

OHIO STRS ACCOUNTABILITY

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.

WHEREAS, the Ohio State Teachers Retirement Board (STRS) unilaterally eliminated the Cost of Living Adjustment (COLA) in 2017. Teachers who retired after July 1, 2013 have never seen a COLA.

WHEREAS, this year the STRS investment staff received salary increases and bonuses including the \$6.7 million “Performance Based Incentives”.

WHEREAS, all STRS personnel have received performance based salary increases for over fifteen years plus the investment department earns yearly performance based incentives.

WHEREAS, STRS active members contribute 14% of their salary, which is one of the highest contribution rates for teachers in the nation.

WHEREAS, active teachers are involuntarily facing increased years of service required to become eligible for full retirement benefits.

WHEREAS, the Ohio Federation of Teachers (OFT) has publicly and privately pushed the Ohio State Teachers Retirement Board (STRS) for increased transparency and accountability for over a decade.

WHEREAS, the Ohio Retired Teachers Association (ORTA) hired Edward Siedle in early 2021 to conduct an audit of the STRS pension. The Ohio Federation of Teachers (OFT) was one of the major financial supporters of the Siedle audit.

WHEREAS, the former Securities and Exchange Commission attorney Edward Siedle concluded in his final report in June of 2021 that:

- STRS routinely underreports the true cost of externally managed alternative investments and thus overstates the returns it achieves.
- Legislative oversight of the pension has failed.
- Wall Street has been permitted to pocket lavish fees without scrutiny
- Billions of potential retirement benefit dollars were squandered over time as transparency has ceased to be a priority.

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WHEREAS, STRS Board member and CPA Wade Steen responded to the findings in the report by stating the results “were deeply disturbing, but for those paying attention, not all that surprising...I have completely lost confidence in the staff’s ability to invest money, and even worse, their willingness to tell us the truth about the results.”

WHEREAS, STRS Board member and economist Dr. Rudy Fichtenbaum's reaction to the Siedle audit was “many of us have a trust problem when it comes to STRS.”

WHEREAS, the results of the Siedle forensic investigation were subsequently reported to Ohio legislators, regulators and law enforcement and the Auditor of State is currently conducting a special audit of the STRS pension fund.

BE IT RESOLVED, the Ohio Federation of Teachers (OFT) strongly supports the current special audit by the Auditor of State and believes it long overdue. And that STRS enacts appropriate recommendations.

BE IT FURTHER RESOLVED, the Ohio Federation of Teachers (OFT) urges our elected representatives in the Ohio legislature to fulfill their oversight responsibilities.

BE IT FINALLY RESOLVED, in order for the STRS Board to move forward with a new vision, Board members must hold the STRS staff accountable for restoring benefits while advocating for transparency.