

Chair Mathews, Vice Chair King, Ranking Member Lightbody thank you for letting me speak to you today in favor of HB 310

I joined the Army Reserves in 1986 during my senior year in high school. I was interested in serving my country and I was also interested in finding a way to pay for my college education without student loans. I have no regrets about this decision, but because of being deployed twice, it took me 6 years to earn a four-year degree.

I started my education career 31 years ago as a high school English teacher in the Lima City School District. At that time, STRS required its members to work thirty years in order to obtain full retirement benefits. Because I was not making very much money and because I would still be able to retire at the age of 55, I made the decision not to purchase my military time. In 2012 when the Pension Reform Bill was passed, the requirement changed to age 60. Again, I re-evaluated whether or not to purchase my military time and again it did not make financial sense to do so. By age 60 I would have more than enough years to retire. Last year, STRS once again changed the retirement years of service to 34 years and eliminated the age 60 requirement. This changed everything in terms of whether or not purchasing my military time was the right decision. When I asked STRS for the cost to purchase 1.5 years, it was over \$211,000.00. I could not live long enough to ever recoup this exorbitant price. The response from STRS was that I should have bought it earlier in my career.

This is just my story, but there are lots of veterans in Ohio who are being punished for their military service. I have no problem paying a reasonable price for my service. But it just plain is not right for STRS to penalize their members for military service. Had I not served in Desert Storm, I would be retired as I stand before you today. Is this really the message we should be sending to young people when military recruitment is at an all-time low and young teachers are impossible to find?

Repeatedly changing the pension guidelines places STRS members in a terrible position when trying to plan for retirement. I understand that the Ohio Retirement Study Council believes that this bill is an unfunded mandate. STRS claims this would be an unfunded mandate that they would pass along to other members of STRS. Passing the cost along to other members is a decision that is purely at STRS's discretion. They do not only get revenue from employee and employer contributions but also from their massive investment account. This investment account, funded entirely by Ohio's teachers and schools, is handled by a group of investors nobody has ever heard of, instead of more established investment group like Vanguard. In FY2021-2022 this group paid \$10M in bonuses to their employees. This resulted in 33 of their employees being paid over \$300,000 and 9 over a half million dollars. In that same Fiscal Year, STRS lost \$5.3 BILLION playing in the market. While this was happening, executive director Bill Neville was allegedly having violent outbursts, throwing furniture, making threats to employees, and making sexually explicit statements at work. Your own Legislative Service Commission has estimated that this bill will cost STRS \$27M a year. STRS has claimed this is an unfunded mandate. When Silicon Valley Bank collapsed because of a corporate strategy centered around diversity, equity and inclusion, STRS and Ohio's teachers and schools lost \$27.2M of their retirement STRS had invested in the bank. STRS doesn't have to charge members more to help veterans, they just have to fix their broken investment strategy. This committee cannot in good conscience ask Veterans to sacrifice further because of the poor decisions of their pension system, nor its director

Where was this council when STRS made the decision to punish its own members for their military service? I have watched STRS squander away members money on luxuries like heated sidewalks, fitness centers, daycare facilities for their employees, and expensive paintings on the backs of their own members. Where was the council when these unfunded purchases were made?

Interestingly, this proposal could be relatively inexpensive. We cannot definitively know that however until STRS decides to provide the actual number of eligible veterans who have already certified their time. It does not surprise me that STRS would be uncooperative with legislators who have actively sought this information. Being uncooperative and unresponsive to their members is just another day at the office for STRS.