

**OEA Retirement Systems Update**  
**Report to the OEA Board of Directors: May 2023**

**Please distribute to other OEA members**

**Davidson Elected to STRS Board**

On Saturday, May 6, 2023, the results of the STRS Board election were certified with Pat Davidson winning election to a four-year term. Davidson received 69.5% of the vote and defeated current Board member and OEA’s recommended candidate Arthur Lard.

OEA would like to thank Arthur Lard for his unwavering commitment to pension security and the long-term health of STRS for active and retired members alike. We would also like to acknowledge his hard work and the dedication that he and other OEA members have shown during this campaign.

STRS faces difficult challenges in the years ahead, including market instability and growing inflation, and the work of the STRS Board will be critical if our pension system is to weather those storms. We wish Pat Davidson the best as he assumes his new responsibilities on the Board. We also look forward to working with all members of the STRS Board to ensure that all STRS members, current and future, have a pension they can count on for the rest of their lives.

In other news on the STRS Board, Governor Mike DeWine has replaced his appointee to the Board. The Governor announced that G. Brent Bishop would replace Wade Steen. Bishop is a managing partner of a central Ohio real estate firm and member of the University of Toledo Board of Trustees. Steen is disputing the appointment, arguing that he cannot be removed by the Governor. Governor DeWine responded with [this statement](#).

**STRS Board Weighs Possible Benefit Enhancement**

At the April STRS Board meeting, the board’s actuarial consultant, Cheiron, provided information on the potential of a benefit enhancement “budget.” The intent is to provide the STRS Board with options to enhance benefits without impairing the fiscal integrity of the pension plan. According to the actuaries, STRS funding is not strong enough to allow for a budget based on three fiscal integrity tests. However, they did indicate that the Board could consider making smaller scale changes of a *de minimis* amount—not to exceed 1% of the fund’s actuarial determined assets. Based on the most recent valuation, that amount is \$830 million.

The Board was provided estimated costs of a range of benefit enhancements. A one-time, permanent Cost of Living adjustment of 2% for eligible retirees (\$910 million); a reduction of one year of service (34 years) for retirement eligibility with full benefits (\$1.14 billion); and a permanent 1% reduction in employee contributions (\$1.32 billion) all exceeded the 1% of assets threshold. Further, the actuaries provided costs of more significant benefit enhancements. A reduction in retirement eligibility to 30 years of service costs \$4.44 billion. An ongoing annual COLA of 2% costs \$13.96 billion. The STRS Board is expected to further explore the options available and potentially act at its May meeting.

OEA believes that maintaining the long-term solvency of the pension plan is the top priority. All educators deserve a secure pension they cannot outlive. However, as the funding of the plan allows, benefit enhancements should be realized by both active and retired members. Providing inflation protection for retirees through a cost-of-living and reducing age and service requirements for active teachers should be pursued as long as they do not put future benefits at risk.

### **Russell Elected to SERS Board**

At its April Board meeting, the SERS Board certified the results of the 2023 Board election. Aimee Russel was elected to an open seat on the Board with 73.8% of the vote over Becky Roe. Russell is a bus driver, paraprofessional, and worker in the cafeteria for Ashland City Schools and an active member of the Ohio Association of Public School Employees (OAPSE).