

**Ohio Retirement Study Council
30 East Broad Street, 2nd Floor
Columbus, Ohio 43215**

**Minutes
May 8, 2025**

The meeting was called to order by Chairman Bird at approximately 10:11 a.m. in Room 121, the Ohio Statehouse, Columbus, Ohio.

The following members attended the meeting:

Voting Members

Adam Bird, Chairman
Bill Blessing
Sean Brennan
Paula Hicks-Hudson
Lora Miller
Phil Plummer
Anthony Podojil
Mark Romanchuk, Vice Chairman
Gary Scherer

Non-voting Members

Mary Beth Foley, OP&F
Gordon Gatien, PERS
Scott Helkowski, Attorney General
Aaron Hood, STRS
Carl Roark, HPRS
Richard Stensrud, SERS

Absent

Staff

Jeff Bernard
Ryan Hennigan
Bethany Rhodes

With a quorum present, the meeting was called to order at 10:11 a.m.

Chairman Bird moved to the March 13, 2025, ORSC meeting minutes. Without objection, the minutes were approved.

Chairman Bird moved to the May 8, 2025, ORSC STRS Subcommittee report. Chairman Bird informed the Council that the STRS Subcommittee heard presentations from the National Council of State Legislatures (NCSL) and RVK regarding board composition of public pension plans across the country. There was no further discussion.

Chairman Bird moved to the HB 96 (state operating budget) ORSC Staff Recommendation. Mr. Bernard presented the recommendation. Representative Brennan asked where the proposal of having the Public Employees Retirement System (PERS) assume the administration of the Ohio Deferred Compensation Program (ODC) came from. Mr. Bernard replied that he would defer some of the answer to PERS, but he noted that the ODC Board voted in February and the PERS Board voted in March to approve the merger. Mr. Gordon Gaten said that PERS assessed services that could be provided to ODC when the previous executive director of ODC resigned. That assessment included a range of options on providing services to ODC. At that point, the ODC Board voted to seek the merger. Representative Brennan asked if any of the other Ohio pension systems were involved in deciding to pursue the merger. Mr. Bernard replied that 77% of ODC members are in PERS and PERS currently provides several services to ODC. Representative Brennan asked what the ORSC staff recommendation was based on, and he commented that it might be wiser to tackle this policy through a separate bill rather than through the state budget. Mr. Bernard replied that ORSC staff approached this policy through an administrative perspective. Chairman Bird remarked that many of Representative Brennan's questions revolved around process as carried out in the General Assembly and, therefore, it was difficult to make Mr. Bernard comment on such issues. Mr. Bernard continued the presentation.

After the presentation, Representative Brennan asked Mr. Gaten if PERS service credit could be a good recruiting tool for election poll workers. Mr. Gaten replied that PERS has been working with the boards of election and the Secretary of State's office on this provision. He added that PERS would like to see a more permanent solution, however, the provision currently in the budget will create more inefficiencies. Representative Brennan asked Mr. Gaten if he agreed with the ORSC staff recommendation. Mr. Gaten replied that PERS does agree.

Senator Hicks-Hudson commented that poll workers are seasonal workers not subject to the burdens nor the benefits of being public employees in the truest sense. She recommended the Council accept the staff recommendation.

Representative Brennan asked if the poll worker provision in the budget would bar poll workers from earning PERS service credit. Mr. Bernard replied that the budget bill excludes precinct election officials from receiving PERS service credit. Representative Brennan asked if PERS would object to the ODC budget provision being accomplished outside the budget process. Mr. Gaten replied that PERS would object as PERS does not consider the ODC provision to be a pension provision, instead seeing it as an efficiency provision for ODC. He noted that PERS would be amenable to a resolution of the poll worker issue if an agreement were possible.

Vice Chairman Romanchuk motioned to adopt the HB 96 Staff Recommendation. Ms. Miller seconded the motion. Representative Brennan asked if the items within the recommendation could be voted on separately. Chairman Bird replied that the items would be considered as a

package. Director Rhodes noted that there is no rule against separating the individual recommendations within the presentation. Representative Brennan motioned to reconsider voting on the recommendations as a package. Chairman Bird overruled the motion. The roll was called, and the motion was approved 7-2.

Chairman Bird moved to the RVK Investment Performance presentation for period ending December 31, 2024. Mr. Jim Voytko from RVK presented the report.

Senator Hicks-Hudson left at 10:36 a.m.

Senator Blessing left at 10:49 a.m.

After the presentation, Director Stensrud asked if liquidity is important if a system has a cashflow problem, but if a system does not have a cashflow problem, then liquidity is less of an issue. Mr. Voytko replied that Director Stensrud was correct. He noted that many pension systems in the U.S. are maturing rapidly and have a negative cashflow. He stated that negative cashflow is not necessarily a bad thing, but it is a sign of how much illiquid investments can be in a portfolio.

Representative Brennan asked if the scatterplots on page 22 of the report represent other systems. Mr. Voytko indicated they represented public plans above \$1 billion. Representative Brennan asked if SERS and HPRS would be considered outliers, given the scatterplot. Mr. Voytko replied yes, in a good way.

Chairman Bird moved to the 2024 OP&F Annual Adequacy Report. Mr. William Fornia from PTA/KMS/Bolton presented the report. After the presentation, Director Foley asked if the data in the report had ever been run using an equalized employer contribution rate of 24%. Mr. Fornia replied that higher contribution rates would improve the situation. Director Foley asked if it would be good for the employer contribution rates at OP&F to be equalized. Mr. Fornia said the situation would improve so long as the rates were equalized on the upside.

Chairman Bird moved to the FY 2026 STRS Budget. Director Hood presented the budget. Vice Chairman Romanchuk asked how the internal expenses of STRS compare to other plans across the country. Director Hood replied that the costs at STRS are significantly lower. He added that STRS manages a very large portion of their portfolio internally, which has saved about \$120 million a year according to CEM. He noted that by STRS building their internal skill set, co-investing alongside private equity and private credit has brought blended fees for external managers down to about 1.2%. Vice Chairman Romanchuk asked if 33 basis points for the blended rate is in line with what is common across the country. Director Hood said it is generally better.

Representative Brennan asked what caused the drop in the number of employees at STRS over the years. Director Hood replied that most of the decline pertains to the application of technology to automate functions that used to require additional positions. Representative Brennan asked how recruitment efforts have been going. Director Hood replied that it depends on the area, but there are quite a few open positions, and it has been a challenge due to all the noise around the system.

Chairman Bird moved to the FY 2026 SERS Budget. Director Stensrud presented the budget. There was no discussion.

Chairman Bird moved to the 2024 PERS Disability Report. Mr. Gordon Gatien presented the report. After the presentation, Representative Brennan asked if he was correct that for a PERS member to have a psychological disability determination, there does not need to be an accompanying physical injury, as is required by the Bureau of Workers' Compensation (BWC). Mr. Gatien replied that that is correct.

Chairman Bird moved to the 2024 OP&F Disability Report. Director Foley presented the report. After the presentation, Representative Brennan asked if it would help the pension system if BWC were to provide help to people with a psychological disability. Director Foley replied that, per the General Assembly, OP&F did a study looking into better addressing PTSD. She added that it was her understanding that the General Assembly has not felt that claims of PTSD should go through BWC.

Representative Plummer asked Director Foley to send the report to the Council, and he asked if any of the recommendations from the report have been implemented. Director Foley replied that she would be happy to share the report, and none of the recommendations have been implemented thus far. Representative Plummer asked who the report charged with implementing the recommendations. Director Foley replied that the report recommended statutory changes and that the BWC should play a role; however, it was OP&F's understanding that this is not what private employers desire.

Chairman Bird moved to the 2024 HPRS Disability Report. Director Roark presented the report. After the presentation, Representative Brennan asked if it would help the pension system if BWC were to provide help to people with a psychological disability. Director Roark replied that it would absolutely help since HPRS is unfortunately unable to move disabled members to another position within the Highway Patrol.

Chairman Bird moved to the 2024 STRS Internal Audit Report. Director Hood presented the report. There was no discussion.

Chairman Bird moved to the 2024 ORSC Annual Report. Mr. Bernard informed the Council that the annual staff report was distributed in April and that he was available for any questions. There was no discussion.

Chairman Bird moved to the administrative rules. After reviewing the rules, Mr. Hennigan stated that the ORSC staff had reviewed the rules, that they were in line with the Revised Code, and that staff had no further comments.

Chairman Bird asked if there was any old or new business to be brought before the Council. There was no further business.

Chairman Bird stated that the next ORSC meeting is scheduled for Thursday, June 12, 2025, subject to the call of the Chair.

The meeting adjourned at approximately 11:54 a.m.

Date Approved

Adam Bird, Chairman

Bethany Rhodes, Secretary

Mark Romanchuk, Vice-Chairman