

Dear House Pensions Committee,

I am happy to provide my testimony in support of House Bill 78. As you are already aware, STRS Ohio is mired in controversy. STRS holds the distinction of being the only pension system in America that provides a benefit that is less than their contribution rate, which is one of the highest in the country. We also have no inflation protection for retirees. Currently STRS has nearly an equal number of retirees as active contributors. However, retirees are eligible to run for only 2 of the 7 seats that are voted representatives. Active members can run for and hold 5 of the 7 elected seats on the STRS pension board. With nearly the same number of actives as retirees the representation of 5/2 does not seem fair.

Another unfair situation that currently exists with the representation on the STRS board is the fact that retired/rehired members of STRS are not allowed to run for a seat. Even though they pay 14% of their salary (the same as any other active member) but are not allowed to hold a seat on their pension board.

HB 78 is a compromise bill that addresses both situations mentioned above. It addresses the retired/rehired member and allows this group of people to run for any seat open on the STRS board. It also addresses, in part, the unfair representation of the 5 active 2 retired seats on the STRS board with retirees having a chance to hold an additional seat. Of course, there are no guarantees in an election, but this would allow a retired/rehired person to run for a seat.

When ORTA approached Mr. Seitz with the unfairness of the 5/2 representation on the STRS board, Mr. Seitz did his homework and developed the current HB 78 language. My colleagues at STRS, Ohio Federation of Teachers and Ohio Education Association have suggested that retired/rehired STRS members be allowed to run, but only for a retiree seat. Although that would address the unfair situation for the retired/rehired STRS members, it does not address the unfair representation situation between active contributors and those retired STRS members that paid into the retirement system for 30 to 35 years.

ORTA's goal is to have a fairer representation for retired members on the board. I see no rationale that makes sense for 150,000 active contributors to have 5 seats when 149,000 retired members only have 2 seats on the board.

HB 78 is a compromise bill that provides a chance for retirees to have a more fair representation on the STRS board.