

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

Minutes
June 12, 2025

The meeting was called to order by Chairman Bird at approximately 10:05 a.m. in Room 116, the Ohio Statehouse, Columbus, Ohio.

The following members attended the meeting:

Voting Members

Adam Bird, Chairman
Willis Blackshear
Bill Blessing
Sean Brennan
Phil Plummer
Anthony Podojil
Mark Romanchuk, Vice Chairman
Gary Scherer

Non-voting Members

Marla Bump, STRS
Karen Carraher, PERS
John Danish, OP&F
Scott Helkowski, Attorney General
Carl Roark, HPRS
Richard Stensrud, SERS

Absent

Lora Miller, Excused

Staff

Jeff Bernard
Ryan Hennigan
Bethany Rhodes

With a quorum present, the meeting was called to order at 10:05 a.m.

Chairman Bird recognized Director Rhodes, who stated that all members had been duly qualified and sworn. Chairman Bird welcomed Senator Blackshear and asked if he would like to make any introductory remarks. Senator Blackshear remarked that he looks forward to serving on the ORSC.

Chairman Bird moved to the May 8, 2025, ORSC meeting minutes. Without objection, the minutes were approved.

Chairman Bird moved to the Proposed FY 2026 ORSC Budget. Director Rhodes presented the budget. There was no discussion.

Chairman Bird motioned to adopt the Proposed FY 2026 ORSC Budget, along with a 3% raise for Director Rhodes. Vice Chairman Romanchuk seconded the motion. The roll was called, and the motion was approved 8-0.

Chairman Bird moved to the Updated HB 96 (Biennial Budget) ORSC Staff Recommendation. Mr. Bernard presented the recommendation. Mr. Scherer encouraged the respective directors of the retirement systems to withhold school district income taxes, noting that it was an easy fix and good for beneficiaries.

Representative Brennan asked if the recommendation considered the duty of loyalty requirements of Public Employees Retirement System (PERS) as it assumes the administrative control of the Ohio Deferred Compensation Program (ODC) under the bill. He stated that most PERS and ODC members were probably unaware of this merger. Chairman Bird asked Director Carraher to respond. Director Carraher said the merger process was thorough. She noted that most ODC members already assume PERS is running ODC, and more than 77% of ODC members are PERS members. She said the merger was vetted through the Ohio Ethics Commission and multiple legal and fiduciary counsels to make sure they were following the rules.

Representative Brennan asked if the Secretary of State had given an opinion on the issue of PERS service credit for precinct election officials. Mr. Bernard replied that he was unaware if the Secretary had stated an opinion, noting that ORSC staff simply were evaluating the legislative language. Director Carraher replied that the language in the budget comes from election officials, and it was not a recommendation from PERS. Representative Brennan asked if the current version of the budget requires the pension systems to withhold school district income taxes from a retiree's benefit. Mr. Bernard replied that the withholding is by request of the member. Representative Brennan clarified that "member" meant the retiree, noting that this meant the withholding would be done on a case-by-case basis. Mr. Bernard replied yes.

Mr. Bernard continued the presentation. After the presentation, in reference to the provision regarding "Social Security Coverage of Certain School Employee Retirement System (SERS) Members," Dr. Podojil noted that a lot of districts contract with educational service centers (ESCs), which not only include School Employee Retirement System (SERS) members, but also State Teacher Retirement System (STRS) members. He asked if the definition included those other types of members. Mr. Bernard replied that the legislation only refers to SERS members and he didn't know if a Section 218 Agreement change would include those other groups. Dr. Podojil stated there are other persons who provide school health services to children with disabilities who are employed by schools paid by an entity contracted with the school district that are not just SERS members. He asked if the bill refers just to SERS members. Mr. Bernard replied yes, the legislation refers only to SERS members, but staff are not sure

about the effect of any spillover of coverage groups. Dr. Podojil asked if the ORSC recommendation on the STRS and SERS employee pick-up issue was centered only on contractual issues and not the financial issues that such a policy may cause. Mr. Bernard replied that was correct.

Chairman Bird stated that it is important to recognize that there may be many issues with the Senate-passed version of the budget as it relates to employee pick-ups, but he appreciates that ORSC staff's position is a neutral philosophical stance.

Representative Brennan asked if the SERS director could provide his thoughts on the SERS-covered private contractor issue and noted that he had concerns with this provision of the budget as well. Director Stensrud replied that SERS endorses the recommendation of ORSC staff and agreed that the staff have raised legitimate concerns. SERS agrees that a SERS retirement benefit is an important component in attracting and retaining employees in a school district. He stated that SERS believes for consistency and fairness purposes, whether someone works directly for a school district as an employee, or whether they are a vendor hired by the school district, those people should be treated the same. Representative Brennan asked where the SERS language in the budget came from. Chairman Bird replied that no one knows, but that it was a Senate amendment added to the budget, and the Council would not ask the Senate members to comment.

Representative Brennan stated that the employee pick-up language in the budget will make it hard to recruit and retain school district employees and teachers, and that it should be discussed at the local level. He asked why ORSC staff was neutral on this issue. Mr. Bernard replied that when analyzing legislation, ORSC staff primarily look at how the retirement systems will be affected. He continued by saying that the systems would still receive the employee and employer contributions in the budget change. He added that the public policy choice of who pays that contribution is not the place of staff. Chairman Bird commended Mr. Bernard on his answer. Representative Brennan replied that school districts will only increase salaries, which will increase costs for the districts. He added that he hopes the conference committee removes this language from the budget.

Chairman Bird motioned to adopt the Updated HB 96 (Biennial Budget) ORSC Staff Recommendation. Vice Chairman Romanchuk seconded the motion. Representative Brennan asked to divide the question without debate. Chairman Bird noted Representative Brennan's objection. The roll was called, and the motion was approved 6-2.

Chairman Bird moved to the 2024 HPRS Annual Internal Audit Report. Director Roark presented the report. There was no discussion.

Senator Blessing left at 10:55 a.m.

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.

Dr. Podojil asked for an explanation of rule 742-7-08 (Cost-of-living allowance). Mr. Hennigan deferred to Mr. Danish from OP&F, who replied that the rule was updated as a part of the normal five-year review, and that it pertained to a cost-of-living adjustment (COLA) for members who need to have 15 years of service credit by 1989. He noted that there are no further active members in that category. Dr. Podojil asked if that language only pertained to OP&F. Mr. Danish replied yes.

Representative Brennan asked when the rules would be coming before the Joint Committee on Agency Rule Review (JCARR). Mr. Hennigan replied that he did not have the information at hand, but that he could follow-up later.

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 there would be no July meeting and the next ORSC meeting is scheduled for Thursday, August 14, 2025, subject to the call of the Chair.

The meeting adjourned at approximately 10:58 a.m.

Date Approved

Adam Bird, Chair

Bethany Rhodes, Secretary

Mark Romanchuk, Vice-Chairman