



Pension Update

October 2023



Advocacy Accomplishments

- Siedle Report – Collected donations
- Candidate endorsement – won last 5 elections
- Meetings with concerned members
- Meetings with elected officials – Legislators, elected officials
- Coordination with other groups MOF, Watchdogs
- Establishment of the Pension Defense Fund – currently assisting Wade Steen

Current Board

- Split between Reform and Status Quo members
- Spring 23 election was for control of the board
- Pat Davidson was successful/ should have given majority to the reformers
- DeWine's intervention
- Wade Steen legal challenges



Wade Steen Case

- Legal challenge by Mr. Steen is that DeWine illegally removed him from STRS Board. 3307.05 designates Mr. Steen's term. He does not serve at the pleasure of the Governor.
- Mr. Steen has been the foundation of the attempt to reform STRS.
- The case is moving along at the present time with the Governor, STRS, and individuals named attempting to stall.



Facts – Real Story



- Effort by STRS to ‘spin’ what has happened
 - Actives pay more, work longer, get less
 - Retirees get significantly less than promised
- Contradiction in ‘facts’
 - If STRS is ‘Premiere Pension System’ why do actives pay in more than their pension is worth? Why is STRS the only public pension with a negative normal cost?

Contradiction



- If STRS is a Premiere Pension System
 - Why aren't we receiving what was promised?
 - Why are members voting in record numbers against the current leadership?
 - Why is STRS so opaque instead of being transparent?
 - Why do 'pension experts' like Ted Siedle, Richard Enis, and Chris Tobe speak so forcefully against the management of the pension system?

Changes necessary/ORTA Goals

- **Organizational Goals**
 - Increase membership
 - Reduce number of years for full retirement benefits
 - Elect Board members that support transparency in investments



Changes/ORTA Goals

- Legislative Goals
 - Increase Employer Contribution rate
 - Pursue fair STRS board representation
 - Pursue income tax exemption for retirees



Recent Action by STRS Board



- Benchmark for investment return for fiscal year 2023 was 7.62%
- STRS earned 7.68 gross of fees with a net of 7.55% as published by STRS news.
- STRS board paid bonus on the gross of fees return saying that STRS beat the benchmark. \$8.5 million was paid in bonus to the investment staff despite losing to the benchmark!
- Fichtenbaum, Sellers, Jones, and Foreman voted against the payment of bonus. Other members voted for the payments.

Recent STRS Action



- Board voted to change the PBI (bonus) policy
- Changes ensure that STRS investment staff will continue to receive bonus payments
- Policy is irrelevant if the investment staff receive bonus payments based upon gross returns instead of returns that are net of all fees and costs.