

Retirement Committee
2024 Resolution

**Transparency, Accountability, and Restoring the Original Promise To
Ohio's Teachers**

WHEREAS, the Ohio State Teachers Retirement System Board (STRS) is the decision-making body for the investment fund secured through the contributions of Ohio's publicly employed teachers, and

WHEREAS, the Ohio State Teachers Retirement System Board (STRS) is partially composed of seven elected contributing and retired members of the Ohio public educational system who represent the totality of Ohio as well as their home regions, and

WHEREAS, the Ohio State Teachers Retirement Board (STRS) currently manages over \$90 billion in assets for a half million teachers, and

WHEREAS, STRS active members contribute 14% of their salary, which makes Ohio teachers pay one of the highest contribution rates for teachers in the nation, opposed to the previous 10% contribution and

WHEREAS, in 2012, the qualifying retirement number was moved from 30 years to 35 years, and

WHEREAS, the Ohio State Teachers Retirement Board (STRS) unilaterally eliminated the Cost of Living Adjustment (COLA) for more than 150,000 retired Ohio teachers in 2017. Teachers who retired after July 1, 2013 did not receive a COLA until a 3% COLA was granted in 2022, and

WHEREAS, the STRS has had a large, highly paid staff (68 employees made more than \$200,000 in 2021) while it has granted just one 3% cost-of-living increase since 2017. Last July, retirees received another COLA, a humble 1% increase, and

WHEREAS, in 2022, the Board voted to give the staff \$10 million in bonuses shortly before learning that the system's \$5.3 billion in losses were 77% higher than what the bonus-receiving staff projected, and

WHEREAS, the Ohio Federation of Teachers assisted in hiring pensions expert Ted Siedle in 2021 to look into STRS, and he concluded STRS "has long abandoned transparency, choosing instead to collaborate with Wall Street firms to eviscerate Ohio public records laws and avoid accountability to stakeholders. Predictably, billions that could have been used to pay teachers retirement benefits have been squandered over time as transparency has ceased to be a priority" and

WHEREAS, active teachers have involuntarily faced increased years of service required

to become eligible for full retirement benefits, and

WHEREAS, in May of 2023, OFT member Pat Davidson defeated incumbent Arthur Lard by 20,410 with a 8,853 margin. This STRS Board election victory should have given members seeking to change the status quo a one-vote majority on the Board. But Governor Mike DeWine interceded the day before votes were counted and asked Wade Steen to resign. When Steen refused, DeWine tried to fire him the next day. Since then, DeWine has ignored an appeals court magistrate's finding that he has no legal or constitutional power to expel appointee Steen from the STRS board. Currently, we await the 10th District Court of Appeals ruling on this egregious effort by Dewine to block reasonable reform minded people from sitting on the STRS Board, and

WHEREAS, in November of 2023, Bill Neville, Executive Director of the State Teachers Retirement System of Ohio, was recently been placed on leave while special counsel hired by the Ohio Attorney General's office investigated allegations made against him by system employees. The investigation has now concluded and Neville will remain on paid administrative leave through May 17 pending performance coaching. Concerns about Neville's leadership remain, and

BE IT RESOLVED, that OFT demands the STRS Board to demand increased accountability and transparency in the State Teachers Retirement System of Ohio, and

BE IT FURTHER RESOLVED, that STRS Board restore a COLA that will reasonably allow benefits to keep pace with inflation during retirement, and

BE IT FURTHER RESOLVED, that STRS Board shall restore unreduced benefits at 30 years or as close to that as possible as quickly as possible. Unreduced benefits at 30 years at any age was the original promise made to anyone enrolled in STRS prior to 2012 and it should be honored if at all possible.

BE IT FINALLY RESOLVED, the STRS Board and Staff should identify additional sources of revenue and use this additional revenue to immediately restore benefits. Potential revenue sources could include: raising the assumed rate of return and/or discount rate, raising the employer contribution rate to better match other states, and securing direct funding from the state biennial budget.