

COMMENTS FROM DEAN DENNIS
ORTA'S PRESIDENT

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So, what can be done to fix our pension?

First, the current management team needs to be overhauled.

Too many of the current team members were around in 2009 when decisions were made that their investment practices weren't the problem and cutting promised benefits to members was the answer. To this day, STRS wants to hang 100% of the blame on the 2008 market downturn for their financial problems and divorce themselves from any responsibly.

The reality is, 15 years later, most pension plans still have inflation protection (COLA) while STRS does not.

The reality is, 15 years later, STRS is the only pension plan in the United States (we can find) where the pension's auditor calculates the active teacher's pension Normal Cost at a lesser value than the Contribution Rate they pay.

The second piece to fixing our pension is the Employer Contribution Rate has been at 14% for 40 years and must be increased.

There are a dozen other non-social security states like Ohio. In these states the Employer Contribution rate averages around 22.5%.

In 2009, an STRS plan was created whereas active members would contribute 12.5% (up from 10%) and employers would contribute 16.5% (up from 14%). This was to be phased in over a 5-year period. However, due to poor lobbying on the part of paid STRS staff, when the 2009 reform plan was passed, active teachers ended up having to contribute 14% and Employer Contribution Rate was not raised at all.

Fixing our pension should not have been this difficult; but STRS management has done a good job handling the only hardship they faced, the public relations piece. However, their arrogance and messaging is catching up with them. Instead of acknowledging that they balanced their books on the backs of teachers and retirees, when they partially restore a benefit they term it as a part of their "sustainable benefit enhancement plan."

They aren't fooling anyone; they aren't enhancing anything but spinning everything in their favor. This is something they do well. Here is an example, in an article this week with the Dayton Daily News STRS Executive Director Neville was asked; how Ohio can attract new teachers? Director Neville's response was, I think if we can begin educating not just teachers close to retirement, not even just new teachers in the classroom, but the students who are in universities right now about what a robust pension we have, the safeguards and the benefits available to teachers in Ohio through STRS, I think you could really attract more folks to the profession."

Calling the STRS pension ROBUST when it doesn't provide inflation protection (COLA), has one of the highest employee contribution rates in the United States and arguably makes its teachers work the longest for full pension benefits, hardly reflects a "robust" pension system. It does reflect why current management needs to be overhauled.