outside of STRS with many years of experience. Her job is to keep the board meetings on task and Lynn said so far, she has done a good job. Lynn feels this woman has a lot of good tools and resources to get STRS through these challenges.

Greg Nickell (STRS) 2023 Health Care Update

- All prescriptions moving from Express Scripts to CVS as of 1/1/2024.
- The reason medical premiums have significantly decreased over the past two years is because STRS went out to bid and through this bidding process they have been able to pass the savings on to the members.
- 90% of STRS retirees are in the Medicare program.
- 2024 Medical deductible is now \$0.00; PCP visit is now \$0.00; a home support benefit, 3 extra days in a nursing facility and a hearing aid benefit are now included in member benefits.
- Whatever drugstore you are using now you can more than likely continue to use that drugstore.
- The first week of December, pharmacy data will be moved from current vendor(s) to CVS and medical data will be moved to Aetna. New medical cards will be delivered the week before or the week of Christmas.
- A transition program will be available for the 1st three months of 2024 which will help with any problems members may be having with their prescriptions.
- As stated before, you can get your 30-day prescriptions through any drugstore, **HOWEVER IF YOU CHOOSE NOT TO GET A 90 DAY PRESCRIPTION THROUGH MAIL ORDER, YOU CAN ONLY GET IT THROUGH A CVS BOX STORE.**

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

- HB78 – 9/26/23 was the 4th hearing on this bill. Currently, re-employed STRS retirees are not able to serve on the STRS Board. **If passed**, this bill would change the current stance.
- Legislation is in the works to include student teachers as part of STRS.
- In the spirit of being pro-active, an ad-hoc legislative committee has been established. They met for the first time in November.
- Marla is hoping a Bill to increase employer contributions can be introduced before the holidays, knowing full well this is an uphill battle. An OCHER member asked Marla who would be the biggest opposers of this Bill. Marla replied, School Boards, Business Officials, Superintendents, and Taxpayer Organizations (i.e. Buckeye Institute). All of them will probably make the argument that schools cannot afford the increased percentage.
- The member to retiree ratio is basically 1:1 now; money must come from somewhere.
- An OCHER member asked Marla if STRS can rescind DC or Alternative plans. She said this legislation was enacted in the late 90's and it would require a change in statute. Both her and Gordon from OPERS said changing the statute would be virtually impossible with the current legislative environment. Marla said at the collegiate level there are about 40% of members in the Alternative Plan and K-12 it's less than 10%. At the collegiate level, once you're in the ARP you cannot change unless you leave your current position and go somewhere else.

Legislative Report, Gordon Gatiem, Director External Relations

- OPERS is also seeking authority to increase the employer contribution rate and knows this will be a difficult task. They would like the increase to be from 14% to 18% and the increases to be phased in over time. This would be the first rate increase in nearly 50 years.
- It was mentioned that Ohio's population is decreasing so an argument can be made that the money must come from somewhere.

- OPERS feels that most of the changes (in both OPERS and STRS) are made on the backs of the employees/retirees; it's time for employers to share the burden.
- An OCHER member asked what percentage of members are in the DC plan. Gordon said 3% of the active membership.

CAMPUS AND ASSOCIATION REPORTS FROM OCHER MEMBER UNIVERSITIES

UNIVERSITY OF CINCINNATI:

- Reported enrollment of over 50,000 students for the 2023-24 academic year.

UNIVERSITY OF CINCINNATI RETIREE ASSOCIATION:

- The UC Emeriti Association has established an undergraduate scholarship and has raised over \$75,000 of the \$150,000 to begin the granting of that scholarship.
- The retiree group has a strong luncheon speaker series with events occurring 8 times during the academic year. Their most recent luncheon featured a members' travel account to Antarctica and a luncheon with the mayor of Cincinnati.
- The association has Final Friday brewery evenings and neighborhood coffee walks. An Art Festival is planned for the Spring.
- Their association would like to hear what tech support other universities offer their retirees. OCHER plans to discuss this in the future.

MIAMI UNIVERSITY:

- Miami continues to see strong enrollment despite the decline in high school graduates statewide and nationally.
- Ranked #3 in undergraduate teaching among public universities.
- In the process of developing a new strategic plan known as MiamiTHRIVE. The focus will be to evaluate student needs and how those needs will be used to develop academic program options.
- Miami recently opened a new Clinical Health Science Building which will house nursing, speech pathology/audiology, and a new PA program.
- This Spring the new McVey Data Sciences Building will open.

MIAMI UNIVERSITY RETIREE ASSOCIATION:

- Retiree association has an upcoming holiday dinner.
- Staff transition has challenged the number of communications and events this past year.

KENT STATE UNIVERSITY:

- The university was named the 2023 "Best for Vets Colleges" ranking 84th overall and 13th in the Midwest.
- Gov. DeWine presented Kent with Ohio's new Collegiate Purple Star designation for its support for veteran and military students,
- President Todd Diacon has a new video series called "What's The Big Idea"? He drives faculty members around in a golf cart and shares with them the latest research opportunities happening at the university.
- Received a \$1M gift from Wick Family Endowment to fund an Executive Director position at Kent's Wick Poetry Center.

- Major construction on campus---Ambassador Crawford College of Business and Entrepreneurship.
- Kent is celebrating the rise in enrollment for the first time in 10 years. Fall enrollment is 25,283 at Kent main campus and 33,530 to include all 8 campuses.
- Increases have been seen in international students, grad students, pilots, engineers, business professionals and the Honors College.
- Women's golf won the MAC for the 24th straight year.

KENT STATE UNIVERSITY RETIREE ASSOCIATION:

- Endowed Scholarship is over \$37,000 and supported 2 students this past year.
- Monthly program meetings include Wick Poetry Traveling Stanzas Bus, Oktoberfest at Bell Tower Brewery, politics in elections. Plans for Spring programs include AI and ChatGPT, cryptocurrency and others TBD. The annual holiday luncheon is set for mid-December.
- Only 25-30 retirees attend the monthly meetings, but the association communicates via the KSURA Listserv with over 800 retirees in town and afar. The communications offer information on other local events, developments affecting retirees, OCHER reports, plus college obituaries.

NEOMED:

- Retiree Association is defunct. They have no support through the university. They were told they were being transferred to the Alumni department, as of now they still have not been contacted and Cheryl has not been able to reach anyone in that department.

NEW BUSINESS:

OCHER would like to hold a Regional Conference in March 2024 in Akron.

Next Meeting:

Tuesday, March 26, 2023 (via Zoom)

Respectively submitted by
Marianne Anderson