Senate Agriculture and Natural Resources Committee Amended Substitute House Bill 96 – Interested Party Testimony May 14, 2025

Chairman Schaffer, Vice Chairman Koehler, Ranking Member Hicks-Hudson, and members of the Senate Agriculture and Natural Resources Committee, thank you for the opportunity to provide written testimony on House Bill 96 on behalf of the State Teachers Retirement System (STRS Ohio) and our over 500,000 members.

STRS Ohio is concerned about a provision that defines state retirement systems as "state agencies" for the purpose of remote work policies.

Ohio's statewide public pension systems are not "state agencies" and, therefore, are not administered by nor subject to the policies of the Department of Administrative Services (DAS). Rather, they are independently governed by boards of trustees who oversee the administration of the system. R.C. 3307.04 plainly states that the "general administration and the management of [STRS Ohio] is hereby vested in the state teachers retirement board". The independent board has governed the system since its creation by the legislature over one hundred years ago. The provision in Am. Sub. H.B. 96 that includes the retirement systems in the definition of "state agency" threatens this independence.

The STRS Board is comprised of five elected active teachers, two retired teachers, a member appointed by the Governor, a member appointed by the Treasurer of State, a member jointly appointed by the Senate and House of Representatives, and the Director of the Department of Education and Workforce. All Board members are held to a strict fiduciary standard to manage the system for the exclusive benefit of the plan's beneficiaries.

It is important to note that Ohio's retirement systems are regulated by state and federal laws and are subject to the oversight of the Ohio Retirement Study Council (ORSC). The ORSC recently voted to disapprove of the amendment to include state retirement systems in the definition of state agency, noting that this provision would blend the administration of the systems into DAS.

Ohio's public pension plans already submit multiple reports to the ORSC. If a remote work plan is something the legislature would like STRS Ohio to adopt, the ORSC would be the appropriate entity to submit the plan to rather than DAS.

STRS Ohio supports the ORSC's recommendation and asks that Amended Substitute House Bill 96 be amended accordingly.

Chairman Schaffer, Vice Chairman Koehler, Ranking Member Hicks-Hudson and members of the Senate Agriculture and Natural Resources Committee, thank you for your consideration of these requests.

Respectfully submitted,

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STATE TEACHERS RETIREMENT SYSTEM OF OHIO

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