

**Retirement Board Agenda
July 16, 2020**

PLEDGE OF ALLEGIANCE

1. Roll Call
2. Approval of Minutes (R-3)
3. Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment and compensation of a public employee (R)

INVESTMENT REPORT

4. Review of Overlay Program
5. Monthly Investment Report
6. Summary of Investment Transactions (R)

EXECUTIVE DIRECTOR'S REPORT

7. Executive Director's Update
 - SERS' Technology Roadmap Planning
 - Administrative Budget Reporting
8. Review of Administrative Expenses
9. Executive Session pursuant to R.C. 121.22 (G)(3) to discuss a pending court action (R)
10. New Employer (R)
11. Superannuation and Survivor Benefits (R)
12. Special Cases (R)

RETIREMENT REPORT

13. Executive Session pursuant to R.C. 121.22 (G)(5) to review applications for Disability Retirement Benefits (R)
14. Approval of Disability Benefits (R)
15. Disapproval of Disability Benefits (R)
16. Termination of Disability Benefits – Any Occupation (R)

BOARD COMMUNICATION AND POLICY ISSUES

17. Election of Employee Members to the Retirement Board (R)
18. Election of Retiree Member to the Retirement Board (R)
19. Calendar Dates for Future Board Meetings
20. Continued or New Business
 - Board Information Requests and Follow-up Items

Adjournment (R)

ITEM 2 (A).

**APPROVAL OF MINUTES OF THE RETIREMENT BOARD MEETING HELD ON
June 18, 2020**

_____ moved and _____ seconded the motion to approve the minutes of the Retirement Board meeting held on Thursday, June 18, 2020.

ITEM 2 (B).

**APPROVAL OF MINUTES OF THE RETIREMENT BOARD SPECIAL MEETING HELD ON
June 26, 2020**

_____ moved and _____ seconded the motion to approve the minutes of the Retirement Board Special meeting held on Thursday, June 26, 2020.

ITEM 2 (C).

**APPROVAL OF MINUTES OF THE RETIREMENT BOARD SPECIAL MEETING HELD ON
July 2, 2020**

_____ moved and _____ seconded the motion to approve the minutes of the Retirement Board Special meeting held on Thursday, July 2, 2020.

ITEM 3.

EXECUTIVE SESSION

_____ moved and _____ seconded the motion that the Board go into Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment and compensation of a public employee.

IN EXECUTIVE SESSION AT _____ A.M. / P.M.

RETURNED TO OPEN SESSION AT _____ A.M. / P.M.

INVESTMENT MONTHLY AGENDA MEMO**School Employees
Retirement System**

Memo

To: Retirement Board
From: Farouki Majeed
cc: Richard Stensrud, Karen Roggenkamp
Date: July 1, 2020
Re: **Investment Report for the July Board Meeting**

The Investment Report for the Board includes the following agenda items:

- Overlay Program Review
- Monthly Investment report for the period ended May 31, 2020

Included with the advance Board materials are the following reports prepared by Staff:

- Monthly Top 20 Equity and Fixed Income Holdings Reports – May 31, 2020
- Monthly Compliance Update memo – May 31, 2020

If anyone has any questions prior to the Board meeting, please email me at fmajeed@ohsers.org.

OVERLAY PROGRAM REVIEW**School Employees
Retirement System**

Memo

To:	Retirement Board
From:	Hai Yen Le, Farouki Majeed
cc:	Richard Stensrud, Karen Roggenkamp
Date:	June 26, 2020
Re:	Investment Overlay Program Review

This memo provides an executive level review of the Overlay Program. The Overlay Program sits above the Total fund and is not funded through the asset class policy allocations. It is a dollar neutral long/short strategy which requires no funding except the margin requirements for the futures/forward positions. The exposures are managed within a notional dollar limit and an active risk target relative to the Total Fund.

The program consists of two distinctive sub-programs: a) Active Currency and b) Tactical Asset Allocation (TAA). The currency program is implemented through long and short forward positions in designated currencies with a net exposure of zero dollars. The TAA program is implemented through long and short futures positions in equity and fixed income indices. The return benchmark is 0% as it is unfunded and its exposures to assets are netted out. The Overlay Program's performance objective is to add 10 to 20 bps to the Total Fund's return on a three to five year time horizon within a tracking error limit of 1%.

A. Active Currency Program:

The Active Currency Program aims at adding value and reducing the currency risk of the Total Fund. The program was launched in August 2016 with the first manager funded with \$750 million notional exposure. A year later two more managers were hired to diversify the portfolio and total exposure of the program was \$900 million. Two managers struggled to generate positive return since inception and were terminated in FY 2020. The program performance improved from a loss of \$7.6 million in FY 2017 to gains of 7.2 million in FY 2019 and \$5.5 million in FYTD 2020 due to gains from P/E Global. Since inception to May 30, 2020, the program generated \$5.6 million. The dollar gains/losses are shown in Table 1 below:

¹ Futures are financial contracts obligating the participating parties to buy or sell an asset, either financial or real, at a predetermined price on a predetermined settlement date in the future. Futures contracts are standardized and traded through a futures exchange, which is a legal corporate entity executing all the futures trades.

² Forwards are financial contracts agreed by two parties who are a buyer and a seller of an underlying asset, either financial or real, on a price of the underlying asset and a settlement date in the future. Forward contracts are fully customizable and traded directly between the buyer and the seller.

³ Notional exposure or notional value is the value of underlying asset(s) of a futures or forward contract.

Table 1

	FYTD 2020 (as of May 2020)	FY 2019	FY 2018	FY 2017	ITD	Inception Date	Termination Date
BNP Paribas - Active Currency Gain/ Loss	(\$3,858,866)	\$5,883,495	(\$3,765,257)	(\$7,646,233)	(\$9,386,861)	Aug-16	Mar-20
JP Morgan - Active Currency Gain / Loss	(\$5,855,523)	(\$4,183,557)	(\$1,347,580)		(\$11,386,660)	Jul-17	Apr-20
P/E Global - FX Strategies Gain / Loss	\$15,274,178	\$5,501,564	\$5,556,654		\$26,332,396	Dec-17	
Total Gain / Loss	\$5,559,789	\$7,201,502	\$443,817	(\$7,646,233)	\$5,558,875		
Total Notional Exposures at FY end	\$450,000,000	\$900,000,000	\$900,000,000	\$300,000,000			

During FY2019, Staff rebalanced the currency portfolio based on managers' performance and Staff's conviction in their strategies by increasing the notional allocation to P/E Global by \$100 million and terminating two other managers. As of May 30, 2020, the currency program consists of one manager (P/E Global) with a notional exposure of \$450 million which is 15.6% of the Non-US Equity portfolio's value in non-dollar currencies vs. 50% maximum limit by the currency program's guideline. While the program's notional value was reduced by 50%, its target volatility was increased to 6% from 3%. The program has recently included gold futures as gold presents diversification and down market hedging characteristics. Overall, the impact of the program to the Total Fund's performance is expected to be consistent with the program's goals.

B. Tactical Asset Allocation Program:

The Tactical Asset Allocation program invests in a strategy which actively allocates exposures across US fixed income, US equity and Non-US equity markets by going long or short these market index futures. Long and short decisions are based on macroeconomic and market systematic signals which indicate short term shifts in relative valuations as well as the manager's judgmental validation. By design, the strategy trades in pairs to have a net exposure of zero. The actual positions have consisted of long equity and short bond positions implemented when equity valuations have fallen and then then exited when the prices have recovered to result in a gain.

The program started in December 2014. From inception to January, 2020, the program had consistently added value to the Total Fund generating gains in each fiscal year from FY 2015 to FY 2019 as shown in Table 2 below with a total net gain of \$32.7 million. However, the manager implemented new long equity and short bond positions in February and March as equity values fell sharply. Though equity values have recovered somewhat, bond yields have remained at the lows and the recent positions have so far recorded losses as shown in Table 2 below. The manager expects to exit positions once they have recorded gains and the hold period may extend to the end of 2020.

Table 2

	FYTD 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	ITD
Tactical Overlay Gain/Loss	(\$40,868,424)	\$4,142,666	\$12,760,422	\$1,304,252	\$12,394,508	\$835,075	(\$9,431,502)

C. Overlay Program:

The recent negative performance of the TAA program has caused the overlay program as a whole to detract from the total fund returns. The value added was positive through the beginning of 2020 but has turned negative due to the recent positions. Staff expect this to turn positive once the current TAA positions are in the money. This would occur once equity index values rise above the strike price of the futures contracts and bond yield go back to more normal levels when the economy is fully opened.

Table 3

	FYTD Return	1-Y Return	1-Y Risk	3-Y Return	3-Y Risk	5-Y Return	5-Y Risk	ITD* Return	ITD* Risk
Total Fund (Net)	2.35	6.70	12.19	6.41	8.56	6.33	7.65	6.66	7.44
Total Fund w/o Currency Overlay (Net)	2.33	6.71	12.30	6.39	8.63				
Total Fund w/o Tactical Rebalancing (Net)	2.64	6.92	11.40	6.47	8.20	6.35	7.41	6.69	7.21
Total Fund w/o both Currency Overlay and Tactical Rebalancing (Net)	2.62	6.93	11.57	6.45	8.29	6.36	7.47	6.69	7.27
Active Currency Impact to Total Fund (Net of Fee) in bps	2	(1)	(11)	2	(7)				
EAA Impact to Total Fund (Net of Fee) in bps	(29)	(22)	79	(6)	36	(2)	24	(3)	23
Total Overlay Program Impact to Total Fund (Net of Fee)	(27)	(23)	62	(4)	27	(3)	18	(3)	17

(*) since Dec 2014

Please let staff know if you have any questions.

TACTICAL ASSET ALLOCATION OVERLAY

Manager Review

Serving the People Who Serve Our Schools®



Manager Review -- Russell Investments Implementation Services, LLC

As of May 30, 2020

Strategy	Cash Margin	Allowable Exposure (% of Total Fund Market Value)	Investment Vehicles	Inception Date
Russell Enhanced Asset Allocation Overlay	\$20,000,000	+/- 7% exposure limit per asset class US equity, Non-US equity and US Fixed Income	Futures	Dec-14

Strategy Performance				
	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>ITD</u>
NOF Value Added in USD	(\$28,653,576)	(\$23,965,336)	(\$20,718,134)	(\$9,431,502)
NOF Value Added to Total Fund Return	(22 bps)	(-6 bps)	(-2 bps)	(-3 bps)
Risk Added to Total Fund Volatility	N/M*	36 bps	24 bps	23 bps

* Not Meaningful

Attribute	Staff Rank	Highlights
People	A	Russell Enhanced Asset Allocation (EAA), a tactical asset allocation overlay strategy at the Total Fund level, is managed by the Multi-Asset Solution team including quantitative, and fundamental /macro strategists. The head of the team, Doug Gordon, senior portfolio manager, has been involved in developing and managing the strategy since its inception in 2008. The investment team has remained stable. During the market crash time the team was transparent and open to discussion of the portfolio and markets with Staff.
Process	B	The strategy uses asset class pair wise futures to exploit significant asset class misevaluation in a risk-managed framework. A package of five quantitative models namely Fundamental, Fed, Econometric, Momentum and Dynamic probit generates signals. The divergent nature of these quantitative models acts as a system of checks and balances for the signals. The corresponding signals from the quantitative models must substantiate a view. However, the process missed exogenous factors such as unprecedented business lockdown and social distancing responding to the Coronavirus pandemic, thus entered into the markets early, thus incurred significant losses when the markets continued falling fast in March.
Portfolio Construction	C	Positions are initiated with an asset class pair futures trade with a long futures on one asset and a short futures on another asset. The net exposures of any futures pair trade should be zero at the initiated time. The position scaling is corresponding to the followings: 1) the level of conviction generated by the quantitative and qualitative stages, 2) overall market risk; when market volatility is high, the size of position is scaled down and vice versa, and 3) SERS's risk budget. Currently, the limit per asset class exposure is 7% for the modelling purposes, but the realized exposures have been up to a half of that only. However, during February and March 2020, the portfolio construction process underestimated the market risks, thus over-scaled the positions.
Trading	N/A	The strategy trades futures for desired exposures. Direct trading cost including commission and market impacts was 0.79 bps in CY 2019, lower than the CY 2018 cost by 0.29 bps.
Performance	C	Performance was positive \$33 million as of January 2020, but has turned negative due to unrealized losses on the current position which were initiated in February/March as equity markets declined sharply.
Overall	B-	The implementation of the program has generally worked well. Staff expect that the current positions will turn positive once the economy recovers from the effects of the COVID-19 shutdown.

ITEM 5.

MONTHLY INVESTMENT REPORT

- [Review of the Investment Blue Book \(Period ending May 31, 2020\)](#)

Ohio SERS Investment Report

Monthly Report to the Board

For the period ending:
May 31, 2020

Prepared by Investment and IAD Staff

Farouki Majeed, Chief Investment Officer

Meeting Date: July 2020

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Investment Agenda

Overlay Program Review (no action needed)
Monthly Investment Report (May 31, 2020)



Economic and Financial Market Outlook



Ohio SERS Investment Report

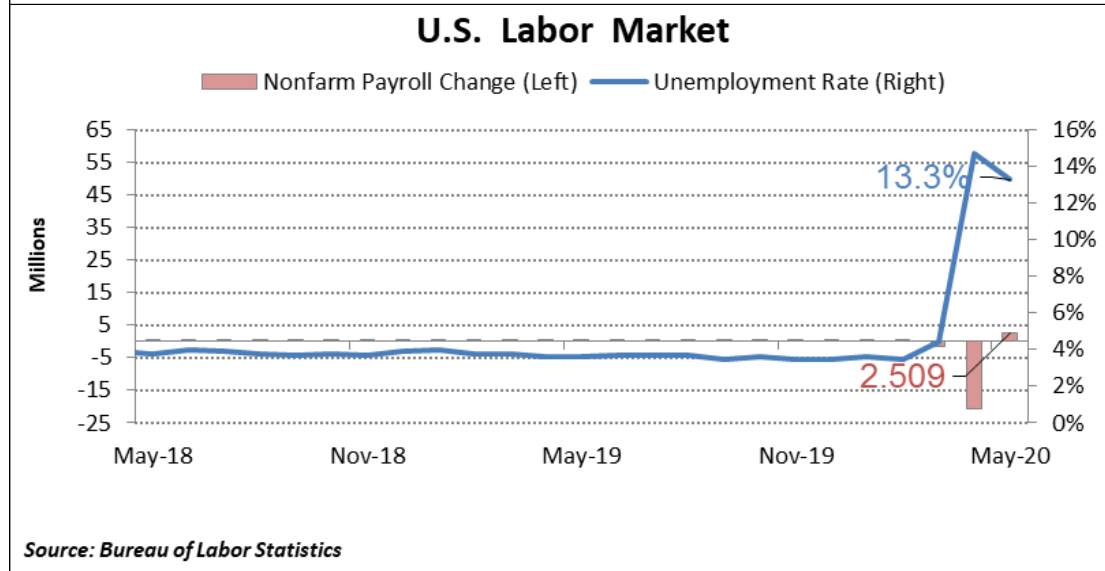
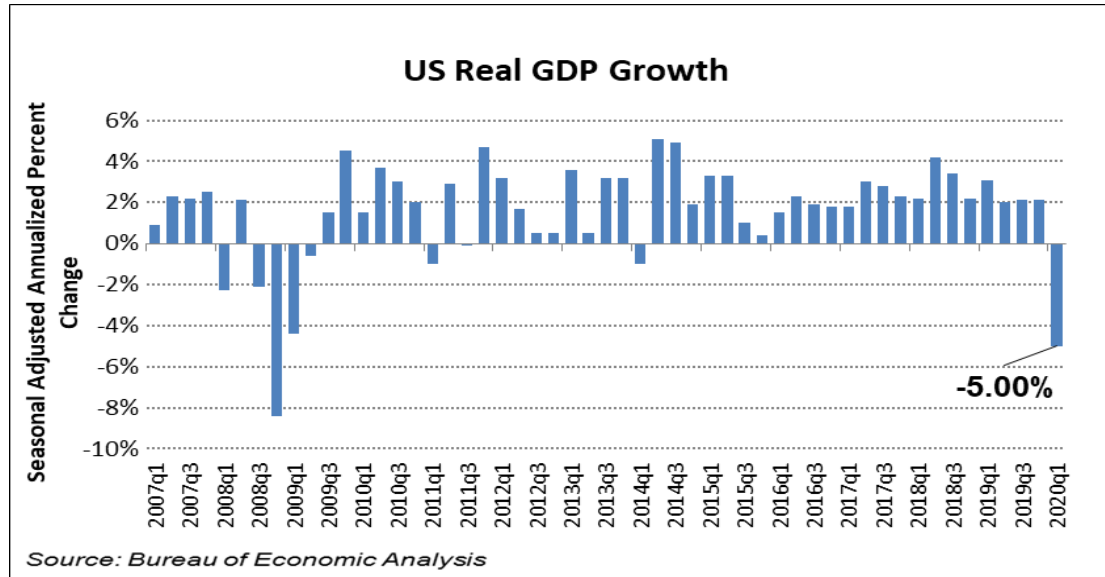
Month Ending: 05/31/2020

- Q1 2020 US real GDP contracted at an annualized rate of 5.0%. The main drivers of Q1 contraction were negative contributions from personal consumption expenditures (PCE), nonresidential fixed investments, exports, and private inventory investments. The National Bureau of Economic Research officially declared on June 8th that the recession had begun in February. However, the June Blue Chip Economic Indicators panelists believe the recession will be relatively short, just 4.6 months. (*Source: Bureau of Economic Analysis and Blue Chip Economic Indicators*).
- The US labor market showed signs of recovery with a gain of 2.5 million jobs in May and the unemployment rate fell to 13.3% from 14.5%. The labor market recovery is likely to be sluggish amidst the new coronavirus case spike in a few states that could impede new hirings and worsen new lay-offs. (*Sources: Bureau of Labor Statistics and Department of Labor*).
- The US headline inflation declined to 0.10%. Over the last 12 months, the energy index declined 18.9% while the food index increased 4%. The core inflation, excluding food and energy, was down to 1.2%. (*Source: Bureau of Labor Statistics*).
- The 10-year Treasury nominal yield was 65 bps in May, little changed from April. The 10-year real yield was 55 bps.
- The housing market, S&P Case-Shiller 20-City home price index, posted an annual gain of 4.0% in April.
- The Consumer Sentiment Index released by Thomson Reuters and University of Michigan increased slightly from April to 72.3, yet still 28% lower than a year ago. The US and Global Economic Surprise indices rose from the lows. The Leading Economic Index (LEI) issued by the Conference Board increased to 99.8 from to 98.8.
- The JPMorgan PMI global composite Index improved to 36.3 from the April lows. The US performed relatively better as the US Manufacturing PMI and Non-Manufacturing PMI improved to 43.1 and 45.4, respectively. (*Source: Institute for Supply Management, Markit*).
- Equity markets continued to rally in May after strong gains in April in anticipation of reopening the economy in the months to come. US equity markets gained 5.35%. The non-US developed and emerging markets returned 4.25% and 0.77%, respectively. The equity implied volatility VIX index trended down to 27.5% on May 30, but surged again to a range above 30 in the second half of June with a flux of new coronavirus cases.
- The US fixed income markets, Bloomberg Barclay's US Aggregate Bond Index, gained 0.47% for the month.

Notes: Acronym – PMI – Purchasing-Managers' Index



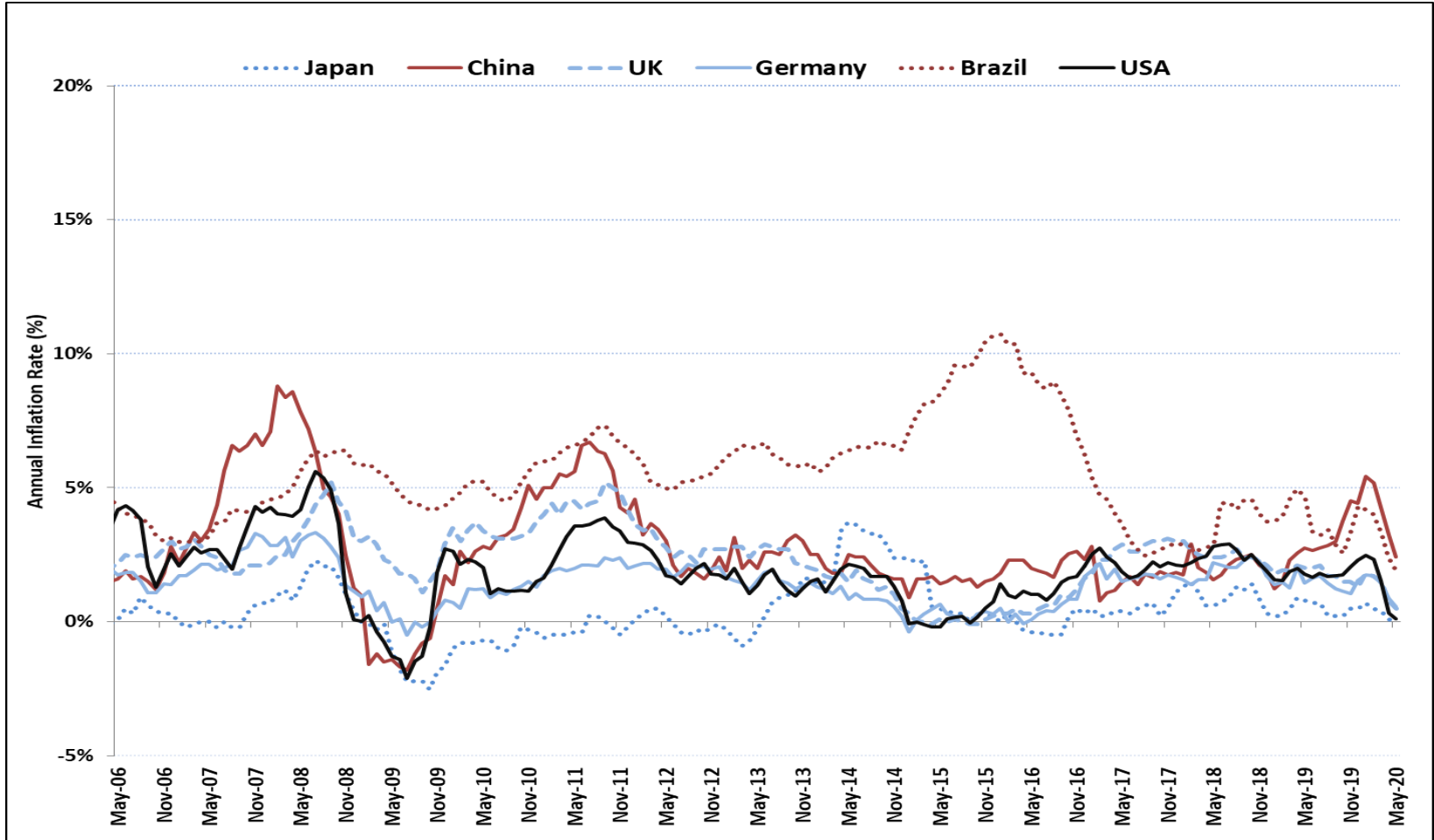
ECONOMY US Real GDP Growth and Labor Market





Ohio SERS Investment Report
ECONOMY Headline Inflation

Month Ending: 05/31/2020



	Japan	China	UK	Germany	Brazil	USA
May-20	0.0	2.4	0.5	0.6	1.9	0.1

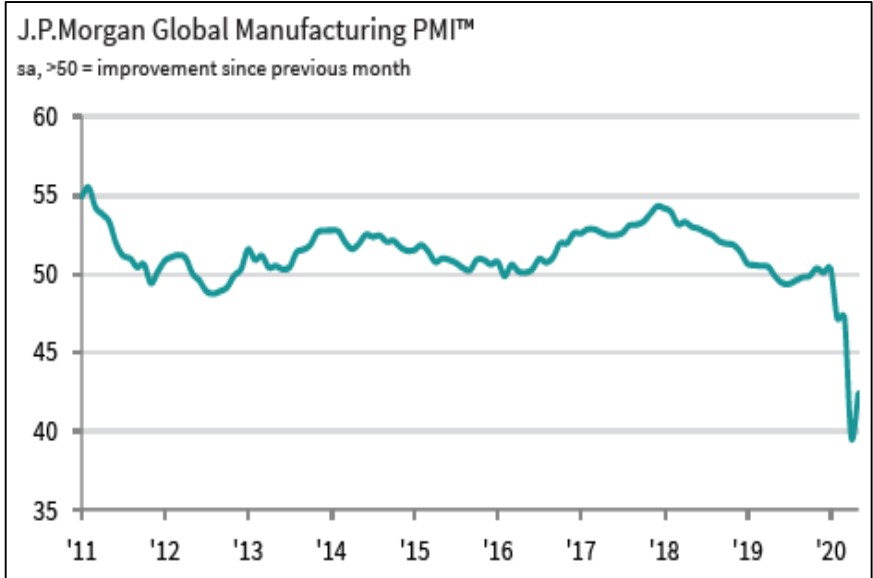
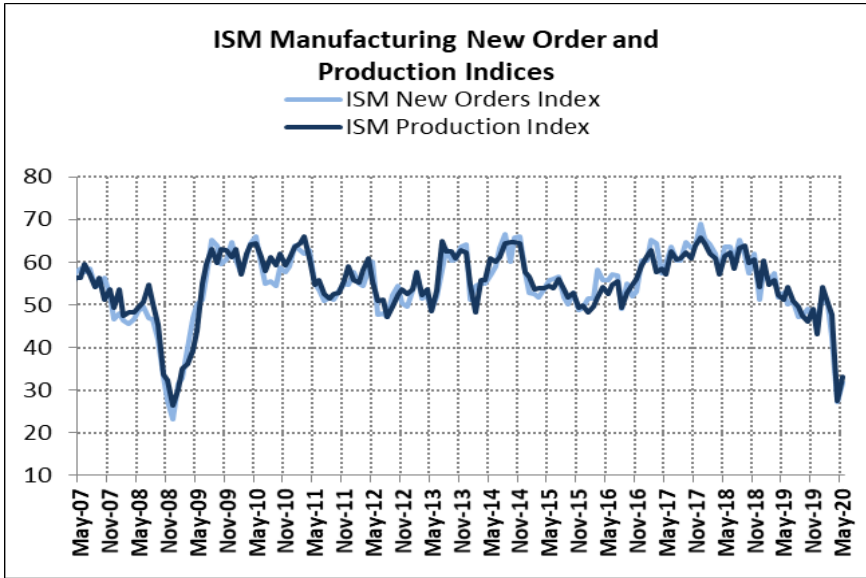
Sources: www.ons.gov.uk, www.oecd.org, www.inflation.eu, and www.tradingeconomics.com



Ohio SERS Investment Report

ECONOMY US & Global Manufacturing Activities

Month Ending: 05/31/2020

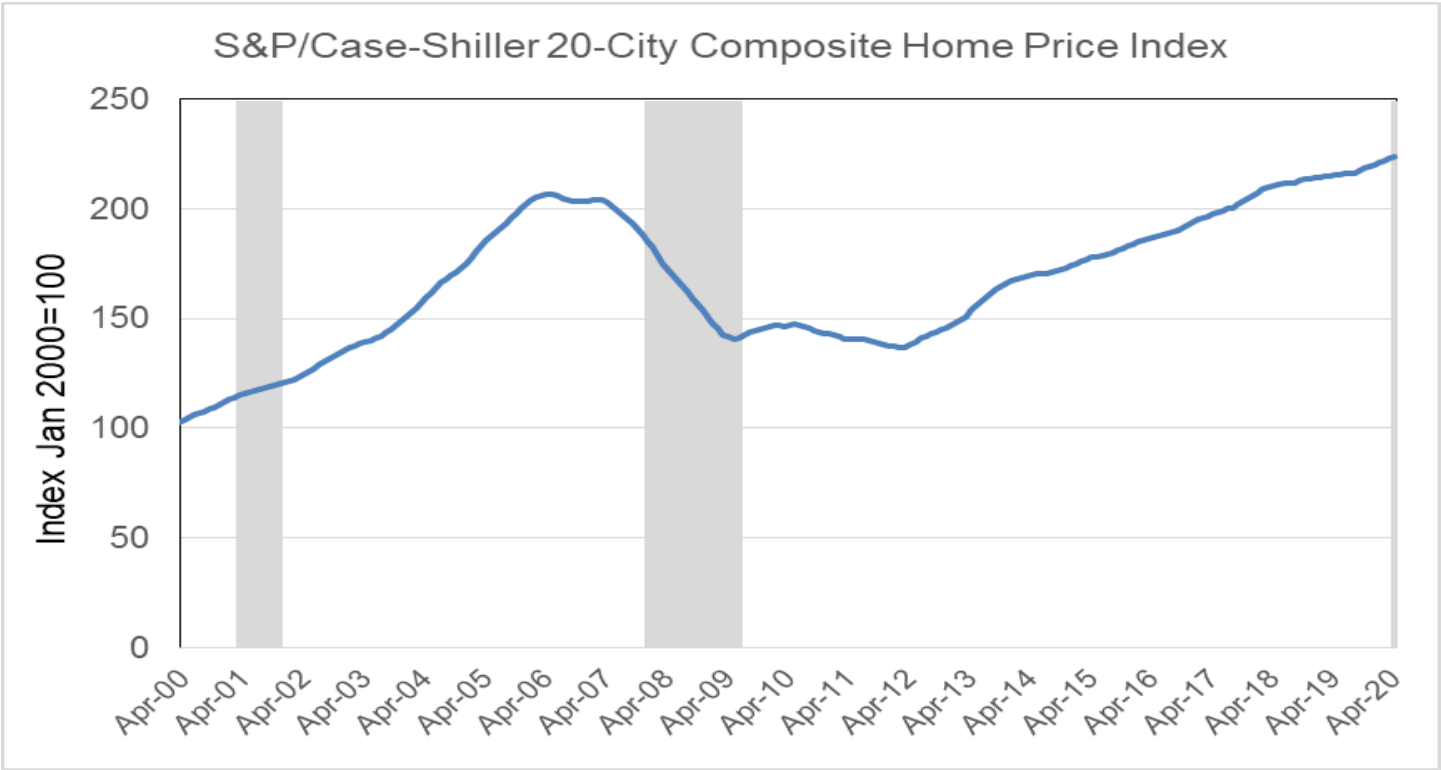


Source: Manufacturing ISM Report On Business & JPMorgan Global Manufacturing PMI™
Notes: Acronym – ISM – Institute of Supply Management; PMI – Purchasing Managers Index



Ohio SERS Investment Report
ECONOMY US Housing Market

Month Ending: 05/31/2020



Date	S&P Case-Shiller 20-City Home Price Index January 2000 = 100, Seasonally Adjusted
Jul-15	179.37
Jul-16	188.73
Jul-17	199.93
Jul-18	211.80
Jul-19	216.09
Apr-20	223.92

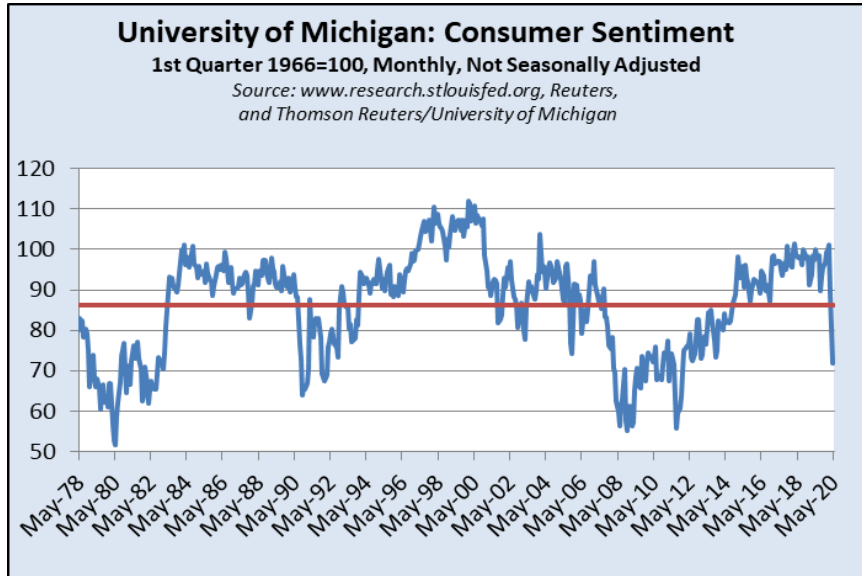
Source: www.research.stlouisfed.org



Ohio SERS Investment Report

ECONOMY

Consumer Sentiment

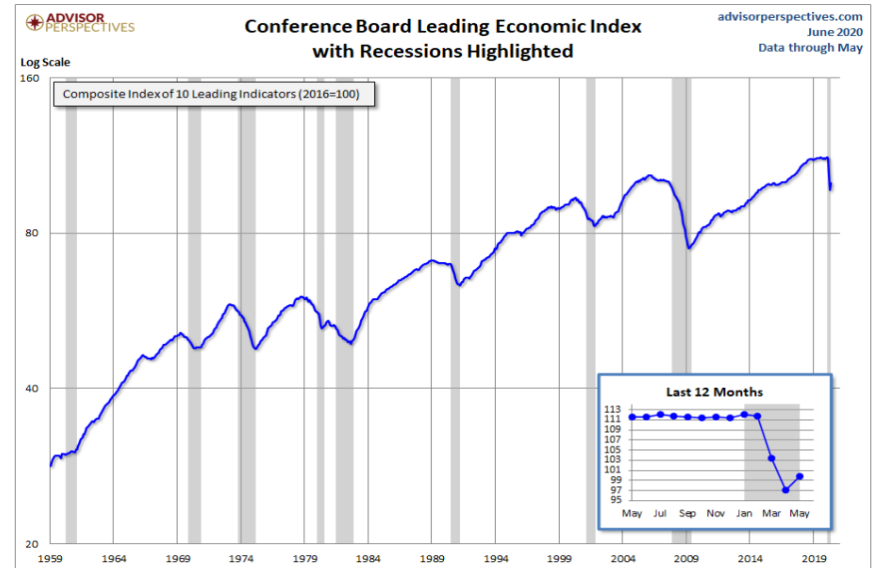


Index of Consumer Sentiment				
Apr-20	May-20	May-19	M-M Change	Y-Y Change
71.8	72.3	100.0	0.7%	-27.7%

Source: Thomson Reuters / University of Michigan

Month Ending: 05/31/2020

The Leading Economic Index (LEI) and Coincident Economic Index (CEI) for the United States



p Preliminary; r Revised

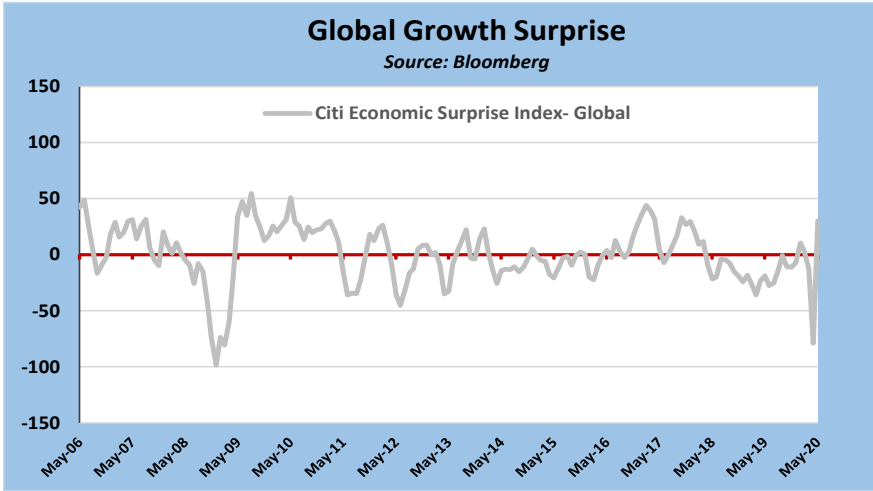
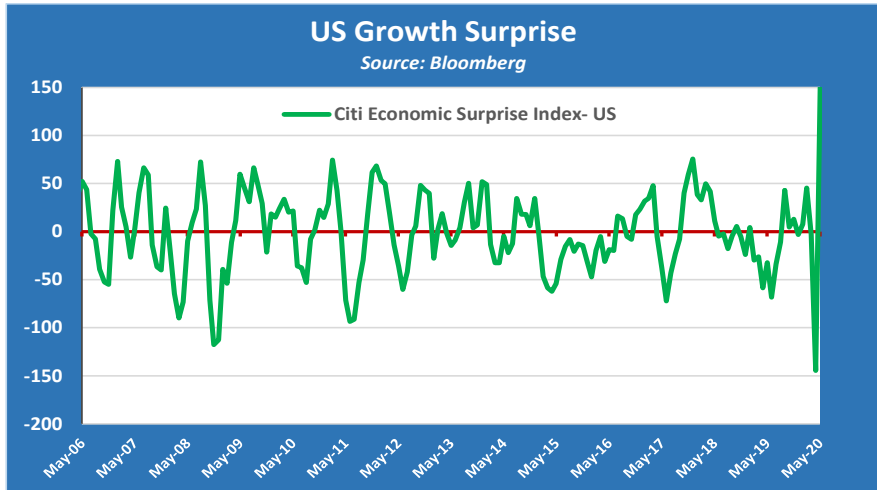
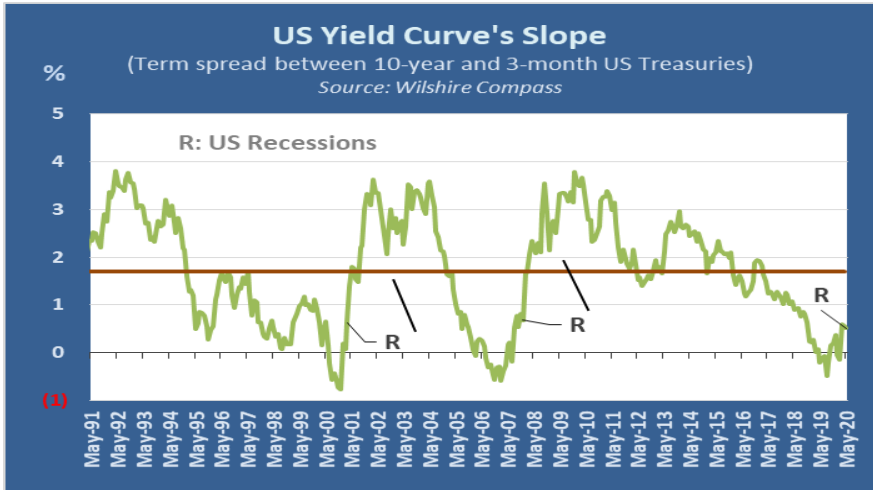
Sources: The Conference Board and advisorspectives.com



Ohio SERS Investment Report

ECONOMY

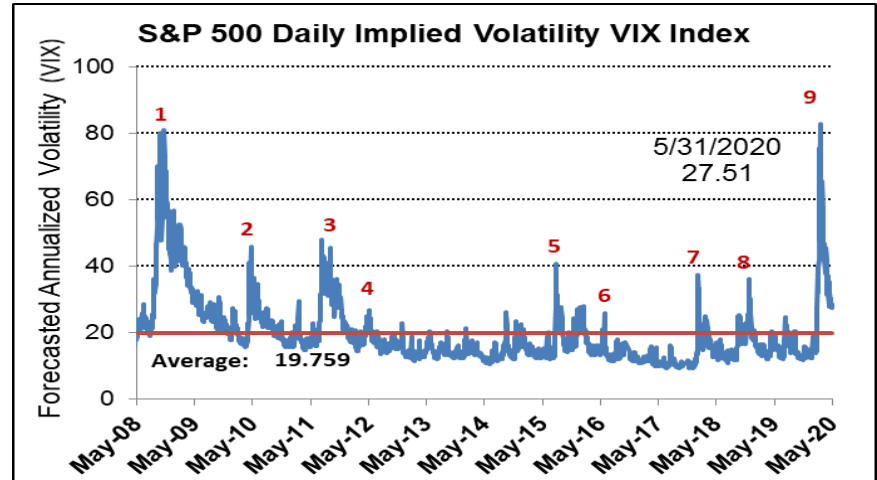
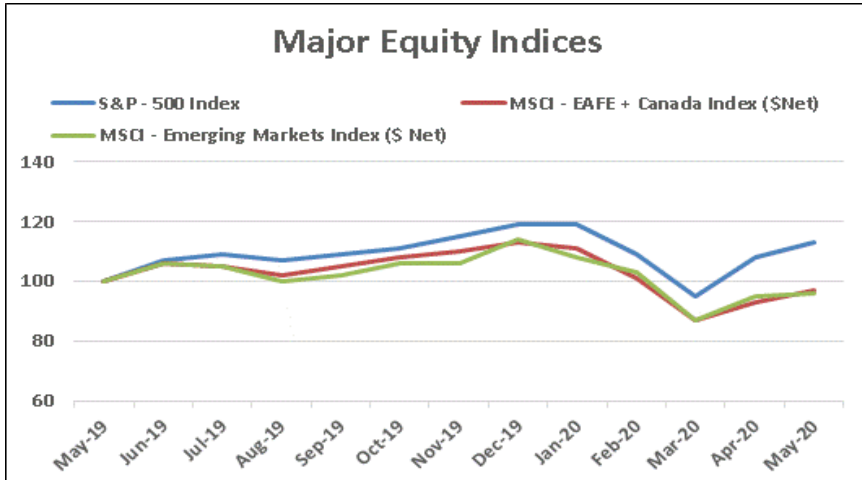
Month Ending: 05/31/2020





Ohio SERS Investment Report
MARKETS Equity

Month Ending: 05/31/2020



	Return as of 5/31/2020	
	1 Year	FYTD
S&P 500	12.84	5.41
MSCI - EAFE + Canada Index (\$Net)	-3.12	-8.55
MSCI - Emerging Markets Index (\$Net)	-4.39	-10.00

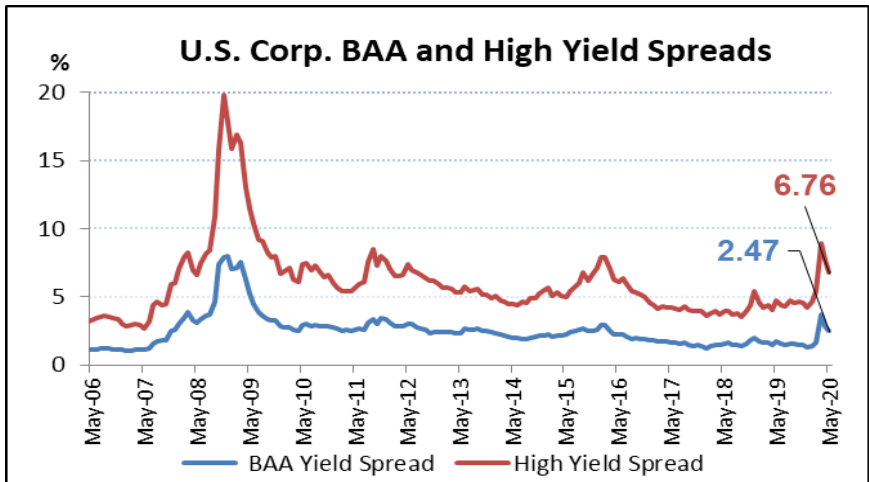
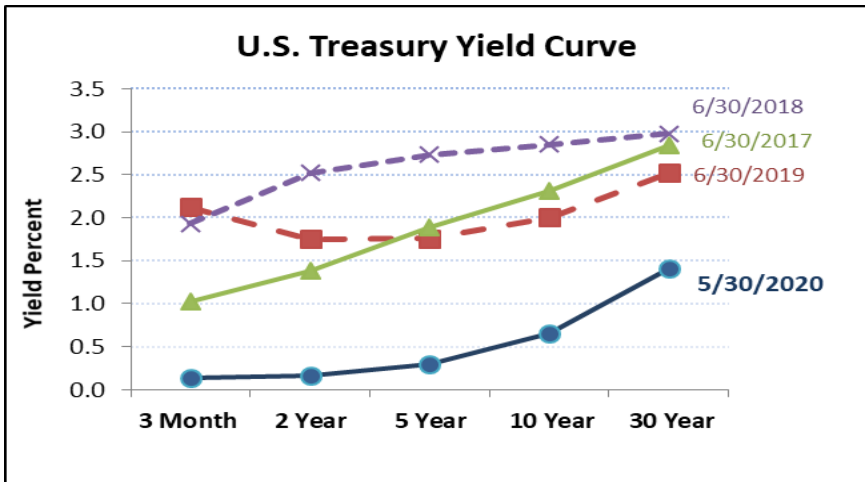
- 1 2008 (Nov.) Financial Crisis S&P 500: -48.8%
- 2 2010 (May) Flash crash; Europe/ Greece debt S&P 500: -16%
- 3 2011 (Aug.) US downgrade, Europe periphery S&P 500: -19.4%
- 4 2012 (June) Eurozone double dip S&P 500: -9.9%
- 5 2015 (Aug.) Global slowdown, China, Fed S&P 500: -12.4%
- 6 2016 (Feb.) Oil crash, US recession fear, China S&P 500: -10.5%
- 7 2018 (Feb.) Inflation, trade, tech S&P 500 : -10.2%
- 8 2018 (Dec.) Interest rate hike, trade tension, global slowdown S&P 500: -10.5%
- 9 2020 (Mar.) Coronavirus, S&P 500 : -23.7%

Sources: www.research.stlouisfed.org, and Wilshire Compass



Ohio SERS Investment Report
MARKETS Fixed Income

Month Ending: 05/31/2020



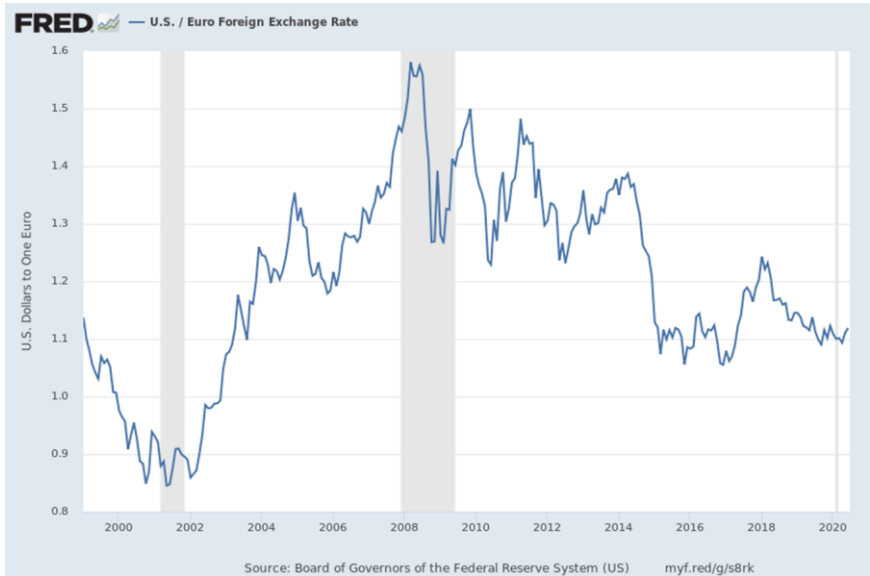
Sources: Wilshire Compass, ThomsonReuters, and Bloomberg



Ohio SERS Investment Report

MARKETS Foreign Exchange

Month Ending: 05/31/2020



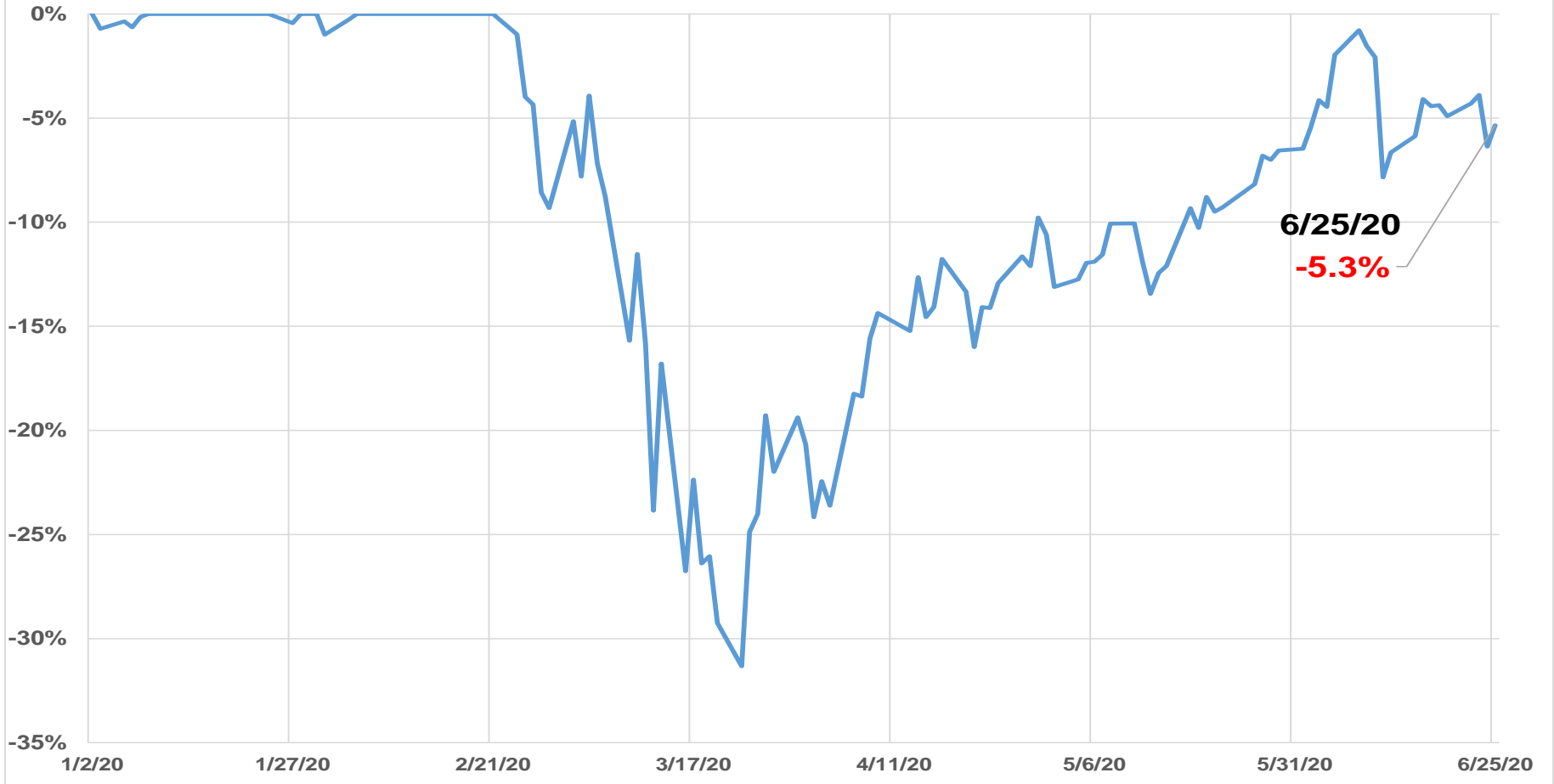
Date	Trade Weighted Broad U.S. Dollar Index January 1997=100
June-15	106.51
June-16	112.15
June-17	111.97
June-18	113.27
June-19	114.56
May-20	121.28

Date	U.S. / Euro Foreign Exchange Rate U.S. Dollars to One Euro
June-15	1.12
June-16	1.10
June-17	1.14
June-18	1.17
June-19	1.14
May-20	1.11

Source: www.research.stlouisfed.org

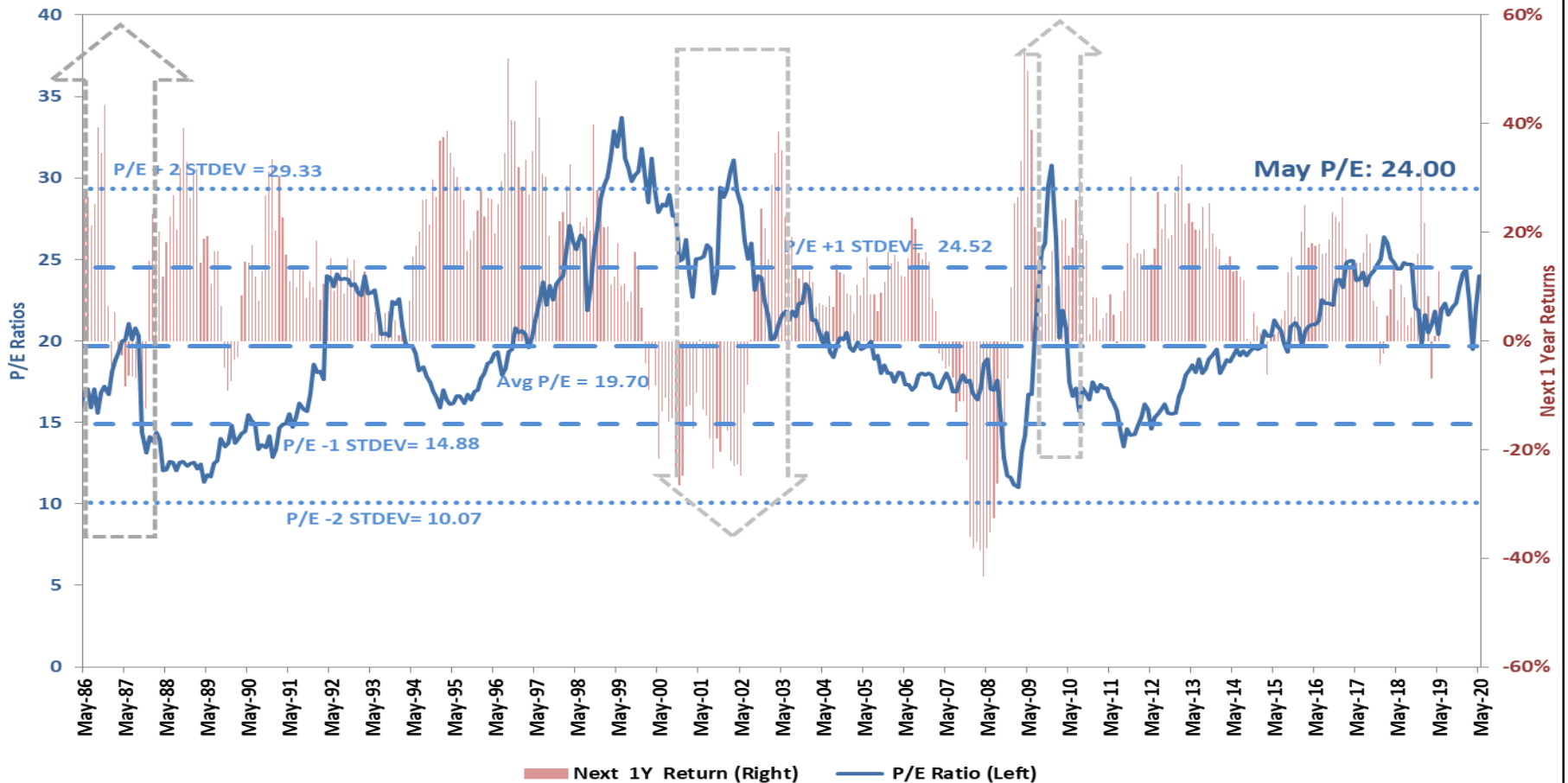


S&P 500 Drawdown (%) From 1/1/2020 To 6/25/2020



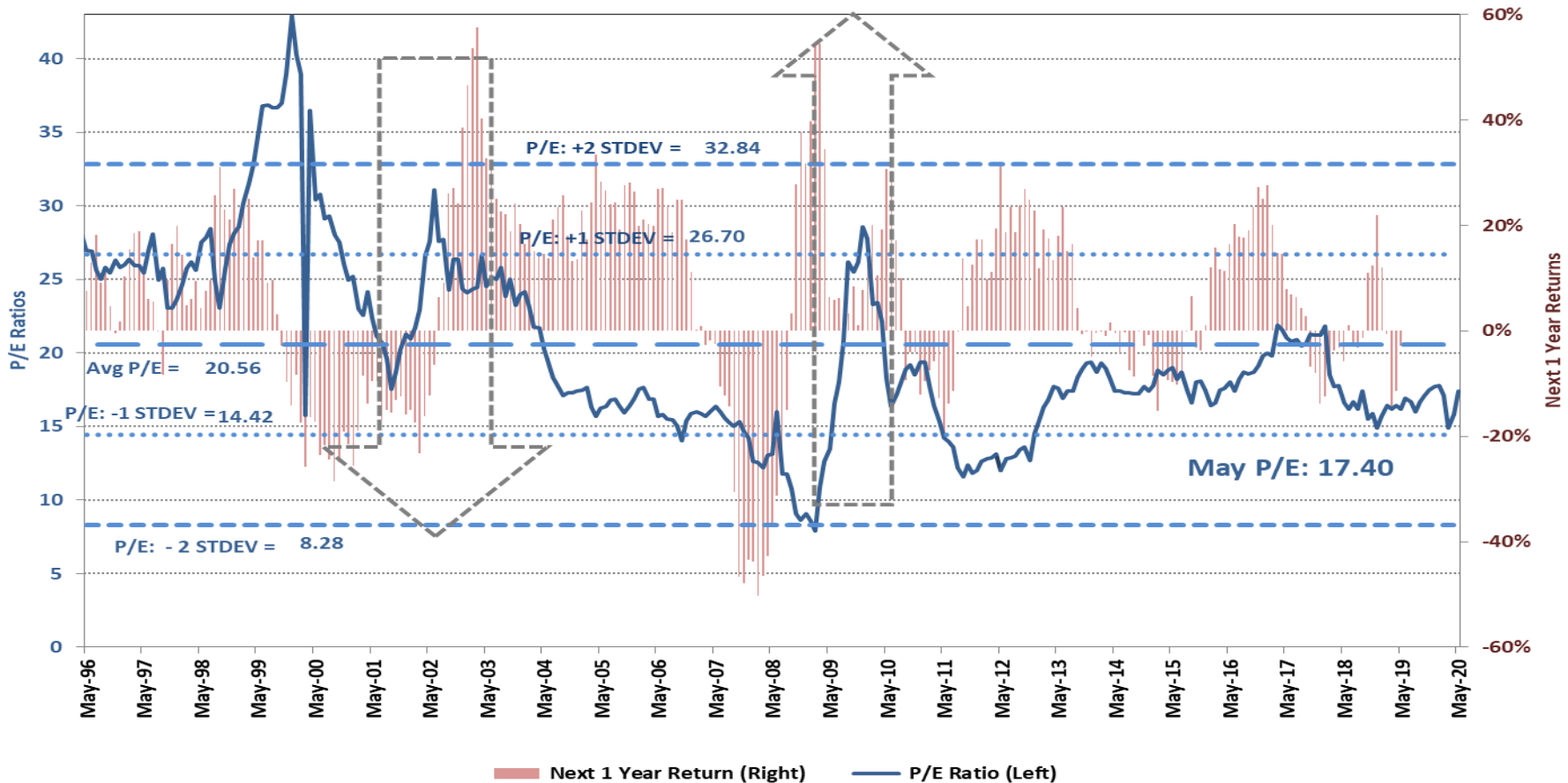


S&P 500 P/E Ratios and Next 1 Year Returns



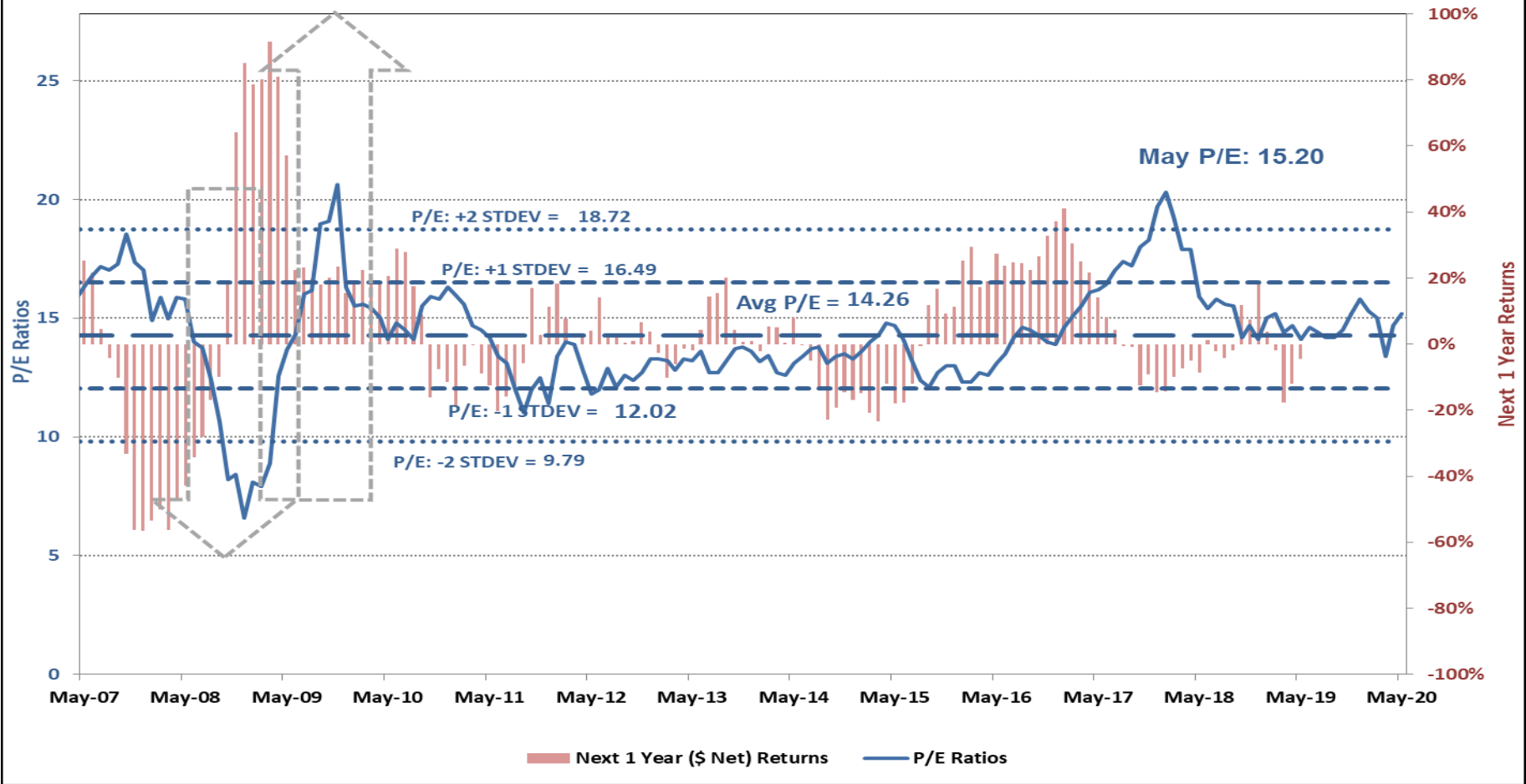


MSCI EAFE (\$ Net) P/E Ratios and Next 1 Year Returns





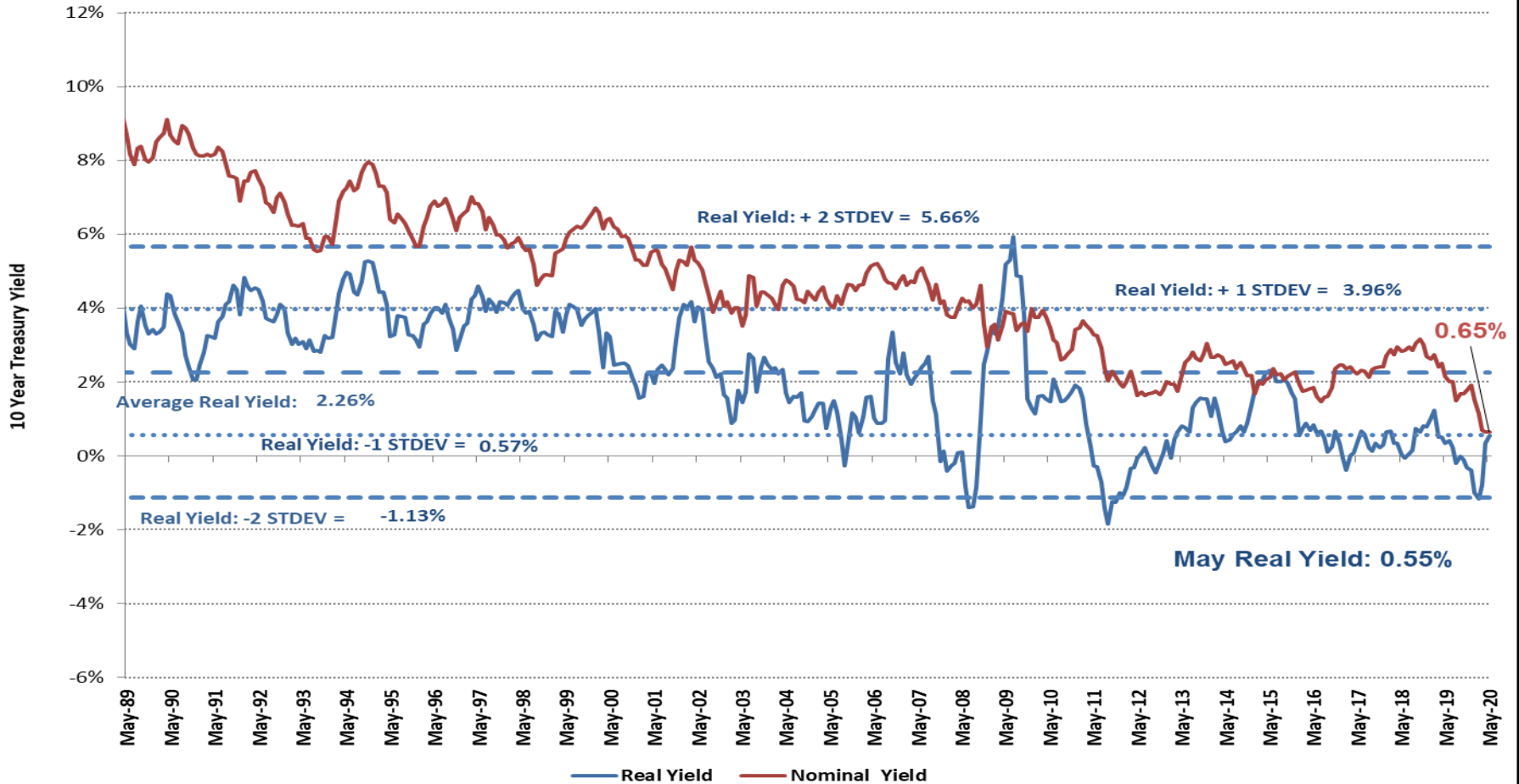
MSCI EM P/E Ratios and Next 1 Year (\$ Net) Returns



Source: Wilshire Compass



10 Year Treasury Nominal and Real Yields



Source: Wilshire Compass and U.S. Bureau of Labor Statistics



SERS' Investment Portfolios Review



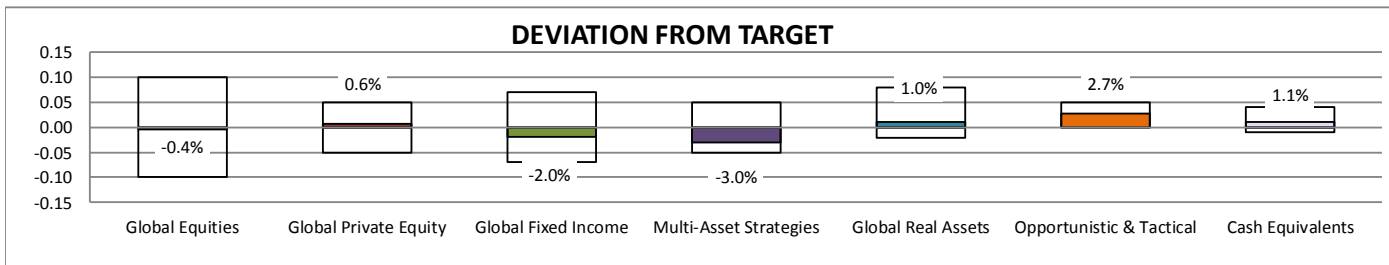
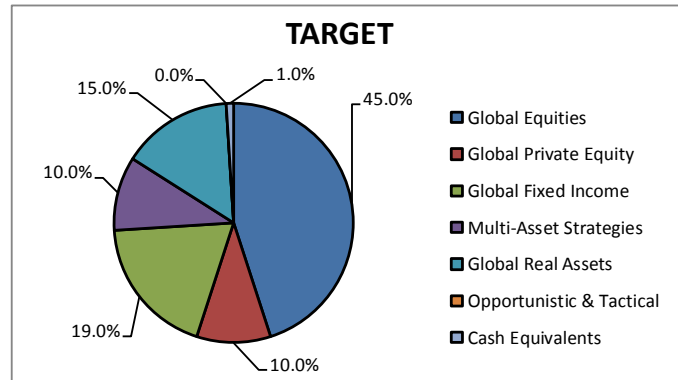
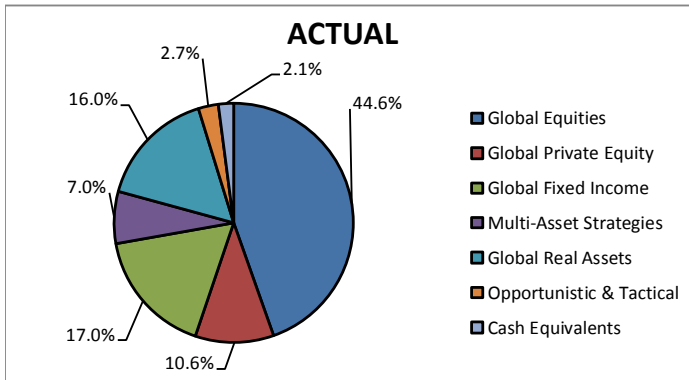
Ohio SERS Investment Report

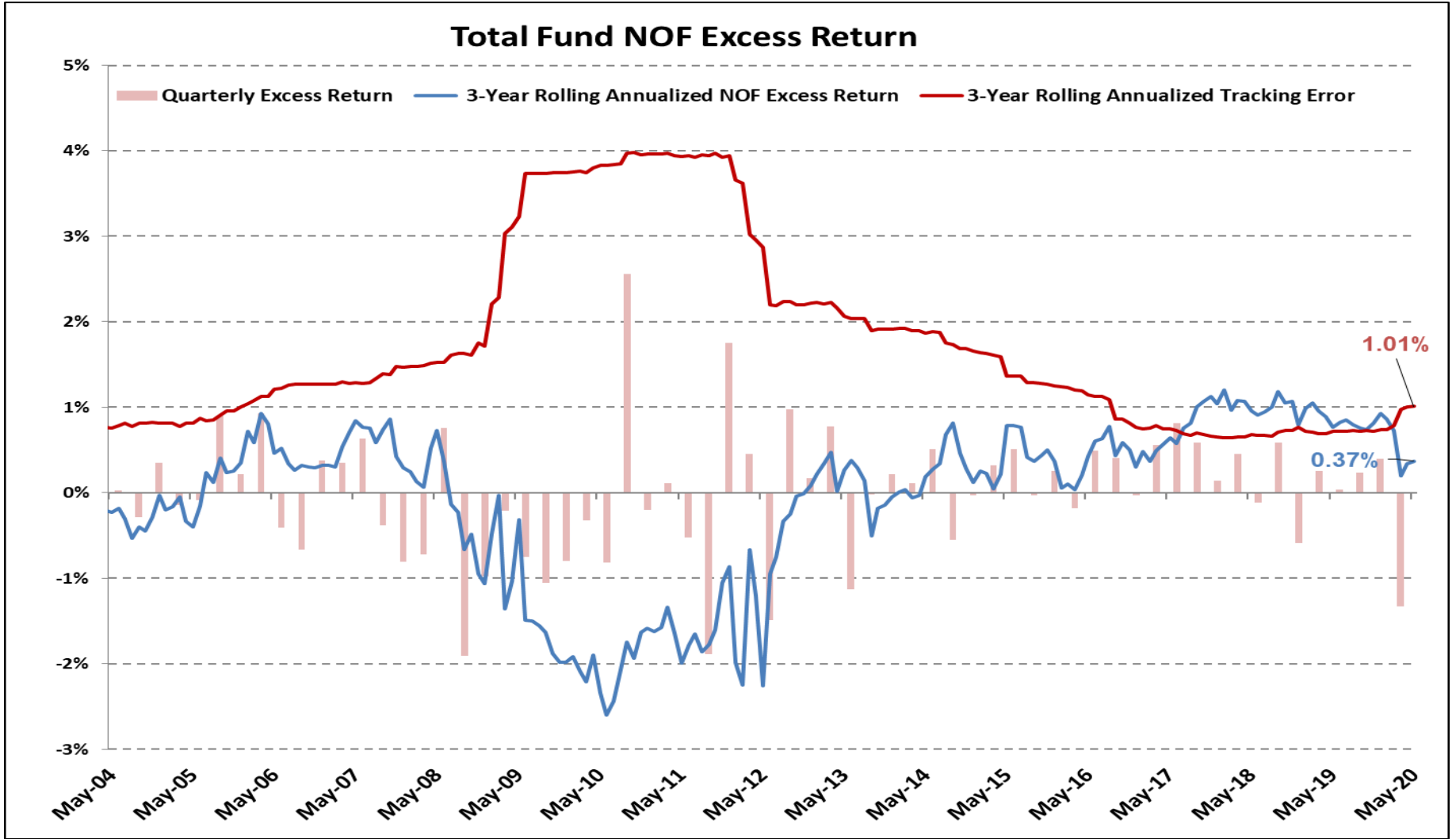
Month Ending: 05/31/2020

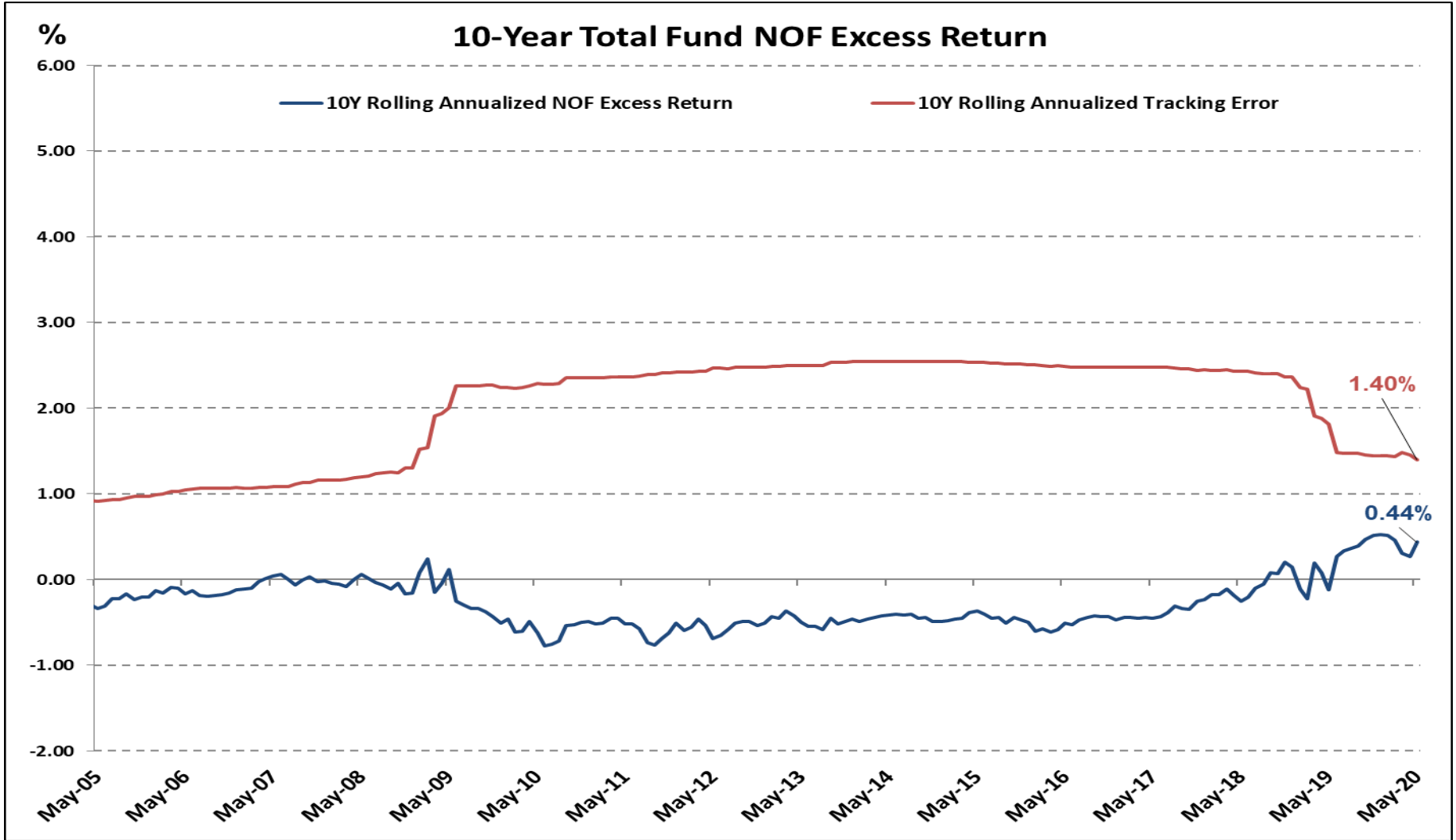
Total Fund: Asset Allocation & Valuation

Asset Class	Market Value \$	Actual	Target	Range
Global Equities	6,472,810,308	44.6%	45.0%	35% - 55%
US Equity	3,528,732,779	24.3%	22.5%	17.5% - 27.5%
Non-US Equity	2,944,077,530	20.3%	22.5%	17.5% - 27.5%
Global Private Equity	1,541,254,432	10.6%	10.0%	5% - 15%
Global Fixed Income	2,469,204,565	17.0%	19.0%	12% - 26%
Multi-Asset Strategies	1,020,013,116	7.0%	10.0%	5% - 15%
Global Real Assets	2,323,493,455	16.0%	15.0%	10% - 20%
Opportunistic & Tactical	392,357,810	2.7%	0.0%	0% - 5%
Cash Equivalents	298,878,223	2.1%	1.0%	0% - 5%
Short-Term	241,091,602	1.7%	1.0%	
Russell EA Overlay	45,430,760	0.3%	0.0%	
Direct Rebalance Overlay	-15,966	0.0%	0.0%	
Currency Overlay	12,371,828	0.1%	0.0%	
Total Fund	14,518,011,908	100.0%	100.0%	

Source: BNY Mellon GRS









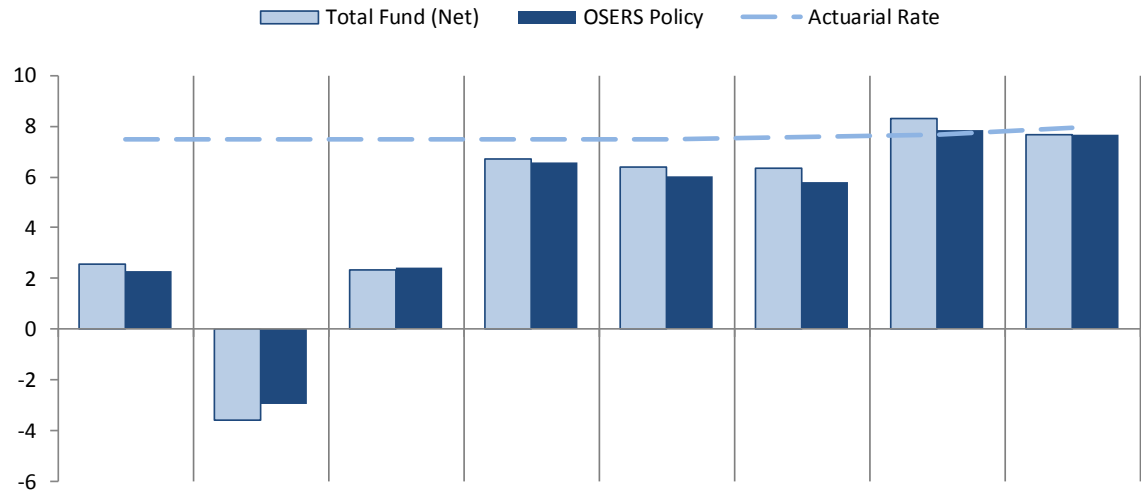
Total Fund Performance

Current Benchmark:

- 22.5% Russell 3000
- 22.5% MSCI ACWI ex US Index (net dividends)
- 10% Burgiss All Private Equity benchmark (1q lag) (BAPE)
- 19% Bloomberg Barclays Aggregate Bond
- 15% NCREIF Property (1q lag)
- 10% HFRI Fund of Funds Composite plus 1%
- 1% Citigroup 30 Day US T-Bill
- 0% Opportunistic & Tactical (OSERS Policy-Benchmark)

Actuarial Rate

(7.5% adopted 4/21/16)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD*
Total Fund (Gross)	2.60	(3.33)	2.93	7.38	7.09	7.02	9.03	8.01
Total Fund (Net)	2.57	(3.56)	2.35	6.70	6.41	6.33	8.30	7.49
OSERS Policy	2.29	(2.96)	2.44	6.58	6.04	5.78	7.86	7.65
Value Added (Net of Fee)	0.28	(0.60)	(0.09)	0.12	0.37	0.56	0.44	(0.16)

Source: BNY Mellon GRS

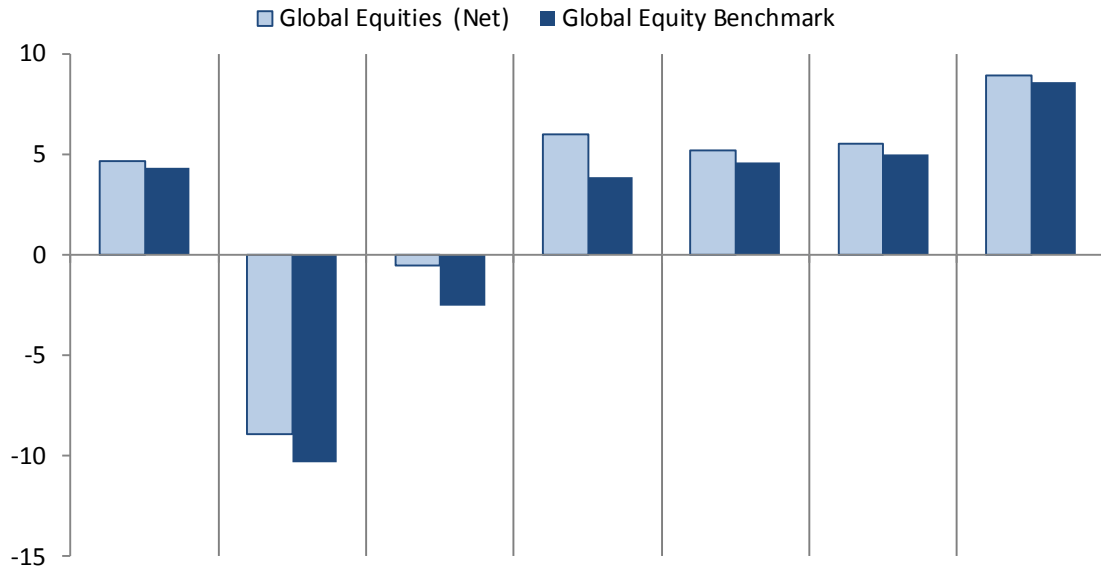
*ITD is Inception date 10/1/1994 (25 years and 8 months)



Global Equities Performance

Current Benchmark:

50% Russell 3000
 50% MSCI ACWI ex US Index
 (net dividends)

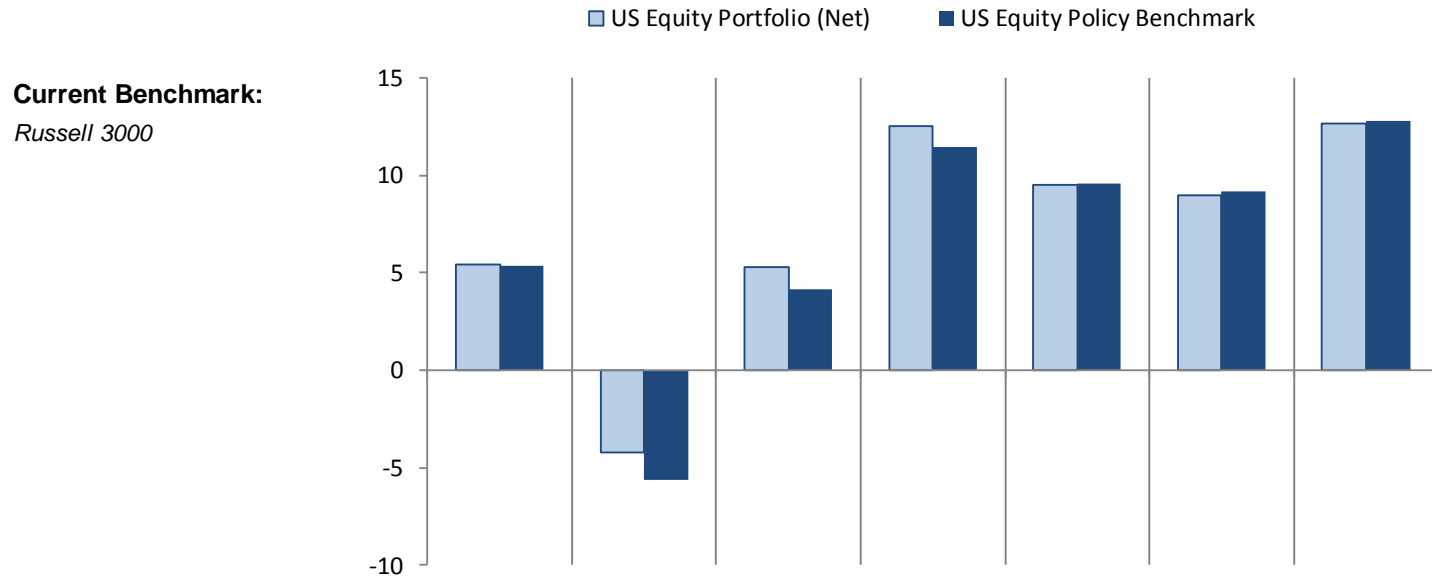


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Global Equities (Gross)	4.69	(8.84)	(0.27)	6.29	5.49	5.84	9.32
Global Equities (Net)	4.67	(8.95)	(0.54)	5.99	5.17	5.51	8.94
Global Equity Benchmark	4.31	(10.32)	(2.53)	3.83	4.61	4.97	8.55
MSCI ACWI	4.41	(8.94)	(0.58)	5.98	5.75	5.86	9.05
Value Added (Net of Fee)	0.36	1.37	2.00	2.16	0.56	0.54	0.39

Source: BNY Mellon GRS



US Equity Performance



Current Benchmark:
Russell 3000

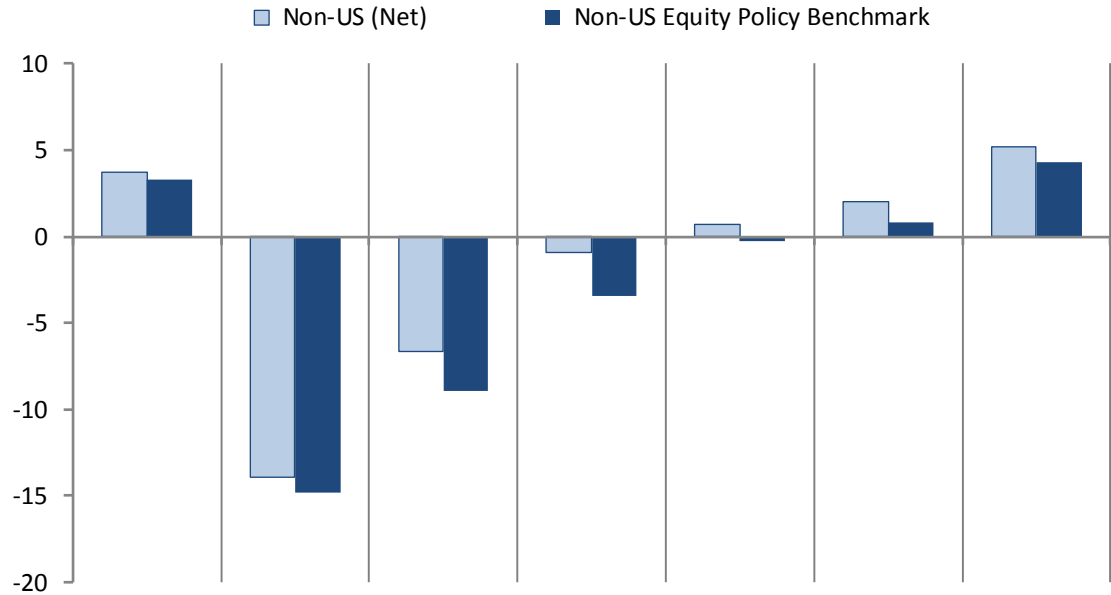
	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
US Equity Portfolio (Gross)	5.47	(4.16)	5.49	12.73	9.76	9.25	13.00
US Equity Portfolio (Net)	5.45	(4.22)	5.32	12.54	9.53	9.00	12.68
US Equity Policy Benchmark	5.35	(5.63)	4.15	11.46	9.54	9.17	12.80
Value Added (Net of Fee)	0.10	1.41	1.17	1.08	(0.01)	(0.17)	(0.12)

Source: BNY Mellon GRS



Non-US Equity Performance

Current Benchmark:
 MSCI ACWI Ex US Index
 (Net dividends)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Non-US (Gross)	3.78	(13.80)	(6.33)	(0.48)	1.16	2.40	5.61
Non-US (Net)	3.75	(13.97)	(6.69)	(0.89)	0.74	1.99	5.17
Non-US Equity Policy Benchmark	3.27	(14.85)	(8.92)	(3.43)	(0.24)	0.79	4.28
Value Added (Net of Fee)	0.47	0.88	2.23	2.54	0.98	1.20	0.89

Source: BNY Mellon GRS



Ohio SERS Investment Report

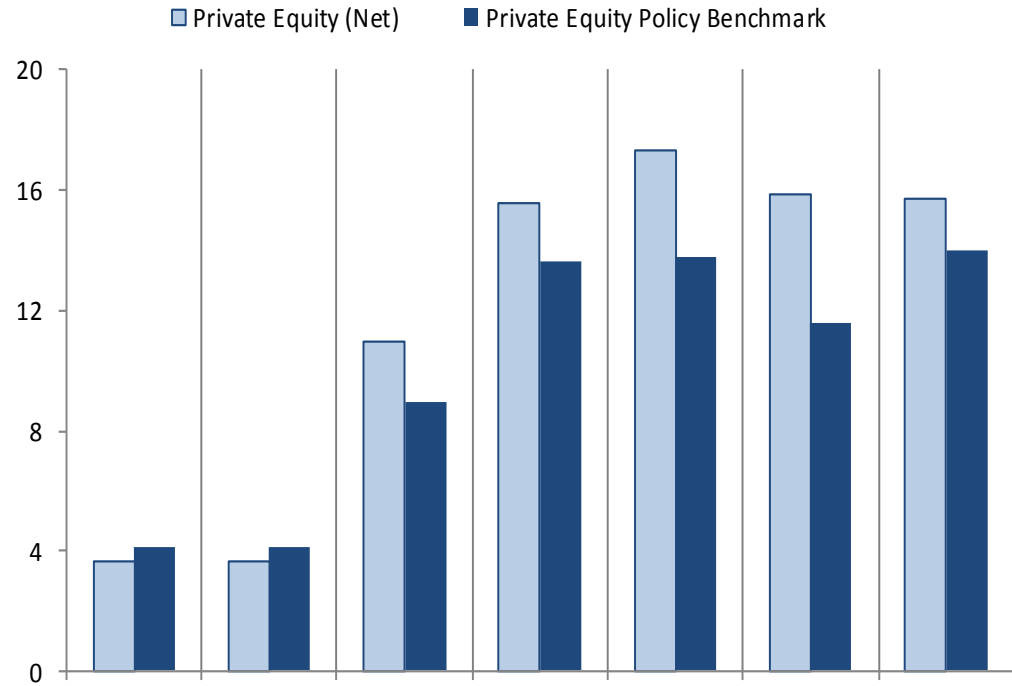
Month Ending: 05/31/2020

Global Private Equity Performance

Results as of: 03/31/2020

Current Benchmark:

Burgiss All Private Equity Index



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Private Equity (Gross)	3.90	3.90	12.23	17.24	18.91	17.45	17.49
Private Equity (Net)	3.62	3.62	10.94	15.56	17.32	15.89	15.72
Private Equity Policy Benchmark	4.10	4.10	8.95	13.62	13.75	11.58	13.99
Value Added (Net of Fee)	(0.48)	(0.48)	1.98	1.94	3.56	4.31	1.73

Source: BNY Mellon GRS

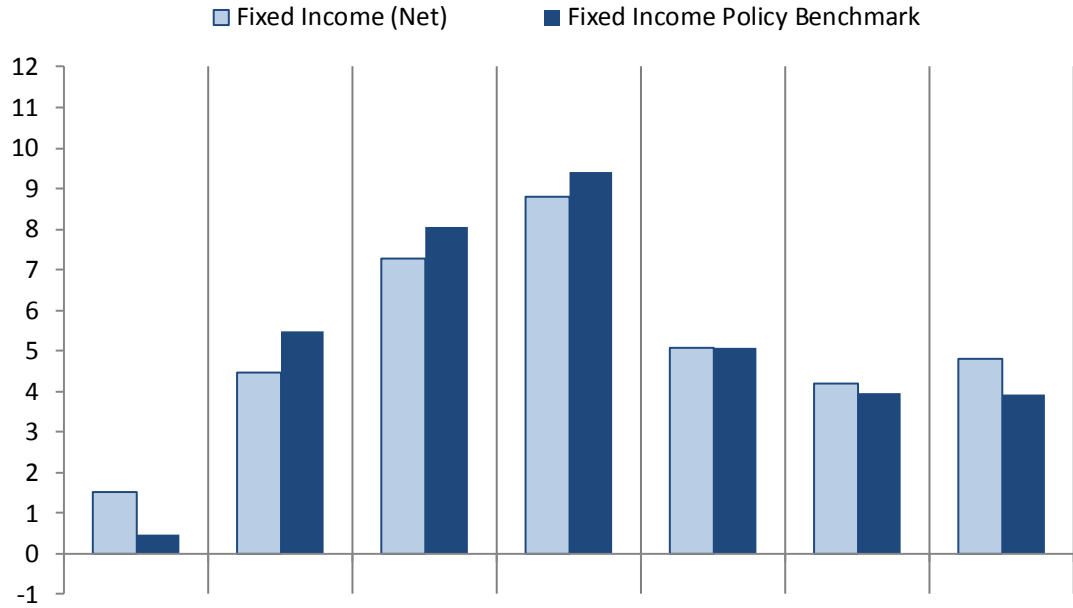
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Private Equity performance is reported one quarter in arrears.



Global Fixed Income Performance

Current Benchmark:
*Bloomberg Barclays Aggregate
 Bond Index*



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Fixed Income (Gross)	1.53	4.54	7.48	9.01	5.27	4.40	5.03
Fixed Income (Net)	1.51	4.45	7.28	8.80	5.06	4.18	4.80
Fixed Income Policy Benchmark	0.47	5.47	8.06	9.42	5.07	3.94	3.92
Value Added (Net of Fee)	1.05	(1.02)	(0.78)	(0.62)	(0.01)	0.24	0.88

Source: BNY Mellon GRS

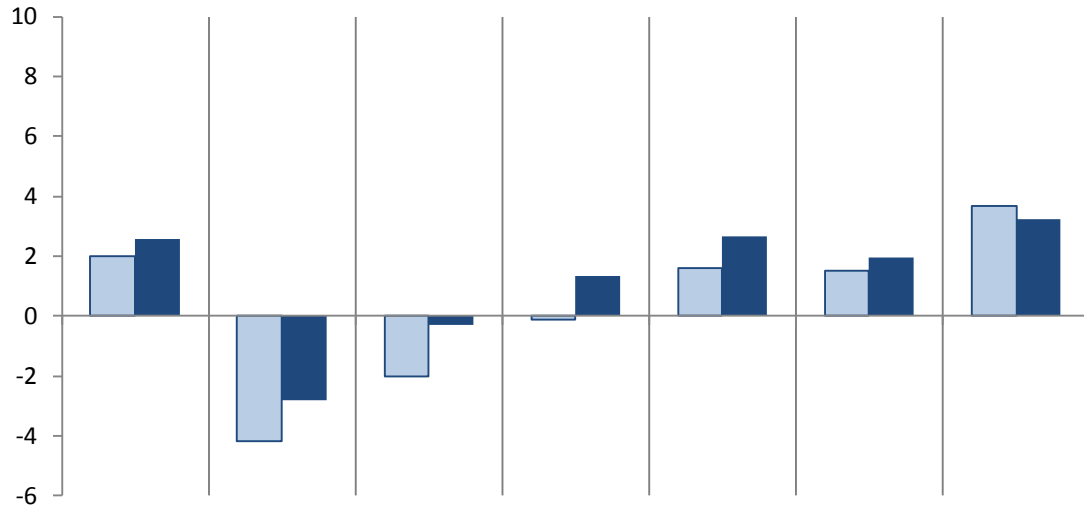


Multi-Asset Strategies Performance

■ Multi-Asset Strategies (Net)
 ■ Multi-Asset Strategies Policy Benchmark

Current Benchmark:

HFRI Fund of Funds Composite
plus 1%



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Multi-Asset Strategies (Gross)	2.12	(3.67)	(0.90)	1.08	2.93	2.91	5.24
Multi-Asset Strategies (Net)	2.02	(4.16)	(2.00)	(0.14)	1.58	1.53	3.68
Multi-Asset Strategies Policy Benchmark	2.58	(2.82)	(0.29)	1.33	2.67	1.94	3.21
Value Added (Net of Fee)	(0.57)	(1.35)	(1.72)	(1.48)	(1.09)	(0.41)	0.47

Source: BNY Mellon GRS

The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

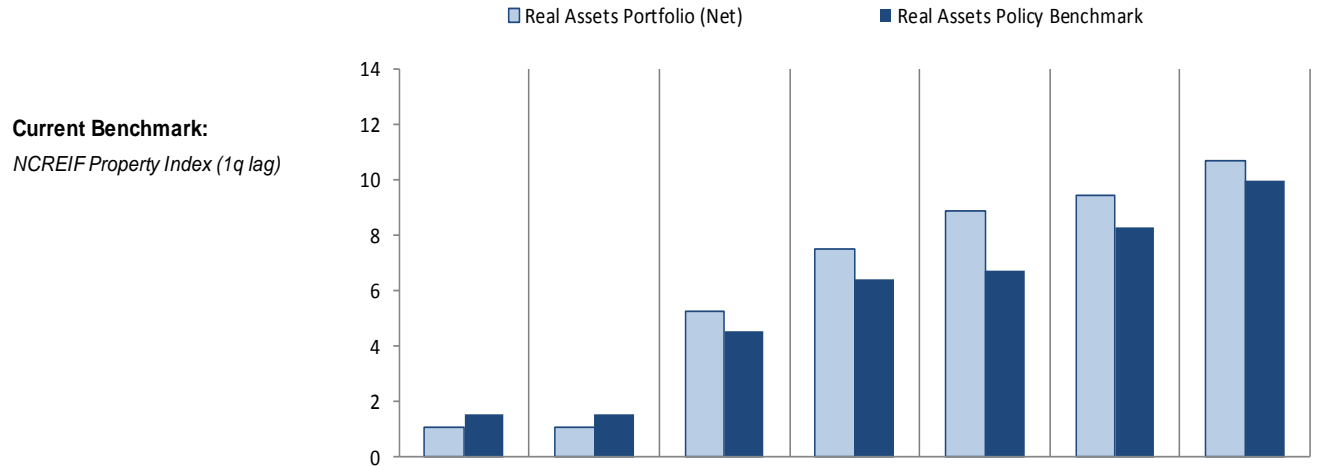


Ohio SERS Investment Report

Month Ending: 05/31/2020

Global Real Assets Performance

Results as of: 03/31/2020



Current Benchmark:
NCREIF Property Index (1q lag)

	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Real Assets Portfolio (Gross)	1.28	1.28	5.95	8.47	9.96	10.56	11.87
Real Assets Portfolio (Net)	1.06	1.06	5.24	7.49	8.85	9.43	10.66
Real Assets Policy Benchmark	1.55	1.55	4.54	6.42	6.70	8.25	9.99
Real Assets Value Added (NOF)	(0.49)	(0.49)	0.70	1.07	2.16	1.18	0.67
Real Assets Core (Net)	1.70	1.70	5.03	7.19	8.07	9.09	11.36
Real Assets Policy Benchmark	1.55	1.55	4.54	6.42	6.70	8.25	9.99
Real Assets Core Value Added (NOF)	0.15	0.15	0.49	0.77	1.37	0.84	1.37
Real Assets Non-Core (Net)	(1.60)	(1.60)	6.31	9.05	9.16	9.62	9.84
Real Assets Policy Benchmark	1.55	1.55	4.54	6.42	6.70	8.25	9.99
Real Assets Non-Core Value Added (NOF)	(3.15)	(3.15)	1.77	2.63	2.46	1.37	(0.15)
Real Assets Infrastructure (Net)	4.48	4.48	10.16	12.87	14.62	n/a	n/a
Real Assets Policy Benchmark	1.55	1.55	4.54	6.42	6.70	n/a	n/a
Real Assets Infrastructure Value Added (NOF)	2.93	2.93	5.62	6.45	7.92	n/a	n/a

Source: BNY Mellon GRS

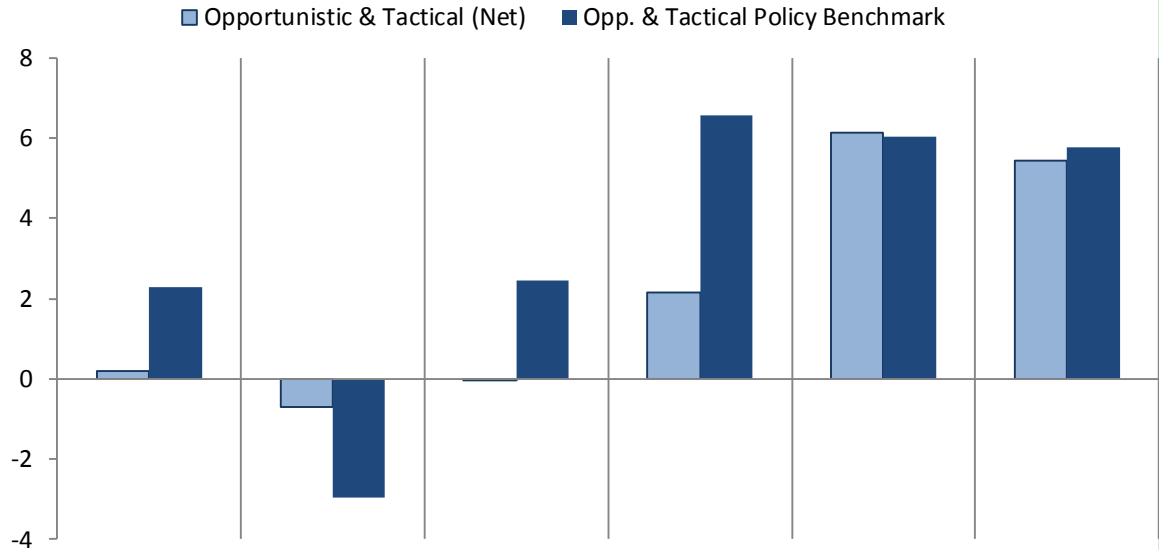
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Real Assets performance is reported one quarter in arrears.



Opportunistic & Tactical Performance

Current Benchmark:
OSERS Policy Benchmark



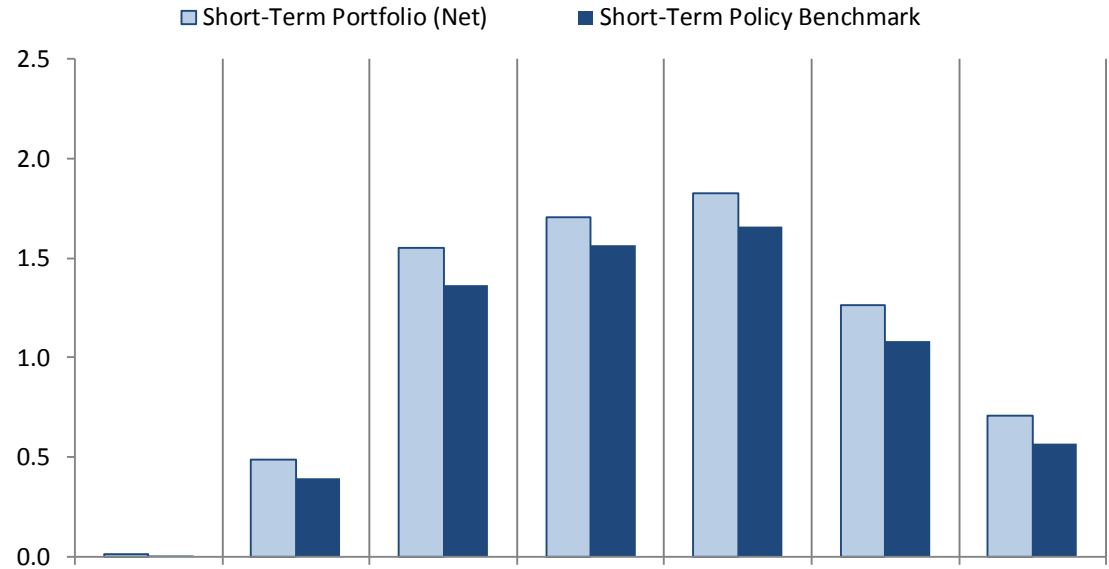
	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Opportunistic & Tactical (Gross)	0.34	0.03	1.49	3.81	7.75	6.88
Opportunistic & Tactical (Net)	0.19	(0.69)	(0.05)	2.16	6.14	5.44
Opp. & Tactical Policy Benchmark	2.29	(2.96)	2.44	6.58	6.04	5.78
Value Added (Net of Fee)	(2.09)	2.27	(2.49)	(4.42)	0.10	(0.34)

Source: BNY Mellon GRS



Short-Term Performance

Current Benchmark:
FTSE 30 Day Treasury Bill

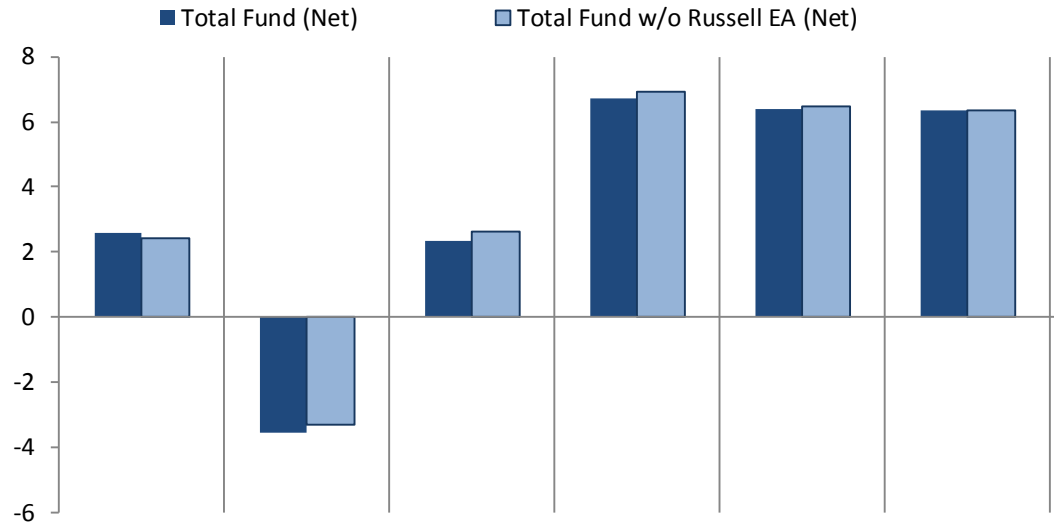


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Short-Term Portfolio (Gross)	0.01	0.49	1.55	1.71	1.82	1.27	0.71
Short-Term Portfolio (Net)	0.01	0.49	1.55	1.71	1.82	1.27	0.71
Short-Term Policy Benchmark	0.01	0.39	1.36	1.57	1.66	1.09	0.57
Value Added (Net of Fee)	0.00	0.09	0.19	0.14	0.16	0.18	0.15

Source: BNY Mellon GRS



Russell EA Overlay Performance

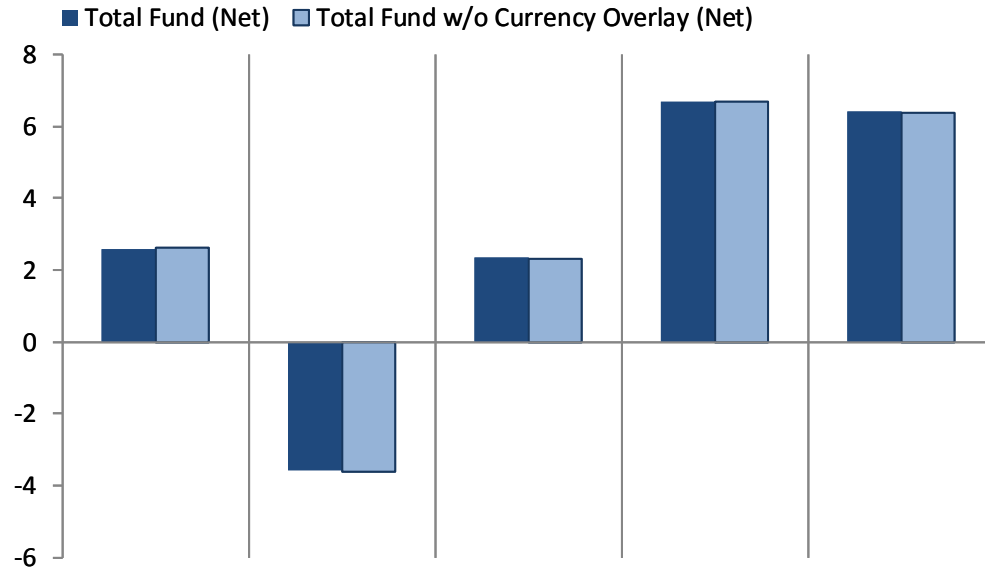


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Total Fund (Gross)	2.60	(3.33)	2.93	7.38	7.09	7.02
Total Fund w/o Russell EA (Gross)	2.44	(3.06)	3.22	7.59	7.15	7.03
Total Fund (Net)	2.57	(3.56)	2.35	6.70	6.41	6.33
Total Fund w/o Russell EA (Net)	2.40	(3.30)	2.64	6.92	6.47	6.35
Russell EA Overlay Impact (Net of Fee)	0.17	(0.26)	(0.29)	(0.22)	(0.07)	(0.02)

Source: BNY Mellon GRS



Currency Overlay Performance



	1 Month	CYTD	FYTD	1 Year	3 Year
Total Fund (Gross)	2.60	(3.33)	2.93	7.38	7.09
Total Fund w/o Currency Overlay (Gross)	2.67	(3.40)	2.86	7.35	7.05
Total Fund (Net)	2.57	(3.56)	2.35	6.70	6.41
Total Fund w/o Currency Overlay (Net)	2.64	(3.61)	2.33	6.70	6.39
Currency Overlay Impact (Net of Fee)	(0.07)	0.05	0.02	0.00	0.02

Source: BNY Mellon GRS



Proposed Investment Agenda – Next Meeting

Wilshire Quarterly Performance Report (June 30, 2020)
Investment Report (June 30 & July 31, 2020)

SUMMARY OF INVESTMENT TRANSACTIONS

_____ moved and _____ seconded that the following summary of investment transactions made in compliance with the Ohio Revised Code Section 3309.15 during the period of **May 1, 2020** through **May 31, 2020** hereby be approved. A detailed list of these transactions is found in the Board Agenda posted prior to the July 2020 Retirement Board Meeting.

A. PURCHASES

Asset Class	Approximate Cost (in millions)
US Equities	\$ 20.7
Non-US Equities	112.3
Fixed Income	509.0
Multi-Asset Strategies	10.0
Private Equity Capital Calls	24.7
Real Asset Capital Calls	9.9
Opportunistic	9.8
Cash Equivalents	409.3

B. SALES

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
US Equities	\$ 70.7	\$ 15.1
Non-US Equities	139.7	.2
Fixed Income	471.1	6.5
Multi-Asset Strategies	n/a	n/a
Private Equity distributions	14.1	n/a
Real Asset distributions	2.3	n/a
Opportunistic	.9	(0.5)
Cash Equivalents	381.3	n/a

ITEM 7.

EXECUTIVE DIRECTOR'S UPDATE

- Executive Director's Discussion Item

SERS' ROADMAP TECHNOLOGY PLANNING**School Employees
Retirement System**

Memo

To: SERS Board
From: Karen Roggenkamp, Deputy Executive Director
CC: Richard Stensrud, Executive Director, Jay Patel, Chief Technology Officer
Date: July 16, 2020
Re: SERS' Technology Roadmap Planning

Two important goals of the SERS' Strategic Plan are Service Delivery and Operational efficiencies. Included on the July Board agenda, is an Information Technology update regarding development of a longer term roadmap for meeting these goals and on-going technology refresh. Please note this is not a FY2021 budget request/amendment, but is intended to provide a planning framework to develop a five-year planning approach to be aligned with the annual budget process for future Board agenda for review and approval.

- [Review of SERS' Technology Roadmap Planning](#)



SERS Strategic Plan and Information Technology Update

July 16, 2020

Karen Roggenkamp

Deputy Executive Director

Jay Patel

Chief Technology Officer

Agenda

- SERS Strategic Plan Goals 3 & 4
- Service Delivery & Technology Roadmap
- Budget and Investment Alignment
- Planning & Next Steps

FY 2021-2024 SERS Strategic Plan

Goals	Strategies
#3 – Service Delivery Our service delivery is responsive and shaped by the needs of those we serve.	1.0 – Evolve our service delivery model to continually improve internal and external customer focus 2.0 - Improve the customer service experience through data and analytics
#4 – Operations Our systems and processes foster organization-wide efficiency, agility, and accountability.	1.0 – Establish operational performance metrics across the organization 2.0 - Develop and implement an agile and forward-looking IT vision and philosophy 3.0 - Ensure our allocation of staff and resources align with the organization's strategic goals 4.0 - Implement and maintain an appropriate organization risk management program.

SERS Strategic Plan Implementation

- Develop 5-Year Service Delivery and Technology Roadmap
 - Member (Active & Retired) Technology Delivery Options
 - Technology Infrastructure Refresh Schedule
 - SERS, SMART/Sagitec Support Model
- Align Roadmap with Annual Capital and Operating Budget
 - Project Prioritization
 - Enhanced Budget Planning
 - Savings Re-investment
 - Staff Education & Training

Service Delivery & Operations Have Changed Quickly

COVID-19 Immediate Impacts and Adaptation

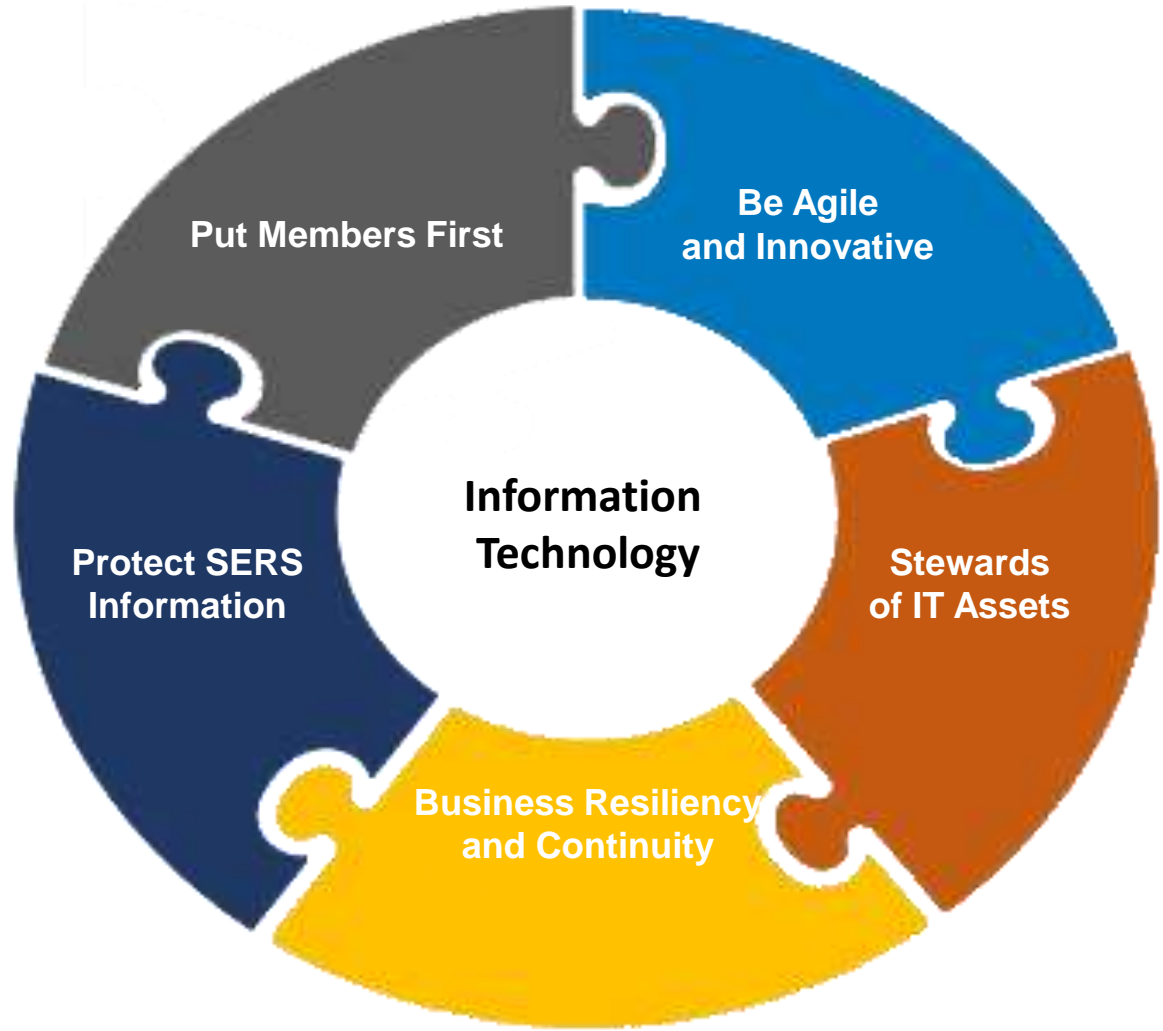
- MST Remote Environment Shift to Voice Mail & e-Mail
 - Technology Infrastructure to enable Work-From-Home
 - Cell Phones and Laptops
 - Voice over Internet (VOIP) Proof of Concept
- Member Education and Retirements: Off-site
 - Webinars
 - Zoom Platform
 - Website Videos
 - Member Portal/ Website
- Member Checks
 - Mailing Campaign to Reduce Check Printing
- Employer Services – All Remote
- Business Continuity Plan Changes

Member Technology Survey (Preliminary Results)

- Actives & Retirees have Moved to Digital (over 70% use mobile apps)
- Actives & Retirees use Smartphones to Leverage Finance/Bank Mobile
- Actives & Retirees Prefer to Communicate with SERS via eMail (>40%) vs. Print
- Social Media – Facebook Highest Usage

SERS Technology Investment – Guiding Principles

In Harmony with SERS Strategic Plan...



SERS Strategic Plan – Areas of Focus

- Secure eDelivery – move faster and mandated
 - Checks, Pay Stubs, Refunds
 - Annual Statements
 - Beneficiary Changes
- Retirements Anywhere
 - Document Transmittals
 - Document Signature
- Mobile Solutions
 - Healthcare Open Enrollment
 - Virtual Assistance
- Continue Infrastructure Improvements
 - Information Security
 - VOIP
 - Work Anywhere
- Measure Success and Impact

SERS Technology Investment – 5 Year Roadmap



Technology Investment Trends

- Cloud
- Frictionless Mobility
- Virtual Assistance
- Virtual Call Center
- eDelivery
- Other..

Next Steps

- To enable SERS Strategic Plan, create service delivery and IT 5 year plan. Review with Board.
- Needs prioritized by business case: operational savings re-investments, technology needs, capital plan, and annual budget flexibility.
- Phased approach - build on our strengths and member changes, but technology doesn't stand still.

ADMINISTRATIVE BUDGET REPORTING

- [Review of Budget Policy](#)
- [Review of Budget Reporting Model \(Parameters\)](#)

Memo

To: Retirement Board
From: Richard Stensrud, Executive Director
CC: Karen Roggenkamp, Deputy Executive Director
Date: July 7, 2020
Re: Budget Policy Review

As requested by the Board, information regarding the current budget and budget reporting policies will be presented. The purpose of the presentation is to review the policy to ensure the Board is familiar with the current policy and to identify changes necessary to support the fiduciary responsibilities of the Board.

Budget Policy Statement	SERS Process:	Policy Revisions, if applicable
<p>The Annual Budget shall be developed each fiscal year and presented to the Retirement Board for approval at the May or June Board meeting. The annual budget includes:</p> <ul style="list-style-type: none"> • SERS Administrative Budget; • Requests for Capital Contributions to any SERS-controlled Limited Liability Companies (LLCs); • Presentation of Investment Costs and External Manager Fees 	<p>Beginning in January each year, SERS' Departments compile figures associated with their needs for the upcoming year, beginning July 1st. Each Department is tasked with determining project costs aligned with the Strategic Plan and on-going operations between the Major Expense accounts - Professional Services, Communications Expense, Other Operating Expense and Capital. The Personnel budget development for the upcoming fiscal year is facilitated by the Human Resources department. The OSERS Broad Street, LLC budget is developed using the same method. The compiled Draft Budget is presented to the Board in ORSC format at the April Board meeting, at the May Board meeting, the Draft Budget is presented by Budget Book and in June, resolutions are presented for approval.</p>	<p>The Annual Budget Book details investment costs as a separate section. The external investment managers' fees are included in the ORSC documentation which is presented to the Board in April. It is recommended that the policy be amended to clearly indicate where and how the information is presented to the Board.</p>
<p>The Administrative Budget shall be divided into Major Categories and the expenditure authority given by the Retirement Board shall be at the Major Category level. The Executive Director has the authority to exceed the Administrative Budget for a Major Category by 10%, provided that total expenditures for the System do not exceed the total budgeted.</p>	<p>See Information below.</p>	
<p>The Executive Director and staff shall take all reasonable steps to see that expenditures do not exceed the approved level. Expenditures that cumulatively exceed 110% of the approved Administrative Budget for any Major Category or</p>	<p>Budget monitoring includes monthly budget reporting for all departments, including documentation related to significant variances. In addition, quarterly meetings are held with each department to review</p>	

SERS Budget Policy Review
June, 2020

<p>total expenditures in excess of total budgeted expenditures require prior approval of the Retirement Board.</p>	<p>expenses and projections for the remainder of the fiscal year. Quarterly updates are provided to the Board.</p>	
<p>Capitalization/Expensing of Assets Policy: The Executive Director may adjust the Administrative Budget between expenses and capital for general furniture and equipment.</p>	<p>Expenditures between capital and the administrative budget are approved by the Board, not the Executive Director.</p>	<p>It is recommended that the policy be amended to reflect current practice.</p>
<p>A separate operating budget shall be created and maintained for each LLC, and ratified by that LLC's board. The Retirement Board shall authorize an annual amount to cover any deficit in the net operating or capital expenditures of the LLC (transfer). In the case of OSERS Holdings, LLC, the Retirement Board shall authorize a transfer to OSERS Holdings, LLC, which shall distribute the authorized funds to one or more LLCs. The request for the transfer shall be made simultaneously with the presentation of the SERS Administrative Budget to the Retirement Board.</p>	<p>The Annual Budget book includes separate documentation related to the LLC. The budget is monitored in the same fashion as SERS' administrative budget. Transfers from SERS to OSERS are requested and approved by the Executive Director and documentation of the need is retained on file.</p>	
<p>The transfer shall be approved annually, based upon the sum of the Net Expenses and Operating Capital budgeted. The Budget Resolution approving the transfer shall:</p> <ul style="list-style-type: none"> • State the reason for the transfer • State any restrictions put on uses for the funds • Authorize a transfer "not to exceed budget expenses of [specific amount]" 	<p>A separate resolution is presented to the Board in conjunction with June budget presentation.</p>	
<p>The Retirement Board shall be responsible for:</p> <ul style="list-style-type: none"> • Approving the Administrative Budget before the start of the budget fiscal year 	<p>The Board approves the Annual Budget and any increases that exceed the authority of the Executive Director</p>	

SERS Budget Policy Review
June, 2020

<ul style="list-style-type: none"> • Approving authority levels for capital contributions to any SERS-controlled LLCs • Approving all increases to any budget or transfer authority level prior to the increase going into effect • Approving all transfers that exceed the authority of the Executive Director 		
<p>The Executive Director shall be responsible for:</p> <ul style="list-style-type: none"> • Recommending the Administrative Budget and revisions to the Retirement Board • Implementing the Administrative Budget, including, but not limited to authorizing the transfer of spending authority between Major Categories or Departments, as authorized by the Retirement Board 	<p>See examples below.</p>	
<p>The Finance Department is responsible for:</p> <ul style="list-style-type: none"> • Developing the Administrative Budget • Presenting the Draft Budget to the Retirement Board • Drafting budget resolutions for the approval of the Retirement Board • Complying with the reporting requirements of SERS policies • Developing, maintaining, and reviewing budget policies and procedures • Managing the budget process • Preparing and issuing monthly variance reports 	<p>Monthly operational expense-to-budget variance reports are prepared and provided to all Departments. Documentation regarding variances in excess of established limits are prepared on a quarterly basis. Quarterly meeting to review the budget status and projected activity for the remainder of the year are held with all departments.</p>	

SERS Budget Policy Review
June, 2020

<p>Finance and the Chief Investment Officer shall be responsible for developing the budget for Investment Costs and an estimate of External Investment Managers Fees.</p>	<p>Investment costs are detailed in the budget books as a separate section. The external investment managers' fees are included in the ORSC documentation, separate from the budget book.</p>	<p>It is recommended that the policy be amended to clarify how the information regarding external investment manager fees is reported.</p>
<p>The Annual Budget documentation shall include the following information:</p> <ul style="list-style-type: none"> • Glossary of terms used <ul style="list-style-type: none"> • The definitions in the glossary shall conform to this Policy. • Financial Requirements <ul style="list-style-type: none"> • Explanation of the basis of budgeting • Concise descriptions of the expenditures budgeted • In addition to the proposed amounts for the upcoming fiscal year these comparisons shall be made: <ul style="list-style-type: none"> ○ Current year original budget amounts or, if that budget has been revised, the most recent revision ○ The date of the revision or estimation used shall be clearly labeled • Current year forecasted expenses • Details of funding uses: <ul style="list-style-type: none"> ○ Administrative, LLCs, and Investment Expenses shall be clearly separated ○ Capital Expenditures shall be grouped by: <ul style="list-style-type: none"> ○ Major Project ○ Organizational Goals ○ Operational Guidance Requirements 	<p>While not included in the Annual Budget book, the glossary of terms is included in the policy and available to each department during budget preparation. The financial requirements outlined in the policy are included in the information provided to the departments during budget preparation, the Annual Budget book or the presentation to the Board during the May and June meetings. The Annual Budget book includes comparisons of proposed budget, current year budget and the forecast of the current year budget. The Annual Budget book also includes budgeted information that separates administrative, investment and LLC costs. Capital item documentation included in the Annual Budget book include descriptions outlining the intent of the project.</p>	

SERS Budget Policy Review
June, 2020

<p>The Annual Budget documentation shall contain:</p> <ul style="list-style-type: none"> • A headcount summary by department, using the same time frames as are used in the financial comparisons described above • Supporting details of direct expenses of the Retirement Board 	<p>The headcount summary by department and details of the direct expenses of the Board are contained in the ORSC presentation received by the Board in April.</p>	
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Budget Reporting Policy Statement	SERS Process:	Policy Revisions, if applicable
<p>ORSC Reporting</p> <ul style="list-style-type: none"> • The Finance Department shall prepare the annual reports to the ORSC regarding the SERS Budget and other reports as requested by that body. • All reports to the ORSC shall first be presented to the Retirement Board. • Reports shall be formatted as requested by the ORSC. • The Chief Financial Officer shall communicate with the ORSC about their requirements and shall provide any addendum reports the ORSC might request. • A report on the Annual Budget for the upcoming fiscal year must be presented no later than 60 days before the Budget is approved by the Retirement Board (provided to the ORSC in April and presented at the ORSC Meeting as requested). 	<p>The Finance Department prepares the annual ORSC report regarding SERS Budget in the requested ORSC format 60 days before the budget is approved by the Retirement Board (provided to the ORSC in April and presented at the ORSC Meeting as requested). A final report is prepared after the budget is approved in June by the Retirement Board and submitted to the ORSC, as of July 1st.</p>	
<p>Variance Reporting</p> <ul style="list-style-type: none"> • The Finance Department shall prepare and distribute reports comparing year-to-date actual to budgeted expenditures. These are 	<p>Monthly variance reports are available to SERS staff via internal shared systems. Quarterly meetings are conducted with Department Budget Liaisons to discuss any</p>	

SERS Budget Policy Review
June, 2020

<p>commonly called “Variance Reports”. Such reports shall be distributed to SERS Staff and to the Retirement Board, according to the Procedure for <i>Budget Reporting Actual to Budget</i>.</p>	<p>variances +/- 10% and/or +/- \$10,000 from the departmental year-to-date budgeted amounts. Significant variances are explained in the monthly financials, which are distributed internally. Monthly financial reports (which includes administrative expenses) and actual monthly administrative expenses are provided to the Board monthly. A discussion of the Administrative expenses are provided to the Board quarterly</p>	
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Major Category/Line Item Information

Major Categories/Line Items

- i. Personnel
 - 1. Salaries & Wages
 - 2. OPERS Retirement Contributions
 - 3. Benefits

- ii. Professional Services, Including Investment Costs
 - 1. Actuarial
 - 2. Audit Services
 - 3. Custodial Banking Fees
 - 4. Master Recordkeeper
 - 5. Investment Consulting
 - 6. Other Consulting (IT, HR, Legal, Medical)
 - 7. Banking Expense

- iii. Communications
 - 1. Printing & Postage
 - 2. Telecommunications
 - 3. Employer/Member Education

SERS Budget Policy Review

June, 2020

- iv. Other Operating
 - 1. Conferences & Education
 - 2. Travel
 - 3. Computer Support Services
 - 4. Other Operating Expenses (Insurance, Maintenance, Memberships, supplies)

- v. Capital
 - 1. Furniture & Equipment > \$5,000
 - 2. Computer Hardware > \$5,000
 - 3. Computer Software > \$25,000
 - 4. Vehicles

- vi. Net Building Occupancy Expense

Example Information

Example #1

In January, it is determined that the implementation of a new audit standard will require additional audit procedures and reporting. This will require a modification of the existing contract between SERS' external auditor and the Auditor of State. The impact of this will result in the cost for SERS' audit exceeding the budgeted amount by \$10,000. SERS' audit costs are including in the budget as outlined below:

Major Category: Professional Services, Including Investment Costs

Actuarial

Audit Services

Custodial Banking Fees

Master Recordkeeper

SERS Budget Policy Review June, 2020

Investment Consulting

Other Consulting (IT, HR, Legal, Medical)

Banking Expense

In this instance, we know that the Audit Services line item will be in excess of the amount originally budgeted. An evaluation to identify available budget resources within the major category to offset this increase is performed. (The evaluation includes information gathered during the original budget process, as well as the quarterly reviews performed with each department.) It is determined that the Actuarial amount budgeted is in excess of what is projected to be needed due to the fewer than expected legislative studies that have occurred and are expected to occur before the end of the fiscal year. Because the costs are absorbed within the Major Category, no Board action is required per the policy.

	Projected		
	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Actuarial	\$328,260	\$305,453	22,807
Audit Services	\$270,000	\$280,000	(10,000)

Example #2

In mid-March, it is determined that SERS' staff will be required to move to a remote work environment. The result is the increased usage of telecommunication tools such as bridge lines and cell phones. In early April, the first invoice for the SERS' bridge lines is received and the invoice is in excess of the amount included in the monthly budget projections by a significant amount. Projections through the remainder of the year, indicate the Telecommunications expenses will exceed the amount budgeted if no changes occur. Telecommunications costs are included in the budget as outlined below:

Major Category: Communications

Printing & Postage

Telecommunications

Member/Employer Education

SERS Budget Policy Review

June, 2020

In this instance, the total impact is unknown; however, projections indicate no change will result in the actual expense exceeding the amount budgeted. The first step is to identify options to SERS' existing telecommunications tools to support a virtual environment. Budget staff work with Telecommunications staff to identify options and related budget impact. In addition, an evaluation to identify available budget resources within the major category to offset this increase is performed. (The evaluation includes information gathered during the original budget process, as well as the quarterly reviews performed with each department.) It is determined that the Employer/Member Education line item will be under budget due to the cancellation of education sessions as mandated under the Ohio Governor's executive orders. Projections subsequent to selection of new tools and the changes in telecommunication agreements indicate that the Telecommunications line item is expected to *be* slightly over budget. Therefore, these costs are absorbed within the Major Category, no Board action is required per the policy.

Example #3

After obtaining bids for a Capital item, i.e. Computer Hardware > \$5,000, it is determined that the actual costs will exceed the budgeted amount. Because this is a Capital item, budget policy requires Board approval prior to proceeding with this capital purchase because it exceeds the original line item budgeted amount. A budget modification request will be added to the Board agenda for discussion and approval at the next available Board meeting. When approval is obtained, procurement of the Capital item will commence.

Example #4

In February, it is determined that employee health care benefit costs are exceeding the monthly budget amount by a significant amount. Projections indicate that these expenses will result in the Personnel category exceeding the approved budget amount by approximately 3.5%. Employee health care benefit costs are included in the budget as outlined below:

Major Category: Personnel

Salaries & Wages

OPERS Retirement Contributions

Benefits

SERS Budget Policy Review

June, 2020

An evaluation to identify available budget resources within the major category to offset this increase is performed. (The evaluation includes information gathered during the original budget process, as well as the quarterly reviews performed with each department.) Based on the evaluation, it is determined that Salaries & Wages are expected to be slightly below budget as a result of vacancies early in the year and lower than anticipated Incentive Compensation payments. However, the lower than expected amount is not sufficient to cover the entire anticipated healthcare benefit expenses overage. Because the Major Category budget will not exceed the amount originally approved by 10%, no Board action is required per the policy. However, this information would be communicated to the Board via the monthly financial statements and quarterly financial reviews.

Memo

To: Retirement Board
From: Richard Stensrud, Executive Director
CC: Karen Roggenkamp, Deputy Executive Director
Date: July 8, 2020
Re: Budget Reporting

At the July meeting, we are presenting another budget reporting tool for the Board's consideration and feedback. The purpose of the proposed report is to enhance transparency and accountability in the budget that is approved by the Board, as well as enhancing the existing expenditure tracking that is provided to the Board. The proposed report details major expenditure categories that would appear to be of most interest to the Board based on either their nature or cost. Should the Board decide to receive this or a similar type report, the budget reporting policy will be amended accordingly.

If you have any questions about either resolution, please call me at 614.222.5829.

FY2021 Administrative Budget
Quarterly Board Expense to Budget Reporting
Year-to-Date Through July 31, 2020

Major Category/Sub-Major Category	Line Item	Vendor	FY2021 Budget	YTD Expense	Budgeted		Additional Information
					Y/N?		
PROFESSIONAL SERVICES			\$ 6,764,785	\$ -			
ACTUARIAL ADVISORS			\$ 390,660	\$ -			
	Actuarial	Cavanaugh Macdonald	344,660	-	Y		Actuarial Consultant
AUDITING			\$ 195,020	\$ -			
	Auditing	RSM US LLP	145,020	-	Y		External Auditor
BANKING FEES			\$ 1,257,223	\$ -			
	Custodial Banking		1,106,543	-	Y		
		Huntington/Fifth Third	450,000	-	Y		Domestic Custodian
		BNYM	656,543	-	Y		International Custodian
	Administrative Banking	Huntington National Bank	150,680	-	Y		Banking Services
INVESTMENT RELATED			\$ 2,818,137	\$ -			
	Master Recordkeeper		1,151,600	-	Y		
	Investment Consulting & Advisory Services		825,000	-			
		Aksia	375,000	-	Y		Investment Consulting
		Wilshire	450,000	-	Y		Investment Consulting
	Performance Analytics Services		704,820	-			
		Barra-One Risk Mgmt Sys	254,000	-	Y		Investment Risk Analytics
		BNY Mellon GRS	414,820	-	Y		Investment Performance Analytics
TECHNICAL			\$ 2,063,745	\$ -			
	Special Counsel		226,000	-	Y		
	Technical		1,252,300	-			
		IBM	118,000	-	Y		Data Warehouse
		Sagitec	583,200	-	Y		SMART Development Resources
	Other Professional Services		585,445	-			
		Contoural	100,000	-	Y		Record Retention Project
OTHER OPERATING EXPENSE			\$ 3,004,049	\$ -			
COMPUTER SUPPORT SERVICES			\$ 1,808,505	\$ -			
	Hardware Maintenance		189,771	-	Y		
	Software Maintenance		972,185	-			
		Hyland	111,500	-	Y		ImageNow
		Dell	188,830	-	Y		Microsoft Enterprise Agreement
		Sagitec	420,000	-	Y		SMART Silver Support
	Software Subscription		548,572	-	Y		

PROJECT ITEMS

Major Category/Sub-Major Category	Line Item	Project	FY2021 Budget	YTD Expense	Budgeted		Additional Information
					Y/N?		
PROFESSIONAL SERVICES							
TECHNICAL							
	Technical						
		AWS/Cloud Compute - POC	100,000	-	Y		Consulting Services

Other Professional Services	SMART Mobile Application	100,000	-	Y	Consulting Services
	Pension/HC Sustainability	100,000	-	Y	Consulting Services

LEGISLATIVE REPORT

**STATE LEGISLATION BOARD REPORT
133rd General Assembly
(Prepared by Chris Collins as of July 3, 2020)**

HB326 PUBLIC EMPLOYEE RETIREMENT-DISABILITY BENEFIT Adam Miller (D – Columbus) To allow a Public Employees Retirement System or School Employees Retirement System disability benefit recipient elected to certain offices to continue receiving a disability benefit during the term of office.

Current Status: 11/12/2019 House Insurance, (First Hearing)

HCR13 GENDER REPRESENTATION Thomas West (D- Canton), Sara Carruthers (R-Hamilton) - To encourage equitable and diverse gender representation on the boards and in senior management of Ohio companies and institutions.

Current Status: 11/12/2019 House Civil Justice, (Second Hearing)

HB46 STATE GOVT EXPENDITURE DATABASE Dave Greenspan (R- Westlake) - To require the Treasurer of State to establish the Ohio State Government Expenditure Database

Current Status: 01/22/2020 Substitute Bill Accepted

HB530 OPERS PROTECTION Diane Grendell (R- Chesterland) - Regarding state retirement system fiduciary duties, Public Employees Retirement System management fees and employee pay, and creating the Committee on Pension Salaries and Fees

Current Status: 03/10/2020 Referred to Financial Institutions Committee

HB514 BROADCAST RETIREMENT BOARD MEETINGS Brigid Kelly (D - Cincinnati) Haraz Ghanbari (R – Perrysburg) - To require the state retirement systems to publicly broadcast board meetings.

Current Status: 03/10/2020 Referred to Financial Institutions Committee

HB515 RETIREMENT SYSTEMS - FINANCIAL DISCLOSURES Brigid Kelly (D - Cincinnati) Haraz Ghanbari (R – Perrysburg) - To require the boards of the state retirement systems to disclose certain financial information regarding alternative investments.

Current Status: 03/10/2020 Referred to Financial Institutions Committee

HB516 FORMER STATE RETIREMENT PERSONNEL Brigid Kelly (D - Cincinnati) Haraz Ghanbari (R – Perrysburg) Regarding the prohibition against the state retirement systems doing business with a former state retirement system employee, officer, or board member.

Current Status: 03/10/2020 Referred to Financial Institutions Committee

HB197 OMNIBUS MEASURES ON CORONAVIRUS Jena Powell (R-Arcanum) Derek Merrin (R-Monclova) To continue essential operations of state government and maintain the continuity of the state tax code in response to the declared pandemic and global health emergency related to COVID-19, to make appropriations, and to declare an emergency.

Current Status: 03/27/2020 SIGNED BY GOVERNOR; eff. 3/27/20

FEDERAL LEGISLATION BOARD REPORT
116th United States Congress
(Prepared by Chris Collins as of July 3, 2020)

H.R. 141

SPONSOR: Rep. Rodney Davis (R-IL)

LAST ACTIONS: House - 01/31/2019 Referred to the Subcommittee on Social Security

CAPTION: Social Security Fairness Act of 2019

COMMENT: Repeals the GPO and WEP. 248 co-sponsors; nine Ohioans

S. 521

SPONSOR: Sen. Sherrod Brown (D-OH)

LAST ACTIONS: Senate - 02/14/2019 Referred to Committee on Finance

CAPTION: Social Security Fairness Act of 2019

COMMENT: Repeals the GPO and WEP. 38 co-sponsors.

H.R.3934

SPONSOR: Rep. Kevin Brady (R-TX)

LAST ACTIONS: House - 07/24/2019 Referred to the House Committee on Ways and Means.

CAPTION: To amend title II of the Social Security Act to replace the windfall elimination provision with a formula equalizing benefits for certain individuals with non-covered employment, and for other purposes.

COMMENT: 45 co-sponsors; three Ohioans

H.R.4540

SPONSOR: Rep. Richard Neal (D-MA)

LAST ACTIONS: House - 09/27/2019 Referred to the House Committee on Ways and Means.

CAPTION: To amend title II of the Social Security Act to provide an equitable Social Security formula for individuals with non-covered employment and to provide relief for individuals currently affected by the Windfall Elimination Provision.

COMMENT: 142 co-sponsors; four Ohioans

H.R.4763

SPONSOR: Rep. Kaptur, Marcy (D-OH)

LAST ACTIONS: House - 10/18/2019 Referred to the House Committee on Energy and Commerce.

CAPTION: To extend the limited wraparound coverage pilot program for an additional 5 years, and for other purposes.

COMMENT: Eight co-sponsors, all of whom are Ohioans.

H.R.748

SPONSOR: Courtney, Joe (D-CT)

LAST ACTION: 03/27/2020 Became Public Law No: 116-136.

CAPTION: CARES Act (Coronavirus Aid, Relief, and Economic Security Act)

COMMENT: Initially introduced as a repeal of the health care “Cadillac Tax.” 369 co-sponsors; 14 Ohioans. Ultimately became vehicle for COVID-19 relief legislation.

MEMORANDUM

To: Chris Collins, SERS Government Relations Officer

From: Carol Nolan Drake, Federal Liaison

Date: July 1, 2020

Re: Federal Legislative and Regulatory Report

OVERVIEW

Highlights for June include: the vote in the House to admit the District of Columbia as the 51st state; passage in the House and continued debate in the Senate on policing reform proposals; discussions whether an infrastructure bill will be considered this year; debate whether additional legislation is necessary to address the pandemic; significant decisions by the U.S. Supreme Court as it ends the current term; advocacy for a revision in the HRA Excepted Benefit Plan regulations; follow up with MedPAC on the newly released report to Congress that mentioned EGWPs; and conversations on opportunities for WEP reform and the reauthorization of Wraparound Plans.

The House of Representatives has scheduled two weeks of session in July and is expected to be out the full month of August. Hearings of interest included:

- Committee on Education and Labor, June 22, 2020
“Inequities Exposed: How COVID-19 Widened Racial Inequities in Education, Health, and the Workforce.”
<https://edlabor.house.gov/hearings/inequities-exposed-how-covid-19-widened-racial-inequities-in-education-health-and-the-workforce->
- Committee on Rules, June 24, 2020
H.R. 1425- State Health Care Premium Reduction Act (Patient Protection and Affordable Care Enhancement Act)
<https://rules.house.gov/bill/116/hr-1425>
- Committee on Rules, June 24, 2020
H.R. 51- Washington, D.C. Admission Act
<https://rules.house.gov/bill/116/hr-51>

While the House passed H.R. 51, the “Washington, D.C. Admission Act,” Senate President Mitch McConnell (R-KY) has already said that the Senate will not consider the bill. The vote was 232-180, with the Ohio House members split along party lines. Senator Thomas Carper (D-DE) introduced S. 631, the Senate companion bill. President Trump has indicated that he will veto any bill allowing Washington, D.C. to become a state. At issue would be the addition of two new Senators, who could be elected as Democrats by D.C. voters. The District has one House member, Eleanor Holmes Norton (D), who may vote in Committee meetings but is restricted from voting on the House floor. There are Constitutional questions relating to the creation of Washington, D.C. as our Nation’s capital under Article 1, Section 8. D.C. residents, however, pay high taxes and have expressed a desire to receive the privileges that other states enjoy. The most recent poll showed that 86% of the residents favored statehood.

On June 8, the House passed H.R. 7120, the “George Floyd Justice in Policing Act of 2020,” to address policing practices and law enforcement accountability. The vote was 236-181, with the Ohio delegation members voting along party lines. Senate Democrats introduced a similar bill, however, the Republican Senate developed an alternative plan, as further described below.

The House Democrats introduced H.R. 2, the “Moving Forward Act,” a \$1.5 trillion “green” infrastructure plan with provisions to promote clean energy and address climate change.

The House Committee on Transportation and Infrastructure has jurisdiction over the bill. In the June media release, the fact sheet described the bill:

H.R. 2, the Moving Forward Act, is a more than \$1.5 trillion plan to rebuild American infrastructure—not only our roads, bridges, and transit systems, but also our schools, housing, broadband access, and so much more. By investing in families, workers, and communities across the country, we can support American manufacturing and ingenuity and create millions of jobs that cannot be exported, all while putting our country on a path toward zero carbon emissions, making communities and roads safer, and addressing long-standing disparities. It's about investing in infrastructure that is smarter, safer, and made to last.

Schools and Child Care: Invests in schools with the Reopen and Rebuild America's Schools Act, which invests \$130 billion targeted at high-poverty schools with facilities that endanger the health and safety of students and educators. This investment will help students get back to school and create over 2 million jobs to help workers get back to work.

Health Care: Modernizes the nation's health care infrastructure by investing \$30 billion to upgrade hospitals to increase capacity and strengthen care, help community health centers respond to COVID-19 and future public health emergencies, improve clinical laboratory infrastructure, support the Indian Health Service's infrastructure, and increase capacity for community-based care.

The full fact sheet is here:

<https://transportation.house.gov/imo/media/doc/Fact%20sheet%20HR%202%20Moving%20Forward%20Act%20FINAL.pdf>

President Trump also commented in June that the administration was considering a \$1 trillion infrastructure proposal, however, Republicans and Democrats have not reached an agreement how to pay for the cost or what would be included. The earlier pandemic bills appropriated trillions of dollars for economic relief for citizens and businesses, and there is a growing recognition that more recovery dollars will be needed. Whether additional money can be dedicated to infrastructure depends on how it is funded, either in part by taxpayers and/or the private sector. The Highway Trust Fund needs to be reauthorized soon and that is another large expense.

The Senate will be in session until July 2 and then will take a state work period until Friday, July 17. In August, the Senate is scheduled to be out from August 10 through September 7. Under the leadership of Senator Tim Scott (R-SC), the Senate Republicans attempted to pass a bill addressing policing reforms. Senate Democrats did not support the bill, which in their view was less robust than the House bill. The Democrats introduced their own bill which did not move.

The Senate voted by unanimous consent on June 28 to extend the deadline for the Paycheck Protection Program (PPP) by an additional five weeks to August 8. The House approved the extension the evening of July 1 to speed the distribution of \$130 billion in PPP funds that has not been given out yet.

One hearing of interest occurred:

- Committee on Health, Education, Labor and Pensions (HELP), June 30, 2020
COVID-19: Update on Progress Toward Safely Getting Back to Work and Back to School
<https://www.help.senate.gov/hearings/covid-19-update-on-progress-toward-safely-getting-back-to-work-and-back-to-school>

The Senate did pass H.R. 1957, "The Great American Outdoors Act," which passed 73-25, and would provide \$900 million in oil and gas revenues for the Land and Water Conservation Fund. The legislation also added \$6.5 billion to reduce the backlog of maintenance projects at our national parks. Senators Portman and Brown were supporters. The bill will go to the House for consideration.

CORONAVIRUS LEGISLATION

Many bills are being introduced by House and Senate members to address specific concerns of constituents and businesses. Here is a list of recent bills of interest:

- H.R.7371, to amend the Relief for Workers Affected by Coronavirus Act to extend Federal Pandemic Unemployment Compensation and improve short-time compensation programs and agreements, and for other purposes. S. 4083 is the Senate companion bill.
- H.R. 7340, to ensure that personal protective equipment and other equipment and supplies needed to fight coronavirus are provided to employees required to return to Federal offices, and for other purposes.
- H.R. 7328, to make temporary changes to grants made under the Community Services Block Grant Act to facilitate local coronavirus relief.
- H.R. 7327, the Child Care for Economic Recovery Act.
- S.4078, a bill to amend the Internal Revenue Code of 1986 to improve the low-income housing credit and provide relief relating to the coronavirus emergency, and for other purposes.
- H.R. 7301, the Emergency Housing Protections and Relief Act of 2020.
- S.4029, a bill to express the sense of Congress regarding the need for a nationwide moratorium on electric and natural gas utility disconnections during the nationwide emergency relating to the spread of the novel coronavirus.
- S.4013, a bill to prohibit certain transactions during the coronavirus disease (COVID-19) pandemic.
- S.3991, a bill to establish a special enrollment period for health plans offered on the Exchanges, in response to the public health emergency related to the coronavirus 2019.

As reported, on May 27, Reps. Anthony Gonzalez (R-OH) and Marcia Fudge (D-OH) introduced H.R. 7029, a bill to facilitate the re-opening of schools through study of children's role in transmitting SARS-CoV-2, and for other purposes. The bill picked up a two more Ohio cosponsors, including Reps. Tim Ryan (D-OH) and David Joyce (R-OH). Rep. Joyce Beatty (D-OH) was already a cosponsor. The bill is entitled, "Protect our Children from COVID-19 Act," and is "aimed at helping schools to reopen safely in the fall by providing much needed research on the role children play in transmitting the COVID-19 virus."

STIMULUS PAYMENTS

The Internal Revenue Service has issued guidance that citizens have until October 15 to register for economic stimulus payments in 2020 by using the Internal Revenue Service (IRS) website or calling the newly posted phone number. Due to some concerns expressed by citizens stemming from the delay in receiving their stimulus payments, the House Committee on Financial Services, Task Force on Financial Technology, held a hearing on June 11 on ways to improve the delivery of stimulus payments.

SERS ADVOCACY ON HRA EXCEPTED BENEFIT PLAN / WRAPAROUND PLAN

On Monday, June 29, the House passed H.R. 1425, the "Patient Protection and Affordable Care Enhancement Act." As soon as we heard about the bill, SERS and I asked the offices of Rep. Marcy Kaptur (D-OH) and Tim Ryan (D-OH) to see if this bill could be a vehicle for the Wraparound Plan language in Rep. Kaptur's bill, H.R. 4763. The Legislative Aides reached out to Speaker Pelosi's office and Committee staff to ask for its inclusion. We were told that while the language would not make it into this bill, leadership and the Committee on Education and Labor had positive responses, which could lead to other opportunities. The House bill has no chance of passing in the Senate as written.

The bill contained many provisions to bolster the original Patient Protection and Affordable Care Act, which became known as the "ACA" or "Obamacare." The provisions include:

- Lowering health care costs and protecting preexisting conditions.
- Improving affordability by expanding premium assistance for consumers.
- Improving affordability by reducing out-of-pocket and premium costs for consumers.
- Expanding affordability for working families to fix the family glitch.
- Tax credit reconciliation protections for individuals receiving social security lump-sum payments.
- Preserving State option to implement health care Marketplaces.
- Establishing a Health Insurance Affordability Fund.
- Rescinding the short-term limited duration insurance regulation.
- Revoking section 1332 guidance.

- Requiring Marketplace outreach, educational activities, and annual enrollment targets.
- Reporting on effects of website maintenance during open enrollment.
- Promoting consumer outreach and education.
- Improving transparency and accountability in the Marketplace.
- Improving awareness of health coverage options.
- Promoting State innovations to expand coverage.
- Protecting consumers from unreasonable rate hikes.

The advocacy on the Wraparound Plan legislation, H.R. 4763, has continued. The House Committee on Appropriations, Subcommittee on Labor, HHS, Education and Related Agencies will be meeting this summer to discuss the federal budget. In March, SERS submitted requests to the offices of Reps. Kaptur, Ryan, and Joyce for the reauthorization of Wraparound Plans. SERS and I will continue this path as we pursue legislative authority under H.R. 4763 or identify other vehicles for Wraparound Plan reauthorization language.

A bipartisan letter from the six members of the Ohio delegation was sent to the Secretaries of Health and Human Services, Labor and Treasury, to seek a regulatory change in the application of the cap for HRA Excepted Benefit Plans. The June 10 letter was signed by Reps. David Joyce (R-OH), Steve Stivers (R-OH), Bob Gibbs (R-OH), Marcy Kaptur (D-OH), Tim Ryan (D-OH) and Joyce Beatty (D-OH). The delegation asked the Secretaries for the issuance of emergency rules to replace the annual \$1,800 family cap on HRA Excepted Benefit Plans with an annual per-person HRA actuarial value of \$1800, calculated across the enrolled HRA population. The proposed change to the HRA rules would then be effective with the plan year commencing January 1, 2021. They said:

Last year, the decision to set the annual \$1,800 cap at this midpoint may have been prudent. As we all know, the pandemic has caused us to consider new ways to move forward. This emergency rule could be a significant way to provide a level of excepted benefit health care coverage that is limited in the aggregate but better meets the needs of all enrollees. Employers and plan sponsors will benefit from this increased flexibility as they, too, grapple with health care crises for employees and retirees.

SERS and I reached out to seek signatures from the Ohio delegation and were pleased that it became a bipartisan letter. We shared the letter with the other delegation offices that did not sign the letter to keep them informed.

On June 30, we were notified that Frederick Vaughan, Principal Deputy Assistant Secretary, Office of Legislative Affairs, responded to the Congressional offices. In his letter, Mr. Vaughan stated, “The Departments have determined that the current provisions of the regulations regarding excepted benefit HRAs continue to provide appropriate limits consistent with the statutory framework.” The response was on behalf of the Departments of Treasury, Health and Human Services and Labor.

WINDFALL ELIMINATION PROVISION (WEP)

There has been no movement on WEP reform, although both the Chairman and Ranking Member of the Committee on Ways and Means have expressed a desire for WEP reform to be addressed this year. Chairman of the House Committee on Ways and Means, Rep. Richard Neal (D-MA), introduced his WEP reform bill, H.R. 4540, the “Public Servants Protection and Fairness Act” last September. The bill has held steady with 142 cosponsors, including Reps. Marcy Kaptur (D-OH), Tim Ryan (D-OH), Joyce Beatty (D-OH) and Marcia Fudge (D-OH). Rep. Brady’s bill, H.R. 3934, has 45 cosponsors, including Reps. Gonzalez (R-OH), Turner (R-OH) and Latta (R-OH).

H.R. 141, the “Social Security Fairness Act of 2019,” which addresses the full repeal of WEP and GPO, has not been scheduled for a hearing during the pandemic emergency. As of this report, it is a bipartisan bill with 248 cosponsors, made up of 190 Democrats and 58 Republicans, including nine Ohio Representatives, who are Reps. Tim Ryan (D-OH), David Joyce (R-OH), Steve Stivers (R-OH), Bob

Gibbs (R-OH), Marcy Kaptur (D-OH), Michael Turner (R-OH), Marcia Fudge (D-OH), Joyce Beatty (D-OH) and Troy Balderson (R-OH).

Senator Sherrod Brown (D-OH) introduced the Senate companion bill, S. 521, the “Social Security Fairness Act,” last February. The bill would fully repeal the WEP and GPO. There are 38 cosponsors, including 31 Democrats, 5 Republicans and 2 Independents. Senator Rob Portman (R-OH) is not one of the cosponsors. There has been no action in the Senate.

SOCIAL SECURITY ADMINISTRATION (SSA)

On June 16, 2020, the bill, S. 3731, “Improving Social Security’s Service to Victims of Identity Theft Act” passed in the Senate by unanimous consent. The bill would amend title VII of the Social Security Act to provide for a single point of contact at the Social Security Administration for individuals who are victims of identity theft. Both Ohio Senators Brown and Portman were cosponsors.

H.R. 860, the “Social Security 2100 Act,” introduced in January 2019 has 208 cosponsors as of this date, who are all Democrats. Two Representatives withdrew from the bill. All the members of Ohio’s Democratic delegation are cosponsors, Reps. Joyce Beatty, Marcia Fudge, Tim Ryan, and Marcy Kaptur. The identical Senate bill is S. 269, introduced by Senator Richard Blumenthal (D-CT). Senator Chris Van Hollen (D-MD) is still the only cosponsor. Neither bill has advanced.

H.R. 2302, the “Protecting and Preserving Social Security Act,” introduced by Rep. Theodore Deutsch (D-FL) still has only eight cosponsors, including Rep. Marcy Kaptur (D-OH). This bill, like H.R. 860, would make improvements in the old-age, survivors, and disability insurance program and provide for Social Security benefit protection. It has not moved forward either.

HHS/ MEDICARE AND MEDICAID

On June 30, HHS announced that it “will extend its partnership with national pharmacy and grocery retail chains CVS, Rite-Aid, Walgreens, Quest (through services at Walmart) and eTrueNorth (through services at Kroger, Health Mart, and Walmart) so they may continue to ... provide Americans convenient access to COVID-19 testing.” The press release may be accessed here: <https://www.hhs.gov/about/news/2020/06/30/hhs-extends-covid-19-testing-public-private-partnership.html>

Neither H.R. 1346, the “Medicare Buy-In and Health Care Stabilization Act of 2019,” a bill with 51 Democratic cosponsors, to provide individuals who are ages 50 to 64 to buy into Medicare,” nor S. 470, the “Medicare at 50 Act,” with 20 Democratic cosponsors, the companion Senate bill that Senator Sherrod Brown (D-OH) co-sponsored, has advanced.

HEALTH CARE

On June 22, Rep. Marcy Kaptur (D-OH) and Rep. Bob Gibbs (R-OH) introduced H.R. 7292, a bill to amend title XVIII of the Social Security Act to provide for forgiveness of certain accelerated and advance payments under parts A and B of the Medicare program. The bill is purported to help hospitals avoid financial insolvency after they scaled back non-essential surgeries and treatments during the COVID-19 pandemic. Other Ohio delegation cosponsors are Reps. Balderson, Gonzalez, Ryan, Beatty, Fudge, Turner, Joyce, and Stivers.

As reported, S. 3333, the “Human Trafficking and Exploitation Prevention Training Act of 2020,” was introduced by Senator Lisa Murkowski (R-AK) to “amend the Public Health Service Act to provide for the implementation of curricula for training students, teachers, and school personnel to understand, recognize, prevent, and respond to signs of human trafficking and exploitation in children and youth, and for other purposes.” There are 15 cosponsors but not Ohio Senators Brown or Portman.

PRESCRIPTION DRUGS

On June 25, the Centers for Medicare & Medicaid Services (CMS) released a report that provided data on the number of individuals who signed up for coverage on HealthCare.gov through a special enrollment period (SEP) during the Coronavirus Disease 2019 (COVID-19) pandemic. It said:

As a result of the economic disruption that followed COVID-19 outbreaks, many consumers experienced life changes—particularly related to employment—that allowed them to enroll in health coverage through the Exchange. Enrollment data for April and May of this year show that thousands of Americans who lost job-based coverage due to COVID-19 are successfully taking advantage of existing SEPs to enroll in coverage.

The full release may be read here: <https://www.cms.gov/newsroom/press-releases/cms-issues-special-trends-report-health-insurance-exchange-enrollment-data-during-covid-19>

The bill introduced last year by Rep. Dave Joyce (R-OH), H.R. 5239, the “Prescription Drug Price Reporting Act,” cosponsored by Rep. Anthony Gonzalez (R-OH), would require reporting on prescription drug expenditures under group health plans and prescription drug price changes. The companion bill in the Senate, S.1664, was introduced by Senator Rick Scott (R-FL). The bill would create a public, consumer-friendly federal database of drug pricing information and compels drug companies to explain any price increases. Neither bill has moved forward.

RETIREMENT SECURITY

On June 19, 2020, the IRS released Notice 2020-50, providing guidance on the distributions under the CARES Act. The 19-page document includes a list of permissible COVID-19-related distributions with favorable tax treatment. As reported, the CARES Act waived the 10% early withdrawal tax penalty on early withdrawals up to \$100,000 per year from retirement plans/IRAs, spread the tax burden out over three tax years, permitted repayments and allowed retirement plans to permit distributions for an individual who certifies that he/she is diagnosed with COVID-19, has a spouse or dependent that is diagnosed with COVID-19, experiences adverse financial consequences as a result of being quarantined, furloughed, laid off, has a reduction in hours, is unable to work because of lack of child care due to COVID-19, is forced to close or reduce hours of a business they own or operate due to COVID-19; or other factors, as determined by Treasury. The Notice is here: <https://www.irs.gov/pub/irs-drop/n-20-50.pdf>

SECURITIES AND EXCHANGE COMMISSION (SEC)

On June 25, the SEC issued a press release announcing that five federal regulatory agencies had finalized the proposed rule from January which modified the “Volcker Rule” prohibition on banking entities investing in or sponsoring hedge funds or private equity funds. The final rule takes effect on October 1. The final rule modifies three areas:

- Streamlines the covered funds portion of rule;
- Addresses the extraterritorial treatment of certain foreign funds; and
- Permits banking entities to offer financial services and engage in other activities that do not raise concerns that the Volcker rule was intended to address.

The full press release may be viewed here: <https://www.sec.gov/news/press-release/2020-143>

In mid-June, in a surprising announcement, the administration revealed that Chairman Jay Clayton would be nominated to serve as the next U.S. Attorney for the District of New York. The U.S. Attorney, Geoffrey Berman, has now resigned. The confirmation process could take time and therefore, an attorney in the office was appointed to serve in the interim.

On June 30, Chairman Jay Clayton moderated a Roundtable discussion, entitled “Q2 Reporting: A Discussion of COVID-19 Related Disclosure Considerations.” The participants were: Gary Cohn, Former Director of the National Economic Council; Glenn Hutchins, Co-Founder of Silver Lake Partners; Tracy Maitland, President of Advent Capital Management; and Barbara Novick, Vice Chair of BlackRock.

On June 16, the federal Court of Appeals for the District of Columbia ruled in the case, *New York Stock Exchange, LLC, et al. vs. Securities and Exchange Commission*, that the SEC exceeded its authority when it ordered the stock exchanges to study how they price trading fees and explain fee changes. Investor groups, such as the Council of Institutional Investors, were interested in the “Transaction Fee Pilot” because of potential conflicts of interest for stockbrokers that might cost investors more in trading fees. A copy of the decision may be read here:

[https://www.cadc.uscourts.gov/internet/opinions.nsf/BE5AD5AD3C0064408525858900537163/\\$file/19-1042-1847356.pdf](https://www.cadc.uscourts.gov/internet/opinions.nsf/BE5AD5AD3C0064408525858900537163/$file/19-1042-1847356.pdf)

On the day before the SEC's final rules on the Regulation BI “best-interest” standard were going to take effect, the U.S. Department of Labor, Employee Benefits Security Administration (EBSA) unveiled a proposed rule that exempts certain fiduciaries. The notice said, “The exemption would apply to registered investment advisers, broker-dealers, banks, insurance companies, and their employees, agents, and representatives that are investment advice 2 fiduciaries. The exemption would include protective conditions designed to safeguard the interests of Plans, participants and beneficiaries, and IRA owners. The new class exemption would affect participants and beneficiaries of Plans, IRA owners, and fiduciaries with respect to such Plans and IRAs.” The proposed rule may be read here: <https://www.dol.gov/sites/dolgov/files/ebsa/laws-and-regulations/rules-and-regulations/proposed-regulations/investment-advice-fiduciaries/improving-investment-advice-for-workers-and-retirees.pdf>

In a Risk Alert modified on June 24, the SEC provided observations about private-equity firms and hedge funds, issues that may unfairly harm investors and “laid out the types of failures it has seen in recent examinations of investment firms...,” without naming individual firms found to have problems. The alert is intended to help private-fund advisers improve their compliance programs.” To read the Risk Alert, please see: <https://www.sec.gov/ocie/announcement/risk-alert-private-funds>

On June 23, the SEC’s Chief Accountant issued statement on “OCA’s Engagement and Work Related to High-Quality Financial Reporting; Engagement with the FASB and the PCAOB.” He said:

We highlight below our recent engagement with stakeholders throughout the financial reporting system, including some of the significant accounting, auditing and financial reporting issues recently addressed by OCA. Specifically, in this statement we cover the following topics:

- I. OCA’s Engagement and Work Related to High-Quality Financial Reporting;
- II. Engagement with the FASB and the PCAOB;
- III. Engagement with International Standard Setters and Other Regulators; and
- IV. Engagement with and the Vital Role of Audit Committees.

<https://www.sec.gov/news/public-statement/teotia-financial-reporting-covid-19-2020-06-23>

REPORTS

The Center for State and Local Government Excellence (SLGE) released the results from a national poll on June 18, entitled, “As COVID-19 Cases Rise in Many States, State and Local Government Employees Have Serious Concerns About Their Safety, Finances and Job Outlook.” The press release indicated:

As the coronavirus outbreak continues to present many challenges to state and local governments, a new national poll reveals that public employees are deeply worried about their personal safety, family finances, losing their job, furloughs, and pay and benefit reductions. Despite their concerns, the research finds that public employees value (61%) serving their communities during this difficult time and feel that working in the public sector during the pandemic is a source of pride.

The slides, recording, and infographic may be viewed here:

<https://slge.org/news-posts/as-covid-19-cases-rise-in-many-states-state-and-local-government-employees-have-serious-concerns-about-their-safety-finances-and-job-outlook>

U.S. SUPREME COURT

The Supreme Court heard oral argument in the case, *Chiafalo v. State of Washington*, in which the central question is whether states are allowed to regulate the votes of the representatives they send to the Electoral College. In this case, a group of “faithless electors” cast their ballots for a candidate that did not win a majority of their state’s popular vote. These voters challenged the laws in Colorado and Washington that restricted their votes. The case is still pending.

On June 22, in an 8-1 decision in *Liu v. SEC*, the Supreme Court upheld the SEC's authority to obtain disgorgement from securities law violators, however, there should be limitations on the scope of the remedy. The Court said the SEC may need to determine whether disgorgement is appropriate in cases in which it does not propose to distribute the funds to investors.

Last week, the Trump administration filed its brief requesting that the Affordable Care Act (ACA) be declared unconstitutional. Media reports indicated that the administration argued that because the law's requirement to have health insurance was upheld as a "tax" in 2012, and Congress repealed the penalty for not carrying insurance in 2017, the law can no longer be considered a tax.

On June 16, in the case, *Bostock v. Clayton County*, the Supreme Court ruled that gay and transgender people are protected under Title VII of the Civil Rights Act of 1964, which bars employers from discriminating against employees on the basis of sex as well as race, color, national origin and religion. The vote was 6-3.

OTHER NEWS

In early June, the IRS issued proposed regulations to help exempt organizations, including benefit plans and IRAs, calculate their unrelated business income tax (UBIT). The regulations are to help explain how exempt organizations, including benefit plans and IRAs, calculate their unrelated business income tax. The proposed rules set out ways to simplify the calculation and minimize the impact of the changes in the tax law, including 2019 filings being submitted now.

On June 23, 2020, the Department of Labor ("DOL") issued a proposed regulation defining plan fiduciaries' duties under the Employee Retirement Income Security Act of 1974 (ERISA) when considering economically targeted investments or those that incorporate environmental, social, and governance (ESG) factors. The Proposed Rule sets out new requirements how plan fiduciaries can meet their fiduciary obligations when making decisions on ESG investments. A thirty-day comment period is open. The proposed regulation is here: <https://www.dol.gov/newsroom/releases/ebsa/ebsa20200623-0>

ACTIVITIES:

1. Contacted the Ohio delegation offices to finalize signatures on the HRA Excepted Benefit Plan letter to the three regulatory agencies.
2. Emailed the offices of Senator Portman and Brown and the other House offices to let them know the letter was sent out.
3. Emailed the offices of Senators Brown and Portman to discuss the report that was submitted to Congress by staff from MedPAC and the concerns raised by SERS and the Public Sector HealthCare Roundtable, and the Kentucky retiree health care plan.
4. Reviewed the MedPAC presentations and report submitted in advance of their July 7 meeting.
5. Contacted the offices of Reps. Marcy Kaptur and Tim Ryan to discuss adding Wraparound Plan language to the PPACA Enhancement Act.
6. Participated in several calls with representatives from SERS to discuss HRA Excepted Benefit Plans and advocacy.
7. Monitored bills from the Committees on Appropriations, Finance, and others related to public pensions, COVID-19, retirement security, health care, prescription drugs, Social Security and kept informed of relevant House and Senate Committee hearings and witnesses.
8. Reviewed bills that were introduced by members of the Ohio delegation or other House/Senate members on issues that could impact SERS, retirement security and/or health care.
9. Reviewed public notices or proposed rules from the SEC, HHS/CMS, and regulatory agencies.
10. Monitored organizations, such as the Social Security Administration, American Benefits Council, AHIP, BMA, AARP and other entities on pension, investment, and/or health-care-related issues.
11. Reviewed reports and newsletters from CII, ICGN, NASRA, NCTR, NCPERS, Public Sector HealthCare Roundtable, Social Security, and prepared the Federal Legislative Report.

ITEM 8.

ADMINISTRATIVE EXPENSES

The following are administrative operation expenses of the School Employees Retirement System of Ohio during the period June 1 – June 30, 2020.

Account	Vendor	Amount
Computer Software>\$25,000	Sigital, LLC	28,000.00
	Account Totals:	28,000.00
Salaries & Wages	ADP, LLC	541,964.41
	ADP, LLC	542,102.95
	Account Totals:	1,084,067.36
Salaries & Wages - Overtime	ADP, LLC	581.31
	ADP, LLC	379.65
	Account Totals:	960.96
Vacation Leave Expense	ADP, LLC	87,836.10
	Account Totals:	87,836.10
Sick Leave Expense	ADP, LLC	29,157.07
	Account Totals:	29,157.07
Other - Employee Cost	ADP, LLC	2,386.11
	Account Totals:	2,386.11
Unemployment Compensation	ADP, LLC	94.91
	Ohio Dept. of Job & Family Services	204.19
	Account Totals:	299.10
Employer Contributions - PERS	Ohio Public Emp. Retirement System	79,152.83
	Ohio Public Emp. Retirement System	79,098.68
	Account Totals:	158,251.51
Group Life	American United Life Insurance Company	8,191.77
	Account Totals:	8,191.77
Long Term Disability	American United Life Insurance Company	2,361.39
	Account Totals:	2,361.39

Short Term Disability	American United Life Insurance Company	1,260.91
	American United Life Insurance Company	1,260.91
	Account Totals:	2,521.82
Group Health Claims	Aetna Daily Wires - ESERS	170,880.03
	SaveonSP, LLC	1,094.75
	Account Totals:	171,974.78
Group Health - Admin Fees	Aetna Admin - ESERS	7,267.65
	Account Totals:	7,267.65
Prescription Claims	Express Scripts - ESERS	6,276.33
	Express Scripts - ESERS	12,215.31
	Express Scripts - ESERS	14,707.90
	Express Scripts - ESERS	15,385.60
	Express Scripts - ESERS	23,133.52
	Account Totals:	71,718.66
Group Health - Stop Loss	Sunlife Financial	13,356.81
	Account Totals:	13,356.81
Vision Claims	VSP - (OH)	1,301.50
	Account Totals:	1,301.50
Vision Admin Fees	VSP - (OH)	168.30
	Account Totals:	168.30
Group Health - Employee Cost	Employee Premiums	(1,556.88)
	Employee Premiums	(12,874.01)
	Employee Premiums	(12,961.18)
	Account Totals:	(27,392.07)
Group Health - Wellness Incentive	ADP, LLC	1,726.35
	ADP, LLC	1,771.84
	Account Totals:	3,498.19
Group Health - Tobacco Premiums	ADP, LLC	(420.00)
	ADP, LLC	(420.00)
	Account Totals:	(840.00)

Medicare Premium - Employer	ADP, LLC	7,927.35
	ADP, LLC	7,971.78
	Account Totals:	15,899.13
Tuition Reimbursement	Maynard, Chris	301.54
	Singleton, Alvanita	137.15
	Account Totals:	438.69
Deferred Compensation Match	ADP, LLC	2,385.00
	ADP, LLC	2,385.00
	Account Totals:	4,770.00
Actuarial Services	Cavanaugh MacDonald Consulting, LLC	12,000.00
	Account Totals:	12,000.00
Audit	RSM US LLP	17,600.00
	Account Totals:	17,600.00
Custodial Fees - Investment Accounting	Huntington National Bank	17,252.69
	BNY Mellon Asset Servicing	80,521.62
	Account Totals:	97,774.31
Custodial Banking	Huntington National Bank	13,388.16
	Treasurer of State - Warrants	634.48
	Account Totals:	14,022.64
Master Recordkeeper Fees	BNY Mellon Asset Servicing	82,458.67
	Account Totals:	82,458.67
Investment Advisory Fees	Aksia	31,250.00
	Wilshire	37,500.00
	Account Totals:	68,750.00
Performance/Analytics Fee	BNY Mellon Asset Servicing	34,401.66
	Frank Russell Company	250.00
	Wilshire Associates Incorporated	3,000.00
	Account Totals:	37,651.66
Bloomberg Terminal Rentals	Bloomberg Finance LP	5,910.00
	Account Totals:	5,910.00

Medical Consultant	Borchers, M.D., Glen G.	3,333.34
	Account Totals:	3,333.34
Special Counsel	Frost Brown Todd, LLC	1,000.00
	Ice Miller LLP	550.92
	Ice Miller LLP	11,003.50
	Ice Miller LLP	7,670.00
	Morgan, Lewis & Blockius	14,487.50
	Morgan, Lewis & Blockius	63,602.50
	Porter, Wright, Morris,	137.50
	Standley LawGroup LLP	92.50
	Account Totals:	98,544.42
Technical	Sagitec Solutions, LLC	49,062.20
	Account Totals:	49,062.20
Other Professional Services	Contoural, Inc.	48,861.00
	Cristo Rey Columbus High School	1,700.00
	Drake, Carol N.	3,333.33
	Drake, Carol N.	3,333.33
	LexisNexis Risk Data Management, Inc	1,363.60
	Wickert, Kimberly	161.50
	Account Totals:	58,752.76
Postage	Columbus Courier & Freight LLC	206.29
	Pitney Bowes Inc.	1,919.44
	Pitney Bowes Inc.	58.31
	Pitney Bowes Inc.	189.86
	Pitney Bowes Inc.	80.94
	Unishippers Association	50.00
	Unishippers Association	31.00
	Unishippers Association	45.24
	Unishippers Association	116.17
	Unishippers Association	320.06
	Account Totals:	3,017.31
Telecommunications Services	AT&T	43.11
	CenturyLink	3,100.49
	Nextel Communications	108.43
	TBG Conferencing	1,821.73
	Time Warner Cable	6,771.65
	Verizon Wireless	1,001.05
	XO Communications	898.77
	Account Totals:	13,745.23

Printing Paper	Millcraft Paper Co.	2,562.69
	Account Totals:	2,562.69
Communications & Publications	Baise Quality Printing	1,333.23
	Bindery and Specialties, Inc.	1,897.00
	Account Totals:	3,230.23
Software Maintenance	Sagitec Solutions, LLC	48,328.00
	Account Totals:	48,328.00
Software Subscriptions	Adaptive Insights	36,080.00
	ADP, LLC	3,153.73
	CDW-Government, Inc.	13,546.12
	Citrix Systems Inc	101.04
	FastSpring	267.05
	KLDiscovery	1,275.00
	Liquid Web Inc	263.50
	LogMeIn	2,388.00
	Wellness IQ	824.14
	Zoom	214.89
	Account Totals:	58,113.47
Hardware < \$5,000	B & H Photo Video	7,649.75
	Dell Marketing LP	39,904.96
	Account Totals:	47,554.71
Equipment Repairs & Maintenance	Canon Financial Services, Inc	1,647.27
	Digital Print Solutions	347.18
	Ricoh USA, Inc	344.92
	Ricoh USA, Inc	453.34
	Account Totals:	2,792.71
Miscellaneous Office Supplies	B & H Photo Video	51.77
	Account Totals:	51.77
Furniture & Equipment < \$5,000	Amazon.com	1,485.00
	Ellinger Services Inc.	160.00
	Account Totals:	1,645.00
Records Storage	Fireproof Records Center	1,610.58
	Account Totals:	1,610.58

Seminar & Conferences	International Association of Business Communicators	675.00
	Ohio State University	225.00
	Account Totals:	900.00
Travel & Transportation	J.P. Morgan Investment Management	247.00
	Majeed, Farouki	674.15
	Managed Fund Association	310.00
	Account Totals:	1,231.15
Subscriptions	Constant Contact	125.00
	CoxMedia Group Ohio	9.99
	Economist	241.88
	Shutterstock, Inc.	29.00
	Thomson Reuters - WestPublishing Corp	201.25
Account Totals:	607.12	
Memberships	ARMA International	195.00
	Coalition to Preserve Retirement Security	10,600.00
	International Association of Business Communicators	319.00
	Ragan Communications, Inc.	995.00
	Account Totals:	12,109.00
Operations Maintenance	Amtrec, LLC	1,666.00
	AT&T	221.97
	AT&T	222.48
	Northeast Ohio Natural Gas Corp.	88.00
	South Central Power Company	1,589.00
	Account Totals:	3,787.45
Staff Support	ADP Screening & Selection Services	72.25
	ADP Screening & Selection Services	144.50
	Amazon.com	20.00
	Certif-A-Gift Company	136.00
	Certif-A-Gift Company	40.00
	Culligan Bottled Water of Columbus	19.93
	Lowe's	296.34
	Markt	585.00
	Matrix Integrated Psychological Services	584.10
	Professional Solutions	990.00
	ThrivePass	594.00
	Unisan, LLC	144.60
	Employee Reimbursement	1,655.00
	Employee Reimbursement	1,807.55
Account Totals:	7,089.27	

Recruiting Expenses	Government Finance Officers Association	
	Indeed	150.00
	YourMembership.com	25.97
		200.00
	Account Totals:	375.97
Interior Landscaping		
	Ambius Inc. (05)	1,356.37
	Account Totals:	1,356.37
Vehicle Expense		
	Moo Moo Car Wash	7.00
	Account Totals:	7.00
Board Member - School Board Reimb		
	Ashland City School District	713.12
	Lima City Schools	2,642.58
	Account Totals:	3,355.70
Reimbursement of Leased Svcs		
	OSERS Broad St. LLC	(24,710.00)
	Account Totals:	(24,710.00)
.		
Total Administrative Expenses		2,400,815.56

Summary of preliminary administrative operation expenses during the period **June 1, 2020 - June 30, 2020.**

Account	Amount
Computer Software >\$25,000	28,000.00
Salaries & Wages	1,084,067.36
Salaries & Wages - Overtime	960.96
Vacation Leave Expense	87,836.10
Sick Leave Expense	29,157.07
Other Employee Cost	2,386.11
Unemployment Compensation	299.10
Employer Contributions - PERS	158,251.51
Group Life	8,191.77
Long Term Disability	2,361.39
Short Term Disability	2,521.82
Group Health Claims	171,974.78
Group Health - Admin Fees	7,267.65
Prescription Claims	71,718.66
Group Health - Stop Loss	13,356.81
Vision Claims	1,301.50
Vision Admin Fees	168.30
Group Health - Employee Cost	(27,392.07)
Group Health - Wellness Incentive	3,498.19
Group Health - Tobacco Premiums	(840.00)

Medicare Premium - Employer	15,899.13
Tuition Reimbursement	438.69
Deferred Compensation Match	4,770.00
Actuarial Services	12,000.00
Audit	17,600.00
Custodial Fees - Investment Accounting	97,774.31
Custodial Banking	14,022.64
Master Recordkeeper Fees	82,458.67
Investment Advisory Fees	68,750.00
Performance/Analytics Fee	37,651.66
Bloomberg Terminal Rentals	5,910.00
Medical Consultant	3,333.34
Special Counsel	98,544.42
Technical	49,062.20
Other Professional Services	58,752.76
Postage	3,017.31
Telecommunications Services	13,745.23
Printing Paper	2,562.69
Communications & Publications	3,230.23
Software Maintenance	48,328.00
Software Subscriptions	58,113.47
Hardware < \$5,000	47,554.71

Equipment Repairs & Maintenance	2,792.71
Miscellaneous Office Supplies	51.77
Furniture & Equipment < \$5,000	1,645.00
Records Storage	1,610.58
Seminars & Conferences	900.00
Travel & Transportation	1,231.15
Subscriptions	607.12
Memberships	12,109.00
Operations Maintenance	3,787.45
Staff Support	7,089.27
Recruiting Expenses	375.97
Interior Landscaping	1,356.37
Vehicle Expense	7.00
Board Member - School Board Reimb.	3,355.70
Reimbursement of Leased Services	(24,710.00)
Total Administrative Expenses	2,400,815.56

ITEM 9.

EXECUTIVE SESSION

_____ moved and _____ seconded the motion that the Board go into Executive Session pursuant to R.C. 121.22 (G)(3) to discuss a pending court action.

IN EXECUTIVE SESSION AT _____ A.M. / P.M.

RETURNED TO OPEN SESSION AT _____ A.M. / P.M.

NEW EMPLOYER**School Employees
Retirement System**

Memo

To: Members of the SERS Board
From: Chris Castle
CC: Richard Stensrud, Karen Roggenkamp
Date: July 1, 2020
Re: New Employer

Licking Area Computer Association Council of Governments (LACA), is a regional council of governments organized under Chapter 167 of the Ohio Revised Code that provides services to schools in Eastern Ohio.

Licking Area Computer Association Council of Governments (LACA), has requested SERS' approval as a new employer unit effective July 1, 2020 and by resolution has agreed to abide by all regulations and obligations as an employer under Chapter 3309.

Attached to this memo is a resolution for the Board to accept this new employer.

ITEM 10 (A).

NEW EMPLOYER – LICKING AREA COMPUTER ASSOCIATION COUNCIL OF GOVERNMENTS

Staff discussed with the Retirement Board the request from Licking Area Computer Association Council of Governments (LACA), a council of governments organized under Chapter 167 of the Ohio Revised Code, to accept it as a new employer unit under Chapter 3309 of the Ohio Revised Code effective July 1, 2020. Licking Area Computer Association Council of Governments (LACA), has passed an appropriate resolution agreeing to accept all requirements and obligations imposed by Chapter 3309 of the Ohio Revised Code.

_____ moved and _____ seconded that the Board accept Licking Area Computer Association Council of Governments (LACA), as an employer in accordance with Chapter 3309 of the Ohio Revised Code, effective July 1, 2020.

EXECUTIVE SESSION

_____ moved and _____ seconded the motion that the Board go into Executive Session pursuant to R.C. 121.22 (G)(5) to review applications for Disability Retirement Benefits.

IN EXECUTIVE SESSION AT _____ A.M. / P.M.

RETURNED TO OPEN SESSION AT _____ A.M. / P.M.

ELECTION OF EMPLOYEE MEMBERS TO THE RETIREMENT BOARD

_____ moved and _____ seconded to approve that the following resolution be adopted:

BE IT RESOLVED by the Retirement Board of the School Employees Retirement System that the election of two employee members of the Retirement Board for the term beginning July 1, 2021 and ending June 30, 2025, shall be as provided herewith:

Any member of the Retirement System, other than a disability recipient, shall be eligible for election and the name of any member who is nominated by a petition, meeting the following requirements, shall be placed upon the ballot as a regular candidate. Due to the current COVID-19 pandemic, signatures for this election may be gathered either by physical signature on paper petitions or by signature of online petitions accessible through the Retirement System website. The petitions shall be signed by at least five hundred (500) members of the Retirement System of which there shall be not less than twenty (20) signers each from at least ten (10) counties wherein such members are employed; shall indicate the employer and county of employment of each signing member; shall be signed on or after August 3, 2020; and the original petitions, along with the originals of any other completed required forms, must be received in the office of the Retirement System no later than 4:30 p.m., EST, December 4, 2020. Collection of signatures by online petitions shall close at 4:30 p.m., EST, December 4, 2020.

All ballots, to be considered valid, must be received in the office of the Retirement System no later than 4:30 p.m. EST, March 1, 2021.

All ballots delivered to the office of the Retirement System shall be delivered unopened to judges appointed by the Retirement Board. The judges shall meet, make final determination of the validity of the ballots within the intent of this resolution, count the valid ballots on March 2, 2021, and announce the results of the election.

The election shall be conducted in accordance with the Retirement Board's election laws as well as its election rule, policy, and procedure.

ELECTION OF RETIREE MEMBER TO THE RETIREMENT BOARD

_____ moved and _____ seconded to approve that the following resolution be adopted:

BE IT RESOLVED by the Retirement Board of the School Employees Retirement System that the election of one retired member of the Retirement Board for the term beginning July 1, 2021 and ending June 30, 2025, shall be as provided herewith:

Any service or disability retiree of the Retirement System who is a resident of Ohio shall be eligible for election and the name of any retiree who is nominated by a petition, meeting the following requirements, shall be placed upon the ballot as a regular candidate. Due to the current COVID-19 pandemic, signatures for this election may be gathered either by physical signature on the paper petition or by signature of the online petition accessible through the Retirement System website. The petition shall be signed by at least one hundred fifty (150) former members of the Retirement System who are receiving service or disability retirement benefits, of which there shall be not less than ten (10) signers each from at least five (5) Ohio counties, wherein service or disability retirees under this system reside; shall be signed on or after August 3, 2020; and the original petitions, along with the originals of any other completed required forms, shall be on file in the office of the Retirement System no later than 4:30 p.m. EST, December 4, 2020. Collection of signatures by online petition shall close at 4:30 p.m., EST, December 4, 2020.

All ballots, to be considered valid, must be received in the office of the Retirement System no later than 4:30 p.m. EST, March 1, 2021.

All ballots delivered to the office of the Retirement System shall be delivered unopened to judges appointed by the Retirement Board. The judges shall meet, make final determination of the validity of the ballots within the intent of this resolution, count the valid ballots on March 2, 2021, and announce the results of the election.

The election shall be conducted in accordance with the Retirement Board's election laws as well as its election rule, policy, and procedure.

CALENDAR DATES FOR FUTURE BOARD MEETINGS

CALENDAR DATES FOR 2020

AUDIT COMMITTEE MEETINGS

September 16 - 2:30 p.m. (Weds.)
December 16 - 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

September 17 - 7:30 a.m. (Thurs.)
December 17 - 7:30 a.m. (Thurs.)

BOARD MEETINGS

September 17 and 18 (Thurs. and Fri.)
October 15 and 16 (Thurs. and Fri.)
November 19 and 20 (Thurs. and Fri.)
December 17 and 18 (Thurs. and Fri.)

CALENDAR DATES FOR 2021

AUDIT COMMITTEE MEETINGS

March 17 - 2:30 p.m. (Weds.)
June 16 - 2:30 p.m. (Weds.)
September 15 - 2:30 p.m. (Weds.)
December 15 - 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

March 18 - 7:30 a.m. (Thurs.)
June 17 - 7:30 a.m. (Thurs.)
September 16 - 7:30 a.m. (Thurs.)
December 16 - 7:30 a.m. (Thurs.)

BOARD MEETINGS

February 18 and 19 (Thurs. and Fri.)
March 18 and 19 (Thurs. and Fri.)
April 15 and 16 (Thurs. and Fri.)
May 20 and 21 (Thurs. and Fri.)
June 17 and 18 (Thurs. and Fri.)
July 15 and 16 (Thurs. and Fri.)
September 16 and 17 (Thurs. and Fri.)
October 21 and 22 (Thurs. and Fri.)
November 18 and 19 (Thurs. and Fri.)
December 16 and 17 (Thurs. and Fri.)

****NOTE: The above dates are *tentative*.**

ITEM 20.

CONTINUED OR NEW BUSINESS
Board Information Requested

BOARD INFORMATION REQUESTS AND FOLLOW-UP ITEMS

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

9. _____

10. _____

ADJOURNMENT

_____ moved that the Board adjourn to meet on Thursday, September 17, 2020 for their regularly scheduled meeting.

The meeting adjourned at _____ p.m.

Hugh Garside, Jr.

Richard Stensrud, Secretary