

Sub. H. B. No. 96  
As Passed by the Senate

\_\_\_\_\_ moved to amend as follows:

After line 47940, insert:

"**Sec. 3307.044.** The state teachers retirement board shall appoint a committee to oversee the selection of an internal auditor. The committee shall select one or more persons for employment as an internal auditor. The board shall employ the person or persons selected by the committee.

The committee shall consist of the following board members: ~~one retirant~~ the retired teacher member, one contributing member, one ex officio member, and any additional board members appointed to the committee by the board. The committee shall annually prepare and submit to the Ohio retirement study council a report of its actions during the preceding year.

**Sec. 3307.05.** (A) The state teachers retirement board shall consist of the following members:

~~(A)~~ (1) The director of education and workforce or a designee of the director who has the following qualifications:

~~(1)~~ (a) The designee is a resident of this state.



~~(2)~~ (b) Within the three years immediately preceding the appointment, the designee has not been employed by the public employees retirement system, police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system or by any person, partnership, or corporation that has provided to one of those retirement systems services of a financial or investment nature, including the management, analysis, supervision, or investment of assets.

~~(3)~~ (c) The designee has direct experience in the management, analysis, supervision, or investment of assets.

~~(B) One member~~ (2) The chancellor of higher education or a designee of the chancellor who has the following qualifications:

(a) The designee is a resident of this state.

(b) Within the three years immediately preceding the appointment, the designee has not been employed by the public employees retirement system, police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system or by any person, partnership, or corporation that has provided to one of those retirement systems services of a financial or investment nature, including the management, analysis, supervision, or investment of assets.

(c) The designee has direct experience in the management, analysis, supervision, or investment of assets.

(3) Two members, known as the treasurer of state's investment designees, who shall be appointed by the treasurer of state for a term terms of four years unless removed or replaced by the treasurer of state pursuant to division (B)

of this section, and who have the following qualifications: 48

~~(1)~~ (a) ~~The member is a resident~~ members are residents of 49  
this state. 50

~~(2)~~ (b) Within the three years immediately preceding the 51  
appointment, the ~~member has~~ members have not been employed by 52  
the public employees retirement system, police and fire pension 53  
fund, state teachers retirement system, school employees 54  
retirement system, or state highway patrol retirement system or 55  
by any person, partnership, or corporation that has provided to 56  
one of those retirement systems services of a financial or 57  
investment nature, including management, analysis, supervision, 58  
or investment of assets. 59

~~(3)~~ (c) The ~~member has~~ members have direct experience in 60  
the management, analysis, supervision, or investment of assets. 61

~~(4)~~ (d) The ~~member is~~ members are not currently employed by 62  
the state or a political subdivision of the state. 63

(e) The members do not have contributions on deposit with 64  
the state teachers retirement system. 65

~~(C) Two~~ (4) Four members, known as the investment expert 66  
members, who shall be appointed for four-year terms unless 67  
removed or replaced by the appointing authority pursuant to 68  
division (B) of this section. One investment expert member shall 69  
be appointed by the governor, ~~and~~ one investment expert member 70  
shall be jointly appointed by the speaker of the house of 71  
representatives and the president of the senate, one investment 72  
expert member shall be appointed by the speaker of the house of 73  
representatives, and one investment expert member shall be 74  
appointed by the president of the senate. Each investment expert 75  
member shall have the following qualifications: 76

<del>(1)</del> (a) Each member shall be a resident of this state.	77
<del>(2)</del> (b) Within the three years immediately preceding the appointment, each member shall not have been employed by the public employees retirement system, police and fire pension fund, state teachers retirement system, school employees retirement system, or state highway patrol retirement system or by any person, partnership, or corporation that has provided to one of those retirement systems services of a financial or investment nature, including the management, analysis, supervision, or investment of assets.	78 79 80 81 82 83 84 85 86
<del>(3)</del> (c) Each member shall have direct experience in the management, analysis, supervision, or investment of assets.	87 88
<u>(d) No member shall have contributions on deposit with the state teachers retirement system.</u>	89 90
Any investment expert member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office until the end of such term. The member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first.	91 92 93 94 95 96 97
<del>(D) Five</del> (5) <u>Two</u> members, known as contributing members, who shall be members of the state teachers retirement system;	98 99
<del>(E) Two</del> (6) <u>One</u> former <del>members</del> <u>member</u> of the system, known as the <u>retired teacher members member</u> , who shall be <u>superannuates a superannuate</u> .	100 101 102
<u>(B) Notwithstanding section 3307.061 of the Revised Code, each appointed member of the board serves at the pleasure of the</u>	103 104

appointing authority.

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**Sec. 3307.06.** (A) ~~Annually on~~ On the first Monday of May\_ 106  
of each even-numbered year, one contributing member, as defined 107  
in division ~~(D)~~ (A) (5) of section 3307.05 of the Revised Code, 108  
shall be elected by ballot to the state teachers retirement 109  
board, ~~except that, beginning with the annual election for~~ 110  
~~contributing members in May, 1978, and in the annual election of~~ 111  
~~each fourth year thereafter, two contributing members shall be~~ 112  
~~elected to the board.~~ Elected contributing members shall begin 113  
their respective terms of office on the first day of September 114  
following their election and shall serve for a term of four 115  
years. 116

(B) The retired teacher ~~members~~ member of the board, as 117  
defined in division ~~(E)~~ (A) (6) of section 3307.05 of the Revised 118  
Code, shall be elected for a term of four years. The retired 119  
teacher ~~members~~ member shall be elected to the board at the 120  
~~annual~~ election for contributing members of the board, as 121  
provided in division (A) of this section, in the year in which 122  
the term of the current retired teacher ~~members~~ member would 123  
expire. The retired teacher ~~members~~ member shall begin ~~their~~ 124  
~~respective terms~~ the member's term of office on the first day of 125  
September following ~~their~~ the member's election. 126

No contributing member of the board who retires while a 127  
member of the board shall be eligible to become a retired 128  
teacher member of the board for three years after the date of 129  
the member's retirement. 130

(C) Except as provided in division (E) of this section, if 131  
a vacancy occurs during the term of office of any elected member 132  
of the board, the remaining members of the board shall elect a 133  
successor member. On certification of the election results in 134

accordance with rules adopted under section 3307.075 of the  
Revised Code the successor member shall hold office until the  
first day of the new term that follows the next board election  
that occurs not less than ninety days after the successor  
member's election, or until the end of the term for which the  
successor member was elected, whichever is sooner. The successor  
member shall qualify for board membership under the same  
division of section 3307.05 of the Revised Code as the member's  
predecessor in office. Elections under this division shall be  
conducted in accordance with rules adopted under section  
3307.075 of the Revised Code.

(D) If as a result of changed circumstances an elected  
member of the board would no longer qualify for board membership  
under that division of section 3307.05 of the Revised Code on  
the basis of which the member was elected, or if such a member  
fails to attend the meetings of the board for four months or  
longer without being excused, the member's position on the board  
shall be considered vacant, and a successor member shall be  
elected under this division for the remainder of the unexpired  
term.

(E) A successor member need not be elected under division  
(C) of this section to fill a vacancy if on the day the vacancy  
occurs less than ninety days remain in the vacated term.

**Sec. 3307.07.** All elections of members of the state  
teachers retirement board shall be held under the direction of  
the board in accordance with rules adopted under section  
3307.075 of the Revised Code. Any member of the state teachers  
retirement system, who has been nominated by a petition that is  
signed by five hundred or more members of the system and  
certified in accordance with rules adopted under section

3307.075 of the Revised Code, shall be eligible for election as 165  
a contributing member of the board. The petition shall contain 166  
the signatures of twenty or more members of the system from each 167  
of at least ten counties wherein members of the system are 168  
employed. 169

Any retired teacher who is a superannuate and a resident 170  
of Ohio is eligible for election as a retired teacher member of 171  
the board, if such retired teacher has been nominated by a 172  
petition that is signed by five hundred or more retired 173  
teachers, who are also superannuates, and certified in 174  
accordance with rules adopted under section 3307.075 of the 175  
Revised Code. The petition shall contain the signatures of 176  
twenty or more retired teachers from each of at least ten 177  
counties wherein superannuates under the system reside. 178

The board shall place the name of any eligible candidate 179  
upon the appropriate ballot as a regular candidate. At any 180  
election, qualified voters, as defined in this section, may vote 181  
for the regular candidates or for other eligible candidates, in 182  
which case the names of such persons shall be written upon the 183  
appropriate ballots, except that members of the system and 184  
former members of the system who are superannuates shall vote 185  
respectively for contributing members and the retired teacher 186  
~~members-member~~ of the board. The candidate who receives the 187  
highest number of votes for any term of office shall be elected 188  
to the board on certification of the election results in 189  
accordance with rules adopted under section 3307.075 of the 190  
Revised Code. ~~If, at any election, contributing members or~~ 191  
~~retired teacher members are to be elected for concurrent terms,~~ 192  
~~eligible candidates shall be placed on the ballot, and the~~ 193  
~~candidates who receive the highest numbers of votes shall be~~ 194

~~elected to the board on certification of the election results in  
accordance with rules adopted under section 3307.075 of the  
Revised Code.~~

Elected members of the board shall be elected on the basis  
of the total number of ballots cast by qualified voters, who  
shall consist of members of the system and former members of the  
system who are superannuates."

After line 48027, insert:

**"Sec. 3307.10.** ~~(A)~~ (A) (1) The members of the state teachers  
retirement board holding office under divisions (A) (3) to (6) of  
section 3307.05 of the Revised Code, for their service on the  
board, are entitled to both of the following:

(a) Two hundred dollars for each regular board meeting  
attended, provided that no member shall be entitled to more than  
four hundred dollars per month, regardless of the number of  
regular board meetings held in a month;

(b) Health care benefits comparable to those generally  
available to employees of the state teachers retirement system.

(2) Except as provided in division (A) (3) of this section,  
the members of the board other than the appointed members  
described under division (A) (1) of this section shall serve  
without compensation, ~~except that.~~

(3) All of the members of the board shall be reimbursed  
from the expense fund for all actual necessary expenses incurred  
while serving on the board.

(4) The payment to which a board member is entitled for  
attending a regular board meeting under division (A) (1) (a) of  
this section does not entitle the member to payment for



attending a special meeting or a committee meeting of the board. 223

(5) Health care benefits provided to a board member under 224  
division (A) (1) (b) of this section shall be provided on the same 225  
terms and at the same cost as to employees of the system. 226

(B) The board may secure insurance coverage designed to 227  
indemnify board members and employees for their actions or 228  
conduct in the performance of official duties, and may pay 229  
required premiums for such coverage from the expense fund. 230

(C) If the officers of the board determine that a meeting 231  
of the entire membership, or any part thereof, is necessary, 232  
such determination shall be final, and contributing members 233  
shall be given time off from their employment to attend any such 234  
meeting. The employer of a contributing member shall not reduce 235  
the member's earned compensation as a teacher or any 236  
contribution required under section 3307.26 of the Revised Code, 237  
because of the contributing member's absence from employment to 238  
attend any such meeting. 239

The portion of the employer contribution required under 240  
section 3307.28 of the Revised Code that represents earned 241  
compensation of a contributing member paid for the period of an 242  
absence from employment to attend a board meeting, shall be 243  
annually transferred from the expense fund and forwarded to the 244  
employer of the contributing member. 245

(D) The board shall adopt rules in accordance with section 246  
111.15 of the Revised Code establishing a policy for 247  
reimbursement of travel expenses incurred by board members in 248  
the performance of their official duties. As part of any audit 249  
performed under Chapter 117. of the Revised Code, an inquiry 250  
shall be made into whether board members have complied with 251

these rules.

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(E) No board member shall accept payment or reimbursement for travel expenses, other than for meals and other food and beverages provided to the member, from any source other than the expense fund. Except in the case of an emergency, no out-of-state travel expenses shall be reimbursed unless approved in advance by a majority of the board at a regular board meeting.

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(F) Notwithstanding anything to the contrary in sections 145.38, 742.26, 3307.35, or 3309.341 of the Revised Code, a board member's service on the board shall not forfeit the member's allowance or benefit under any of those sections.

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**Sec. 3307.11.** The state teachers retirement board shall elect from its membership, a chairperson and a vice-chairperson. A member of the board who has contributions on deposit with the state teachers retirement system is not eligible to serve as chairperson or vice-chairperson. The board shall employ an executive director who shall serve as secretary, and shall employ other persons necessary to operate the system and to fulfill the board's duties and responsibilities under Chapter 3307. of the Revised Code.

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Effective ninety days after ~~the effective date of this amendment~~ September 15, 2004, the board may not employ a state retirement system investment officer, as defined in section 1707.01 of the Revised Code, who does not hold a valid state retirement system investment officer license issued by the division of securities in the department of commerce.

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The compensation of all employees and all other expenses of the board necessary for the proper operation of the system shall be paid in such amounts as the board approves.

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Every expense voucher of an employee, officer, or board member of the state teachers retirement system shall itemize all purchases and expenditures.

The board shall receive all applications for retirement under the plans described in section 3307.031 of the Revised Code, shall provide for the payment of all retirement allowances and other benefits payable under this chapter, and shall make other expenditures authorized by this chapter."

After line 156671, insert:

**"Section 733.00.01.** (A) The amendment by this act of section 3307.05 of the Revised Code does not affect the terms of the members of the State Teachers Retirement Board serving on the effective date of this section. Division (B) of section 3307.05 of the Revised Code does not apply to appointed members of the Board serving on the effective date of this section.

(B) Pursuant to section 3307.05 of the Revised Code, as amended by this act, as soon as practicable after the effective date of this section, all of the following apply:

(1) The Chancellor of Higher Education shall take office on the Board or designate an individual to serve on the Board as the Chancellor's designee.

(2) The Treasurer of State shall appoint to the Board the Treasurer of State's investment designee.

(3) The Speaker of the House of Representatives and the President of the Senate each shall appoint one investment expert member to the Board.

(C) (1) The office of the contributing member of the Board described under former division (D) of section 3307.05 of the

Revised Code whose term expires on August 31, 2026, is abolished 309  
on that date. 310

(2) The office of the contributing member of the Board 311  
described under former division (D) of section 3307.05 of the 312  
Revised Code whose term expires on August 31, 2027, is abolished 313  
on that date. 314

(3) The office of the contributing member of the Board 315  
described under former division (D) of section 3307.05 of the 316  
Revised Code whose term expires on August 31, 2028, is abolished 317  
on that date. 318

(D) The office of the retired teacher member of the Board 319  
described under former division (E) of section 3307.05 of the 320  
Revised Code whose term expires on August 31, 2026, is abolished 321  
on that date." 322

Update the title, amend, enact, or repeal clauses accordingly 323

The motion was \_\_\_\_\_ agreed to.

#### SYNOPSIS 324

#### **STRS Board** 325

**R.C. 3307.05, 3307.10, and 3307.11; with conforming** 326  
**changes in R.C. 3307.044, 3307.06, and 3307.07; Section** 327  
**733.00.01** 328

Reduces the number of contributing members on the STRS 329  
Board from five to two and the retired teacher members from two 330  
to one by abolishing the two offices that expire in 2026, the 331

one office that expires in 2027, and the one office that expires 332  
in 2028 on the dates they expire. 333

Specifies that the changes to the STRS Board's membership 334  
does not affect the terms of the Board members serving on the 335  
provision's effective date. 336

Adds to the STRS Board's membership the Chancellor of 337  
Higher Education or the Chancellor's designee, one Treasurer of 338  
State's investment designee, one investment expert member 339  
appointed by the Speaker of the House of Representatives, and 340  
one investment expert member appointed by the President of the 341  
Senate. 342

Entitles the appointed and elected members of the STRS 343  
Board to \$200 for each regular Board meeting attended, up to 344  
\$400 per month, regardless of the number of meetings held within 345  
that month, and to health care benefits comparable to those 346  
generally available to STRS employees. 347

For a Board member who is a reemployed retirant, prohibits 348  
the member's service on the Board from forfeiting any allowance 349  
or benefit that the member is receiving under PERS, OP&F, SERS, 350  
or STRS. 351

Prohibits the appointed members of the STRS Board from 352  
having contributions on deposit with STRS. 353

Specifies that each appointed member of the STRS Board who 354  
takes office after the provision's effective date serves at the 355  
pleasure of the member's appointing authority. 356

Prohibits any STRS Board member with contributions on 357  
deposit with STRS from serving as the Chairperson or Vice- 358  
Chairperson of the Board. 359