



**SERS Retirement Board Agenda
April 20, 2023**

Click Link to Join Zoom Meeting:

<https://ohsers.zoom.us/j/96512533586?pwd=UDIWbHVWcUVmTkFORUlnRHhOWnlMQT09>

Meeting ID: 965 1253 3586

Password: 707830

To join by phone, dial: (301) 715-8592 and enter the meeting ID: **965 1253 3586** and password: **707830** when prompted.

PLEDGE OF ALLEGIANCE

1. Roll Call

CONSENT AGENDA (R)

2. Minutes of the **March 16, 2023**, Retirement Board meeting
3. Summary of Investment Transactions
 - **February 1, 2023, to February 28, 2023**
4. Retirement Report
 - Superannuations, Survivor Benefits & Transfers
 - Special Cases
5. Disability Report
 - Approval of Disability Benefits
 - Disapproval of Appeal for Disability Benefits
 - Disapproval of Disability Benefits
 - Disapproval of Appeal of Termination on Personal Appearance – Any Occupation
 - Termination of Disability Benefits – Any Occupation
 - Approval of Appeal of Termination – Any Occupation

INVESTMENT REPORT

6. Annual Portfolio Review – Private Credit
7. Monthly Investment Report & Economic Update
8. Asset Allocation Presentation and Recommendation (R)

EXECUTIVE DIRECTOR'S REPORT

9. Executive session pursuant to R.C. 121.22 (G)(5) to discuss a matter required to be kept confidential by law (R)
 - Personal Appearance **10:30 a.m.**
10. Executive Director's Update
11. Review of Administrative Expenses
12. Review Draft Administrative Budget – ORSC Submission
13. Strategic Plan Update
14. Enterprise Risk Management Review
15. Final Filing of Proposed Amended Administrative Rules (R)
16. Filing of Proposed Revised Amended Administrative Rule (R)
17. Ballot Certification - Employee Member (R)

TECHNOLOGY COMMITTEE REPORT

18. Technology Committee Update

COMPENSATION COMMITTEE REPORT

19. Compensation Committee Update
20. Executive session pursuant to R.C. 121.2 (G)(1) to discuss the employment and compensation of a public employee (R)

RETIREMENT REPORT

21. Executive Session pursuant to R.C. 121.22 (G)(5) to review applications for Disability Retirement Benefits (R) *if needed*

BOARD COMMUNICATION AND POLICY ISSUES

22. Calendar Dates for Future Board Meetings
23. Continued or New Business
 - Board Information Requests and Follow-up Items

ADJOURNMENT (R)

FY2023 SERS Board Roll Call

Jeffrey DeLeone	_____
Frank Weglarz	_____
Hugh Garside	_____
James Haller	_____
Matthew King	_____
Catherine Moss	_____
Barbra Phillips	_____
James Rossler	_____
Daniel Wilson	_____

CONSENT AGENDA

1. Minutes of the
 - a. **March 16, 2023**, Retirement Board meeting
2. Summary of Investment Transactions – **February 1, 2023 to February 28, 2023**
3. Retirement Report
 - a. Superannuations and Survivor Benefits and Transfers
 - b. Special Cases
4. Disability Report
 - a. Approval of Disability Benefits
 - b. Disapproval of Disability Benefits
 - c. Termination of Disability Benefits – Any Occupation
 - d. Disapproval of Appeal for Disability Benefits
 - e. Disapproval of Appeal of Termination on Personal Appearance – Any Occupation
 - f. Approval of Appeal of Termination – Any Occupation

APPROVAL OF CONSENT AGENDA

_____ moved and _____ seconded the motion to approve the Consent Agenda, which includes the following items:

- 1. Minutes of the
 - a. **March 16, 2023**, Retirement Board meeting
- 2. Summary of Investment Transactions – **February 1, 2023 to February 28, 2023**
- 3. Retirement Report
 - a. Superannuations and Survivor Benefits and Transfers
 - b. Special Cases
- 4. Disability Report
 - a. Approval of Disability Benefits
 - b. Disapproval of Disability Benefits
 - c. Termination of Disability Benefits – Any Occupation
 - d. Disapproval of Appeal for Disability Benefits
 - e. Disapproval of Appeal of Termination on Personal Appearance – Any Occupation
 - f. Approval of Appeal of Termination – Any Occupation

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

SERS Retirement Board Meeting Minutes

March 16, 2023

The nine hundredth and fifty-seventh meeting of the Retirement Board of the School Employees Retirement System was held in the boardroom at 300 E. Broad Street, Columbus, Ohio, and streamed via Zoom videoconferencing on Thursday, March 16, 2023.

Pledge of Allegiance

The SERS Retirement Board meeting convened at 8:40 a.m. with the Pledge of Allegiance.

Roll Call

Following the Pledge of Allegiance, the roll call was as follows: Frank Weglarz, Hugh Garside, James Haller, Matthew King, Catherine Moss, Barbra Phillips, James Rossler, and Daniel Wilson. Absent: Jeffrey DeLeone. Also attending in person was Lisa Reid, representative of the Ohio Attorney General's Office and various members of the SERS staff. Several SERS staff members and members of the public attended virtually.

Approval of Out-of-State Board Travel

James Rossler moved and Hugh Garside seconded the motion that the travel requested by board members to travel and receive reimbursement for the following out-of-state conferences and meetings be approved:

Conference	Attendee	Conference Date(s)	Conference Location	Estimate of Expenses
NCPERS 2023 Annual Conference & Exhibition	Catherine Moss	May 21 – May 24, 2023	New Orleans, LA	\$2545.00
NCPERS 2023 Annual Conference & Exhibition	Barbra Phillips	May 21 – May 24, 2023	New Orleans, LA	\$2571.00

Upon roll call, the vote was as follows: Upon roll call, the vote was as follows: Yea: Frank Weglarz, Hugh Garside, James Haller, Matthew King, Catherine Moss, Barbra Phillips, James Rossler, and Daniel Wilson. Absent: Jeffrey DeLeone. The motion carried.

Consent Agenda

The consent agenda for **March 16, 2023**, included:

- Minutes of the February 16, 2023, Retirement Board meeting
- Minutes of the February 17, 2023 SERS Annual Board Retreat
- Summary of Investment Transactions for the period of January 1, 2023, to January 31, 2023
- Retirement Report – Superannuations, Survivor Benefits, and Transfers
- Disability Report – Approval of Disability Benefits, Approval of Appeal of Termination, Disapproval of Appeal of Termination

Barbra Phillips moved and James Haller seconded the motion to approve the Consent Agenda of the Retirement Board meeting held on Thursday, March 16, 2023. Upon roll call, the vote was as follows: Yea: Frank Weglarz, Hugh Garside, James Haller, Matthew King, Catherine Moss, Barbra Phillips, James Rossler, and Daniel Wilson. Absent: Jeffrey DeLeone. The motion carried.

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Investment Report

Annual Portfolio Review – Global Equities

SERS Chief Investment Officer, Farouki Majeed, introduced Investment staff members, Judi Masri and Hai Yen Cheng who provided a Global Equities Portfolio review. Ms. Masri opened by describing the new Global Equity Structure that became effective as of July 1, 2022. The Global Equity investments are divided into 3 parts: Unites States, Non-US Developed, and Emerging Markets. Ms. Masri reported all equity markets have declined over the last year. \$7.3 billion of the SERS fund is invested in the Global Equity portfolio with an actual portfolio weight of 41.4% which is underweight compared to the 45% target. The global equity portfolio posted a return of -7.05% for the one year, which was 0.63% above the benchmark.

The US equity portfolio had a market value of \$3.8 billion, with 71.5% of the portfolio passively invested in large cap stocks. Staff successfully reduced portfolio management fees from 18 basis points to 14 basis points and redeemed a net \$133 million. US equity portfolio returns have been on an upswing since 2021. Staff has been able to improve relative performance without adding any extra risks, and reduce the tracking error, or measure of volatility, to only about 1% over the last five years.

The non-US equity portfolio posted a one-year return of -5.63%, which was 0.12% above the benchmark. Developed markets finished strong while emerging markets underperformed the benchmark by 1.65%. Concerning performance relative to risk, the non-US equity portfolio has performed consistently well for the last seven years with a tracking error below 2% for the last 10 years.

After discussion, the board thanked Ms. Masri and Ms. Cheng for their presentation.

SERS Monthly Investment Report

SERS Chief Investment Officer, Farouki Majeed, continued the investments presentation with a monthly investment report. Mr. Majeed reported US growth slowed but remained resilient amid the Fed's aggressive tightening. The growth rate was 2.7% for Q4 and 2.1% for 20 22. The main drivers of Q4 GDP were increases in private inventory investments, consumer and government spendings.

Mr. Majeed continued, stating the US labor market was strong in January with 517,000 jobs added and unemployment rate at 3.4%. The labor force participation rate was 62.4%, remaining below the pre pandemic level of 63.3%, indicating a continued tight labor market. US inflation trended down from its peak but remains high.

Mr. Majeed concluded his presentation reporting that the SERS pension fund is at \$17.64B and is hopeful the total fund performance for the current fiscal year will me marginally positive. Long term returns still look fine as the rolling ten-year returns show SERS is above the benchmark and will continue.

Richard Stensrud, SERS Executive Director, chimed in regarding the recent banking news. Mr. Stensrud wanted to dispel some misconceptions about where SERS' holdings are. Mr. Stensrud reported SERS has a very small stock holding with recently failed Silicon Valley Bank (SVB) and Signature Bank. The holdings total 8,000 shares between the two financial institutions. SERS has marked the holdings down to zero for now, hoping they will gain value in the future. This is technically not a loss as the holdings have not been sold yet so no actual loss has been recorded. The holdings are .01% of the total fund and are worth approximately \$1.5M.

Mr. Stensrud continued stating a post was published on Twitter that SERS has 30k shares representing \$7M invested in the two failed banks. The information in the post is not true. SERS of Ohio has also received numerous media requests so staff will update the website with a message to dispel any incorrect information that is circulating. Mr. Stensrud also reported the holdings represent a small fraction of SERS' overall investment portfolio. SERS manages a diversified investment portfolio and our members' retirement security does not hinge on the success or failure of these firms.

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After discussion and questions, the board thanked Mr. Majeed and the investment team for their presentations and continued hard work.

The board took a break at 10:17 a.m.

The board reconvened at 10:30 a.m.

Personal Appearance

Catherine Moss moved and Barbra Phillips seconded the motion that the board convene in Executive Session pursuant to R.C 121.22 (G)(5) to discuss a matter required to be confidential by law. Upon roll call, the vote was as follows: Yea: Frank Weglarz, Hugh Garside, James Haller, Matthew King, Catherine Moss, Barbra Phillips, James Rossler, and Daniel Wilson. Absent: Jeffrey DeLeone. The motion carried.

The board convened in Executive session at 10:32 a.m.

The board reconvened in open session at 10:58 a.m.

Investment Report (cont.)

Asset Allocation Discussion presented by Wilshire Associates

SERS Chief Investment Officer introduced Joanna Bewick and David Lindberg of Wilshire Associates who led an Asset Allocation discussion. Wilshire, SERS Investment Staff, and the SERS Board last reviewed asset allocation in-depth in 2019-2020. Following the last review, it was determined by the board that policy decisions should remain very long-term focused and implementation considerations are key for any policy changes. The board decided it does not want to stray far from the current policy, and the board recognized that the current policy was efficient, meaning modest changes to the policy were not statistically beneficial.

Ms. Bewick stated, per its policy, SERS is required to perform an asset allocation review every three to five years; however, staff is committed to reviewing economic conditions and SERS' return outlook annually and will adjust the asset allocation as necessary. SERS' last asset allocation review was in February 2020.

Ms. Bewick discussed the asset allocation framework, process, and models that the Board may want to consider going forward. She noted that any changes to the current model will be marginal. Mr. Lindberg reported this will be a three-part series of presentations and SERS' investment team will present a final recommendation to the Board at the April meeting.

The board was given the opportunity to ask questions that will be incorporated into the third and final presentation. After a robust discussion, the board thanked the investment staff and Wilshire Associates for their informative discussion.

Executive Director's Report

Ohio Retirement Study Council (ORSC)

SERS Executive Director Richard Stensrud reported that the ORSC met on February 23rd. Senator Schuring was elected chairman for the current legislative session. SERS staff provided summaries for the Council of our Annual Valuations and our Annual Health Care Report.

Mr. Stensrud continued, stating the ORSC also met on March 9th for a presentation by Auditor of State on special audit of the State Teachers Retirement System of Ohio (STRS). Mr. Stensrud stated SERS is very sensitive to and appreciates how we're different from other systems and we are not in the same bucket as other Ohio systems.

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The Auditor of State made several recommendations that could potentially affect SERS:

- The Auditor recommended that the state consider restricting the private market funds state retirement systems can invest in to those that agree to broad transparency regarding fees and investment strategy. Executive Director Stensrud noted that this requirement could come at the cost of returns. As not all private market funds may agree to this transparency requirement, it is possible that the System would have to choose between a fund that is high performing but provides less transparency and a fund that is not as strong of a performer, but provides more transparency. Since investment dollars fund two-thirds or more of SERS' benefit payments, this is an important consideration.
- The Auditor also recommended that performance compensation for investment professionals be limited or eliminated. Mr. Stensrud noted SERS performs better than other systems and has consistent returns above the benchmarks. SERS' Investment Department Incentive Plan rewards the investment team for generating investment returns above established market benchmarks over multiple time periods, and is an important element of retaining and attracting the best investment talent.
- The Auditor recommended that the Ohio legislature consider whether reducing the amortization period for reaching 100% funding from 30 to 15 or 20 years would be prudent. Amortization period for all systems to pay off unfunded liability is currently 30 years. The Auditor thinks it should be shorted to 15-20 years. This change could mean increasing contribution rates or reducing liabilities, which means cutting benefits. Achieving a 15 to 20 year amortization rate will require these things. SERS will work with legislators to make sure this change does not happen.

Mr. Stensrud reported SERS will strive to make sure these considerations and concerns are understood and appreciated if these topics end up gaining traction in the legislature.

The ORSC also asked SERS to provide a report on the Final Average Salary (FAS) as well as the percentage of SERS members who draw a retirement. In response to a recent ORSC request regarding the Final Average Salary (FAS) percentage that SERS' retirees receive, the System provided the following data:

- It takes 44 years of service to receive a benefit equal to 100% of the FAS.
- 45% of retirees receive a benefit that is less than 40% of their FAS. 55% receive a benefit that is more than 40% of their FAS.
- 63% receive a benefit that is 50% or less of their FAS.
- 91% receive a benefit that is 70% or less of their FAS.
- Less than 1% (84 people) receive a benefit that is 100% or more of their FAS.

With respect to salary and benefits:

- 49.7% of active members make \$20,000 or less. 81.4% make \$40,000 or less.
- 49.5% of retirees receive a benefit of \$12,000 or less. 67% receive a benefit of \$18,000 or less.

While a SERS pension is a valuable lifetime benefit, misconceptions arise from time to time that mischaracterize SERS' members as retiring young and receiving lavish benefits. These mischaracterizations unfairly depict the financial reality of the hardworking people who serve our schools.

Advocacy Groups

Mr. Stensrud continued his report stating there will be a joint meeting with OASBO on May 5, 2023. This meeting will be held in a virtual format to encourage participation from as many people as possible.

SERO's annual meeting is scheduled for May 9, 2023 at Villa Milano. This meeting will give SERS a great opportunity to show how we're doing and to emphasize the support we need.

Mr. Stensrud continued, stating SERS has an ongoing commitment to engage with employers. SERS hosted 3 webinars, a "Soundbite Wednesday" lunch and learn session, an onsite employer visit, and is actively communicating with an employer bulletin. There are also lunchbreak webinars and a virtual retirement

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conference for members. Next week, there is an educational webinar scheduled with 204 members already registered. SERS staff wants to be sure all employer and member questions are answered.

Mr. Stensrud also reported on the number of calls received by member services over the last year.

- 25,000 calls were taken regarding refunds.
- 15,000 calls were taken to answer healthcare questions, such as questions about enrollment, coverage, etc.
- 12,000 calls were taken to answer questions about income verification requirements.
- 10,000 calls were taken to answer questions about the member self-service portal.
- 9,300 calls were taken to answer questions about service retirement.

Mr. Stensrud noted customer service surveys continue to get high scores. The board thanked Mr. Stensrud for his report and thanked the Member Services Team for their continued hard work.

State Legislation

Mr. Stensrud continued his report stating that SERS leadership continues to meet with members of the new House Pensions committee to provide information about SERS and brief them on CBBC proposal. SERS also wants to keep the committee members informed about the differences between SERS and other Ohio pension systems by emphasizing SERS members are typically low-wage earners. SERS will continue to work towards reintroducing the CBBC legislation and will engage with ORSC staff and legislative leaders to identify the best way to move forward with our proposal. The CBBC legislation's sponsor, Senator Schuring, will likely attach the CBBC legislation to the budget bill.

Mr. Stensrud also reported the Ohio Pensions Committee will meet next week to have an educational session involving all of the state retirement systems. The committee has asked each system to provide an overview of their system and the summary is limited to two pages.

Mr. Stensrud continued, reporting that ESG-related legislation (SB6) sponsored by Senator Schuring passed Senate Finance committee on Tuesday. The retirement systems, including SERS, submitted letters as interested parties. This bill causes no issues for SERS and ESG is not a factor in SERS investments. SERS strives to get a reasonable return with reasonable risk. The current bill creates no problems, however, other anti-ESG bills in other states are more problematic and could require SERS to divest from certain funds and could tie our hands when making prudent fiduciary decisions.

Federal Legislative Update

Mr. Stensrud reported SERS submitted a comment letter to Centers for Medicare & Medicaid Services (CMS) on proposed Medicare Advantage payment policy changes.

Mr. Stensrud also reported Senator Sherrod Brown reintroduced his legislation for full repeal of WEP and GPO. There has been no indication of any WEP reform bills being worked on like the Neal and Brady proposals from last Congress. With new leadership in the House, one ranking member supports the bill but there is no symmetry. However, it may be possible to weave this into a broader social security reform package. Although neither are likely to happen, we will continue to watch for opportunities.

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Administrative Expenses

SERS Chief Financial Officer Marni Hall provided an update on SERS administrative expenses. Ms. Hall provided an update on Broad Street and OSERS building financials. Ms. Hall highlighted a few variances. One variance, lower suite income, was due to a recent vacancy. With several vacancies, SERS staff decided to revamp the Broad Street marketing materials to attract new tenants. Ms. Hall continued, stating there is money set aside in the budget for remodeling, which is attractive to current and prospective tenants. OHSERS is willing to make changes to spaces in an effort to retain occupants.

Ms. Hall also reported on another variance which is due to the decreased cost of insurance. Ms. Hall also noted other building maintenance expenses have not hit the budget yet but will be included in the next quarterly administrative expense update.

Karen Roggenkamp, SERS Deputy Executive Director, noted that SERS is actively seeking new tenants and are earning revenue on parking spaces in the parking garage. Activity on potential clients and updated numbers will be provided at the next board meeting.

After a few clarifying questions, the board thanked Ms. Hall for her report.

Filing of Proposed Amended Administrative Rules

SERS counsel, Susan Russell, reported on the amended administrative rules and proposed changes. Ms. Russell stated two categories of resolutions on Administrative Rules are on the March Board Agenda. SERS legal staff requested approval to withdraw the following five year no change rule: 3309-1-09 Federal taxation. After this rule was presented as a No Change Rule at the December 2022 Retirement Board meeting, Congress passed the SECURE 2.0 Act, whose provisions include increasing the age at which Required Minimum Distributions (RMD) must begin. To comply with this change in RMD law, 3309-1-09 now needs to be amended.

Legal Counsel discussed with the Retirement Board removing from JCARR's consideration the following no change rule: 3309-1-09 Federal taxation. Barbra Phillips moved and Catherine Moss seconded that rule 3309-1-09 be withdrawn as discussed. Upon roll call, the vote was as follows: Yea: Frank Weglarz, Hugh Garside, James Haller, Matthew King, Catherine Moss, Barbra Phillips, James Rossler, and Daniel Wilson. Absent: Jeffrey DeLeone. The motion carried.

Ms. Russell continued, asking for approval to file with JCARR the following proposed amended rules: 3309-1-09 Federal taxation. The amendments to this rule are in response to the SECURE 2.0 Act, which was enacted on Dec. 29, 2022. Section 107 of SECURE 2.0 increases the age for required minimum distributions and applies to distributions required to be made after December 31, 2022, with respect to individuals who attain age 72 after December 31, 2022. 3309-1-09 documents SERS' compliance with various Internal Revenue Code requirements. Paragraphs (B)(2) and (B)(4) have been amended to change the required minimum distribution age from 72 to 73.

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended rule: 3309-1-09 Federal taxation. Barbra Phillips moved and James Haller seconded that proposed amended rule 3309-1-09 be filed with JCARR as discussed. Upon roll call, the vote was as follows: Yea: Frank Weglarz, Hugh Garside, James Haller, Matthew King, Catherine Moss, Barbra Phillips, James Rossler, and Daniel Wilson. Absent: Jeffrey DeLeone. The motion carried.

Ms. Russell continued with a discussion of rule 3309-1-35 Health care. The proposed amendments to this rule reflect the Board's desire to require new retirees and disability benefit recipients who are not eligible for Medicare to receive Marketplace counseling before enrolling in SERS' health care coverage. Counseling will

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be provided by SERS' vendor, HealthSCOPE Benefits, whose staff is licensed to enroll individuals in federal Marketplace plans. The requirement will apply to individuals with a benefit effective date beginning June 1, 2023 and to those who have previously waived SERS coverage but wish to enroll on or after that date due to a qualifying event.

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended rule: 3309-1-35 Health care. Barbra Phillips moved and Matthew King seconded that proposed amended rule 3309-1-35 be filed with JCARR as discussed. Upon roll call, the vote was as follows: Yea: Frank Weglarz, Hugh Garside, James Haller, Matthew King, Catherine Moss, Barbra Phillips, James Rossler, and Daniel Wilson. Absent: Jeffrey DeLeone. The motion carried.

Discussion of Salary Growth Information for Preliminary FY23-24 Budget

Mr. Stensrud continued the Executive Director's report by discussing the Salary Growth Information for the preliminary FY23-24 budget. Joe Rice, a consultant from CBIZ, recommended the structure adjustment be reviewed each year and adjusted as necessary based on labor market salary data.

Mr. Stensrud provided the board with four scenarios to consider. Those scenarios illustrate how various salary range updates would impact SERS' personnel expenditures. The Board will take these into consideration when the FY2024 budget is approved at the June meeting. Mr. Stensrud reminded the board that they can select any scenario with the understanding that it may be necessary to course-correct later if where the board lands isn't consistent with the market. SERS wants to be consistent with the market to attract and retain the best and the brightest.

Mr. Stensrud reminded the board that although they approved adjustments last year, it is important to review current data and market trends every year to remain competitive. Columbus, Ohio is a competitive area and SERS needs to keep up with the local market to remain competitive. Mr. Stensrud continued stating he is cognizant of the headline risk of a high wage increase but the recommendation would not result in raises for everyone. There is still a review process that is based on work performance and that review will determine the amount of merit increase each staff member gets.

Several board members expressed their concerns and agreed with the consensus to move forward with an increase that reflects the current market. The board thanked Mr. Stensrud for leading a robust discussion.

Healthcare Report

Premium Subsidy for Non-Medicare Disability Participants

Christi Pepe, Director of Health Care Services, provided a presentation on potential changes to non-Medicare health care coverage as part of ongoing sustainability discussions. During the November, December and February board meetings, the healthcare presentations focused on Health Care Sustainability. The SERS Board reviewed potential changes designed to improve members' awareness and selection of the SERS Marketplace Wraparound HRA. Federal Marketplace plan subsidies have been expanded such that for most SERS enrollees, the overall costs of a Marketplace plan with SERS' HRA reimbursement are lower than SERS traditional group plan costs. SERS' disability health care enrollee average annual costs are more than twice that of a service retiree, yet this group has paid less than service retirees in premium.

In February, the Board requested a resolution to change the non-Medicare disability health care subsidy amounts to equal that of service retirees by years of service, effective January 1, 2024. This change is predicted to increase the number of disability benefit recipients who select the SERS Marketplace Wraparound Plan and will achieve an estimated sustainability impact of \$3.2 million annually.

In addition to the resolution, a change to the Ohio Administrative Code rule 3309-1-35 will be developed and introduced to the Board for review and approval in a future meeting.

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After a robust discussion, James Rossler moved and Matthew King seconded to approve the following health care subsidy changes originally discussed with SERS staff at the February 2023 Board meeting, and effective for January 1, 2024:

Member Share of Base Premiums by Years of Service for SERS Non-Medicare Plans

Service Retirees			
Service Years	Retirement on or before July 1, 1989	Aug. 1, 1989 through July 1, 2008	Retirement on or after Aug. 1, 2008*
5 to 9.999	50%	Not Eligible	Not Eligible
10 to 14.999	17.50%	100%	100%
15 to 19.999	17.50%	50%	100%
20 to 24.999	17.50%	25%	50%
25 to 29.999	17.50%	17.50%	30%
30 to 34.999	17.50%	17.50%	20%
35 or more	17.50%	17.50%	15%

Disability Recipients			
Service Years	Benefit effective on or before July 1, 1989	Aug. 1, 1989 through July 1, 2008	Benefit effective on or after Aug. 1, 2008*
5 to 9.999	50%	100%	100%
10 to 14.999	17.50%	100%	100%
15 to 19.999	17.50%	50%	100%
20 to 24.999	17.50%	25%	50%
25 to 29.999	17.50%	17.50%	30%
30 to 34.999	17.50%	17.50%	20%
35 or more	17.50%	17.50%	15%

Spouse premium**		Child(ren)
24.999 or less	100%	
25 to 29.999	90%	70%
30 or more years	80%	

* Service retirees effective on or after 8/1/08 and disability recipients receive an additional 1% premium reduction for each YOS over 35.

** Spouse premium is based on the service retiree, disability recipient, or member's service credit.

Upon roll call, the vote was as follows: Yea: Frank Weglarz, Hugh Garside, James Haller, Matthew King, Catherine Moss, Barbra Phillips, James Rossler, and Daniel Wilson. Absent: Jeffrey DeLeone. The motion carried.

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Discussion of Potential Two-Year Enrollment Period for Dental/Vision Plans

Ms. Pepe also discussed a potential 2-year enrollment period for Dental and Vision plans. In 2023 enrollment, 35 plan changes were made. A 2-year enrollment period will provide a less expensive plan premium with lower increase. Wants to be sure the board is confident in the proposal before moving forward.

Ms. Pepe continued, stating the proposed changes for 2024 will allow medical plan changes annually for the 10% who have a plan choice (non-Medicare):

- Allow dental and vision open enrollment changes every two years beginning January 1, 2024.
- VSP Vision single premium would remain \$6.17 for 2024-2025.
- Delta Dental single premium would be a hybrid of 2024 and 2025 premiums.
- Continue to allow dental and vision enrollments at eligibility.
- To accommodate biennial 2026-2027, Delta Dental and VSP contracts would need to be extended by one year.

Ms. Pepe concluded her presentation, advising the board that a longer enrollment period is not unusual and is, in fact, customary. The board agreed and thanked Ms. Pepe for her presentation.

Audit Report

Audit Committee Update

SERS Chief Audit Officer, Jeff Davis, provided an brief update on the work being done by the audit committee. Mr. Davis reported on several audits that have been completed as part of the Annual Compliance Audit. There are also several audits currently underway, such as the employer reporting audit, the investment management fees audit, and IT consulting audit. All of the ongoing audits are going well and are expected to be completed on time.

Mr. Davis also reported that a new external, Plante Moran, has been selected to replace RSM, who's contract expired. The board thanked Mr. Davis for his report.

Compensation Committee Report

Compensation Committee Update

Daniel Wilson, SERS Compensation Committee Chair, provided an update on the work of the Compensation Committee. Mr. Wilson reported that the committee performed the 3rd quarter performance review and discussed SERS compensation tactics and strategies. Mr. Wilson continued, stating there was a very productive discussion, and the committee will bring a recommendation to the full board next month. The board thanked Mr. Wilson for his update.

Board Communication and Policy Issues

The board reviewed the meeting dates for 2023.

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CALENDAR DATES FOR SERS BOARD AND COMMITTEE MEETINGS FOR 2023

AUDIT COMMITTEE MEETINGS

June 14, 2023 – 2:30 p.m. (Weds.)
September 20, 2023 - 2:30 p.m. (Weds.)
December 20, 2023 – 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

June 15, 2023 – 7:30 a.m. (Thurs.)
July 20, 2023 – 7:30 a.m. (Thurs.) * **Special Meeting** *
September 21, 2023 – 7:30 a.m. (Thurs.)
December 21, 2023 – 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

June 15, 2023 – 12:30 p.m. (Thurs.)
September 21, 2023 – 12:30 p.m. (Thurs.)
December 21, 2023 – 12:30 p.m. (Thurs.)

BOARD MEETINGS

April 20 – 21, 2023 - 8:30 a.m. (Thurs. and Fri.)
May 18 – 19, 2023 - 8:30 a.m. (Thurs. and Fri.)
June 15 – 16, 2023 - 8:30 a.m. (Thurs. and Fri.)
July 20 – 21, 2023 - 8:30 a.m. (Thurs. and Fri.)
September 21 – 22, 2023 - 8:30 a.m. (Thurs. and Fri.)
October 19 – 20, 2023 - 8:30 a.m. (Thurs. and Fri.)
November 16 – 17, 2023 - 8:30 a.m. (Thurs. and Fri.)
December 21 – 22, 2023 - 8:30 a.m. (Thurs. and Fri.)

Continued or New Business

The Board continued with the review of continued or new business.

Adjournment

Board Vice Chair, Frank Weglarz, moved to adjourn to meet on Thursday, April 20, 2023, at 8:30 a.m. for the SERS regularly scheduled Retirement Board meeting.

The SERS board meeting adjourned at 1:23 p.m.

Jeffrey DeLeone, Board Chair

Richard Stensrud, Secretary

SCHOOL EMPLOYEES RETIREMENT BOARD OF OHIO

Summary of Investment Transactions to be
Reported to the Retirement Board for
Ratification in April

The following is a summary of the investment transactions made during the period of February 1, 2023 through February 28, 2023. A detailed list of these transactions can be found in the Board Agenda mailed prior to the Retirement Board Meeting.

A. PURCHASES

Asset Class	Approximate Cost (in millions)
Global Equities	\$ 149.2
Fixed Income	424.3
Private Equity Capital Calls	37.7
Real Asset Capital Calls	0.3
Opportunistic & Tactical	4.5
Global Private Credit	16.3
Cash Equivalents	461.5

B. SALES

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
Global Equities	\$ 152.0	\$ 23.5
Fixed Income	346.9	(4.0)
Private Equity distributions	14.3	n/a
Real Asset distributions	8.9	n/a
Opportunistic & Tactical	20.5	(0.2)
Global Private Credit	n/a	n/a
Cash Equivalents	586.1	n/a



Global Private Credit Portfolio Review

February 28, 2023

Presented by Investment Staff

Meeting Date: April 2023

Adam Messerschmitt



\$1.0 Billion Market Value

- 13 Managers, 24 Funds, and 1 Co-investment
- Manager Rankings: 5 managers with a three-year performance, 4 ranked as A and 1 as B
- Total Capital Commitments: \$1.9 billion
 - Total New Capital Commitments to Ramp the Portfolio: \$1.5 billion since April 2020
 - Unfunded Commitments: \$810 million
- Global Private Credit Allocation: 5.8% of Total Fund

Performance

- 5.9% net return for the one-year period ending February 28, 2023, which trailed the policy benchmark by 0.8%
- 9.8% portfolio income yield and 7.2% cash distribution yield

Portfolio Goals for 2023

- Monitor the pace of capital deployment to maintain the allocation within the target range
- Continue to make new investments with a focus on income generating strategies
- Research new opportunities that can provide a stable allocation and/or additional diversification benefits



Role

- SERS invests in private credit to provide risk adjusted returns in excess of those provided by publicly traded fixed income securities and to generate a consistent cash yield.

Objective

- The performance objective is to provide returns in excess of the 90-day Treasury bill rate + 4.5%, net of fees.

Allocation

- The Global Private Credit allocation is set at 5% with a permissible range of 3% to 7%.



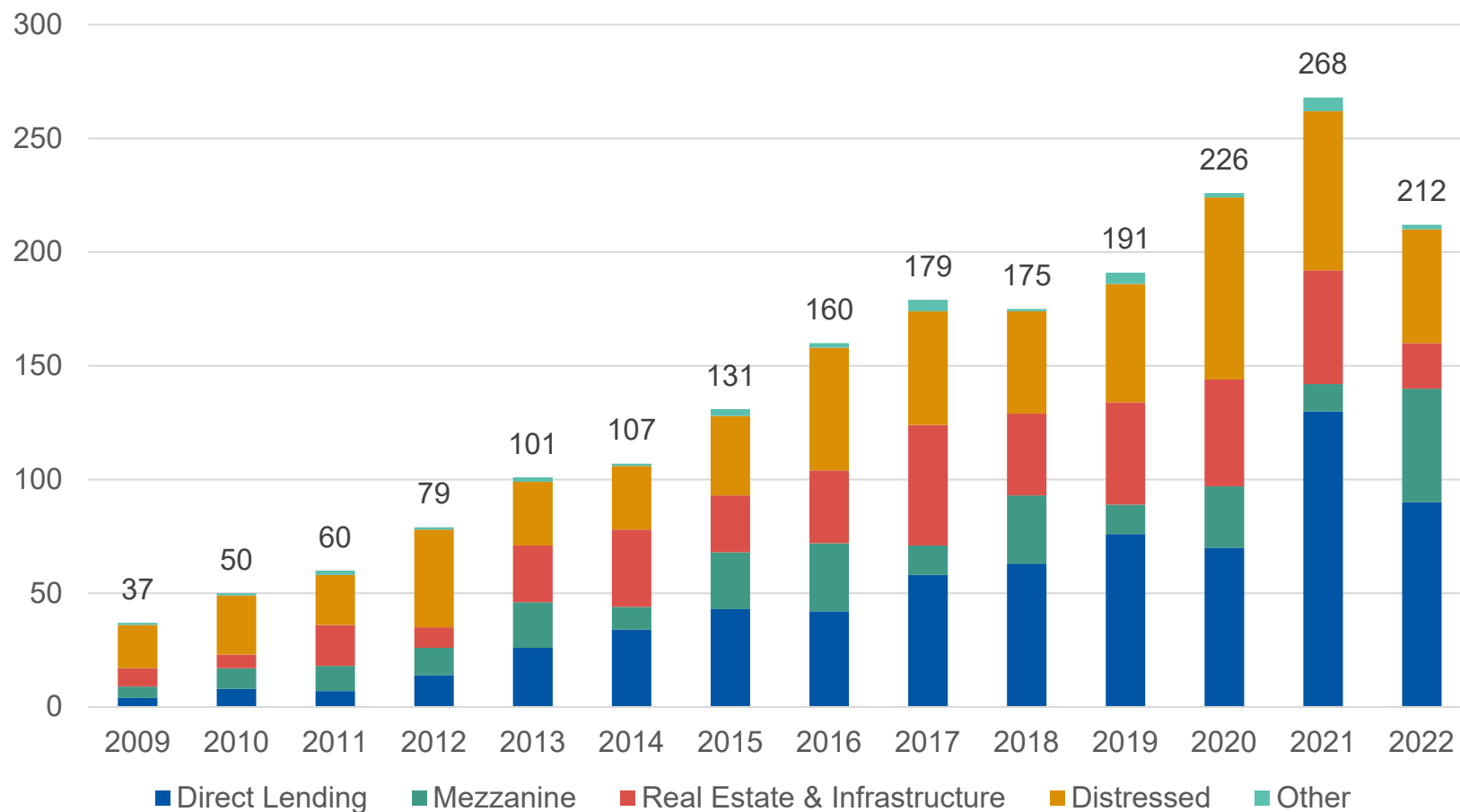
S&P Global Leveraged Loan Index – Yield to Maturity



Performance as of February 28, 2023	1 Year	3 Year	5 Year	10 Year
S&P Global Leveraged Loan Index	0.9%	3.3%	2.8%	3.4%
90-day Treasury Bill Rate + 4.5%	6.7%	5.3%	5.8%	5.2%



Private Credit Fundraising In Billions (USD)



Source: J.P. Morgan Asset Management, Preqin. 2022 fundraising figures are year-to-date and as of November 30, 2022.



Portfolio Activity During the Last 12 Months

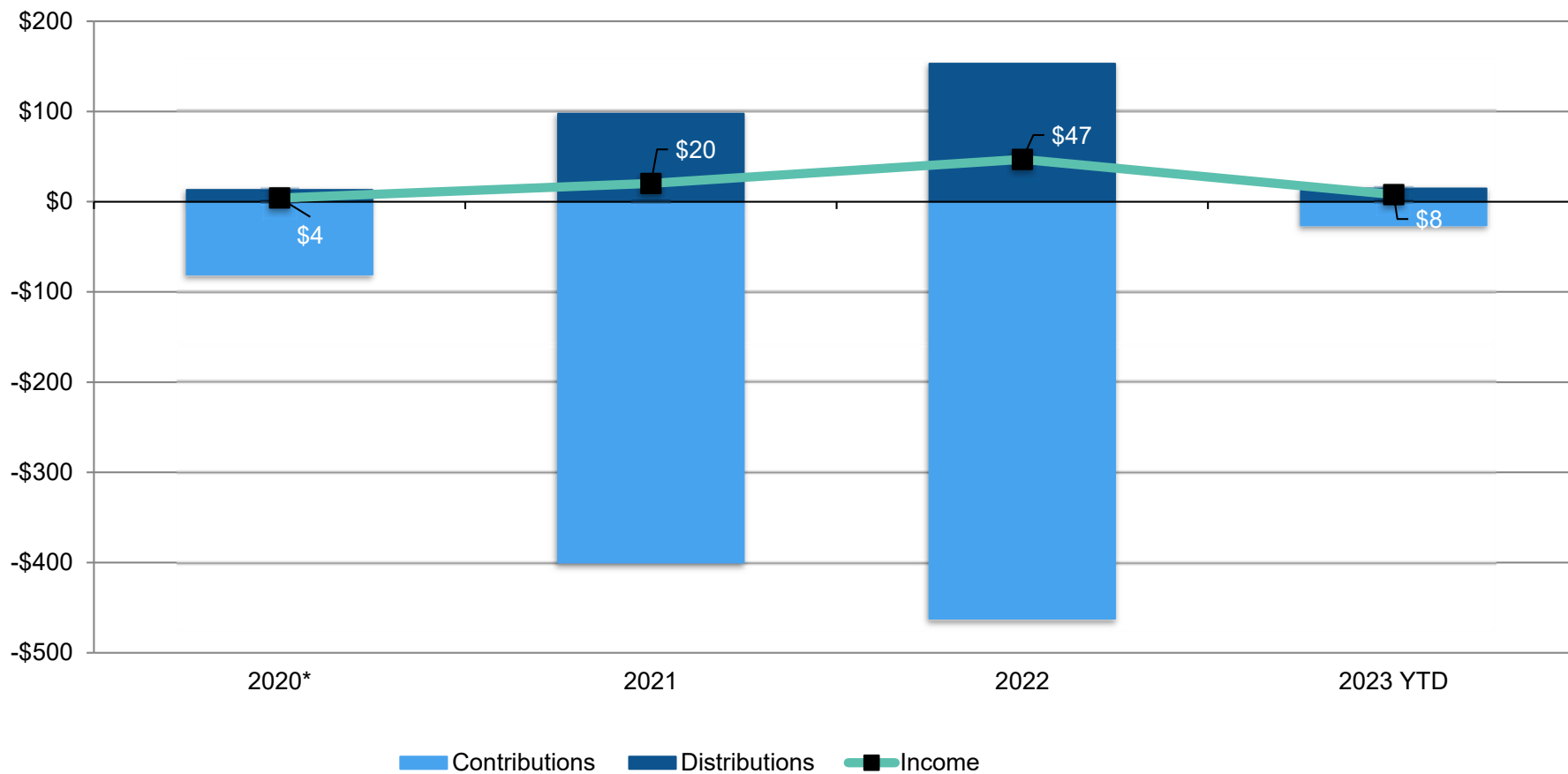
- New Capital Commitments: \$305 million
- Three New Funds & One Separately Managed Account
- Portfolio Market Value Increased from \$690.6 Million to \$1.0 Billion
- Portfolio Allocation Increased From 3.9% to 5.8%

Direct Lending Commitments - \$305 Million

- Carlyle Credit Opportunities Fund III - \$100 million
- Carlyle Direct Lending Fund IV - \$30 million
- LBC Separately Managed Account - \$100 million
- HPS Specialty Lending Fund VI - \$75 million



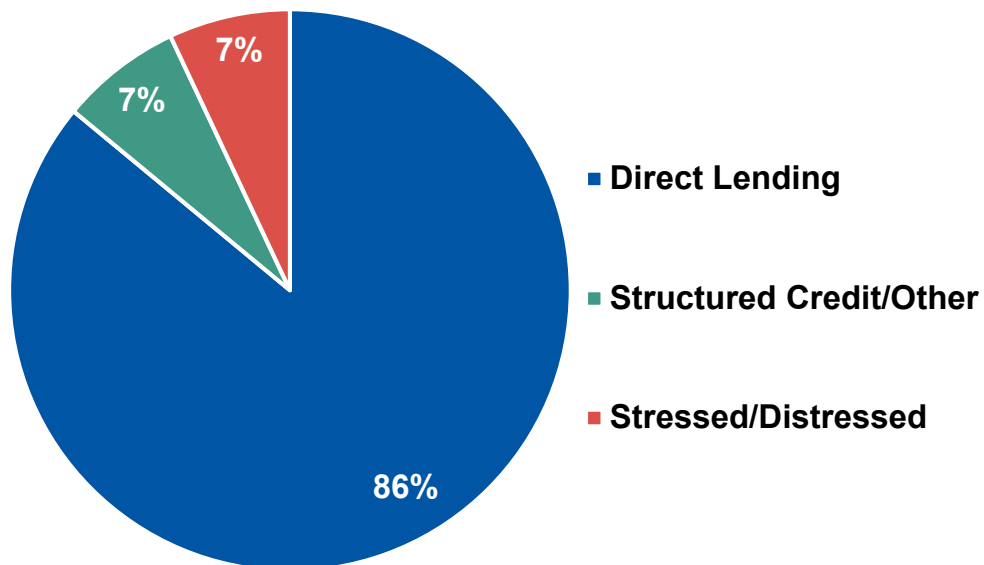
Annual Cash Flows (millions)



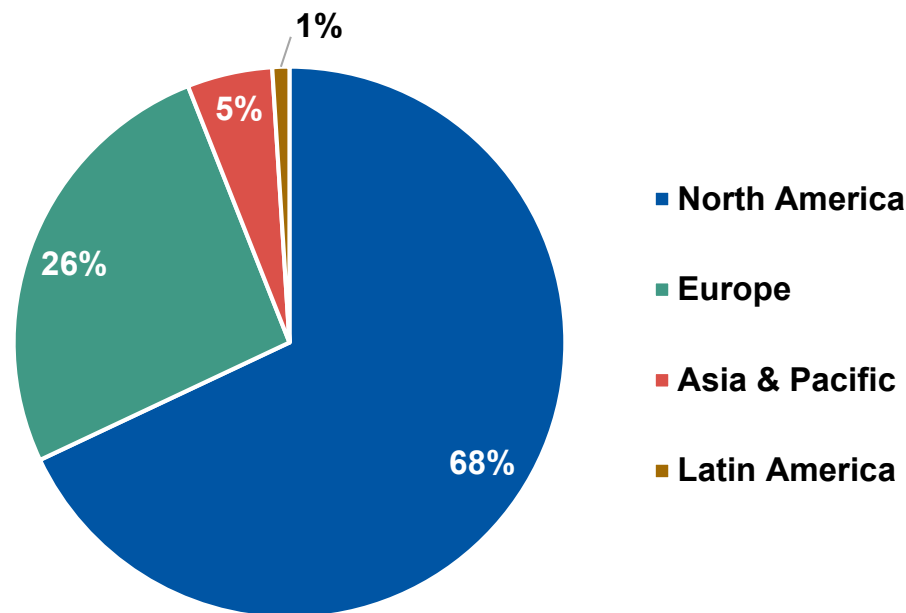
*As of the Global Private Credit portfolio inception date of 7/1/2020.



Strategy

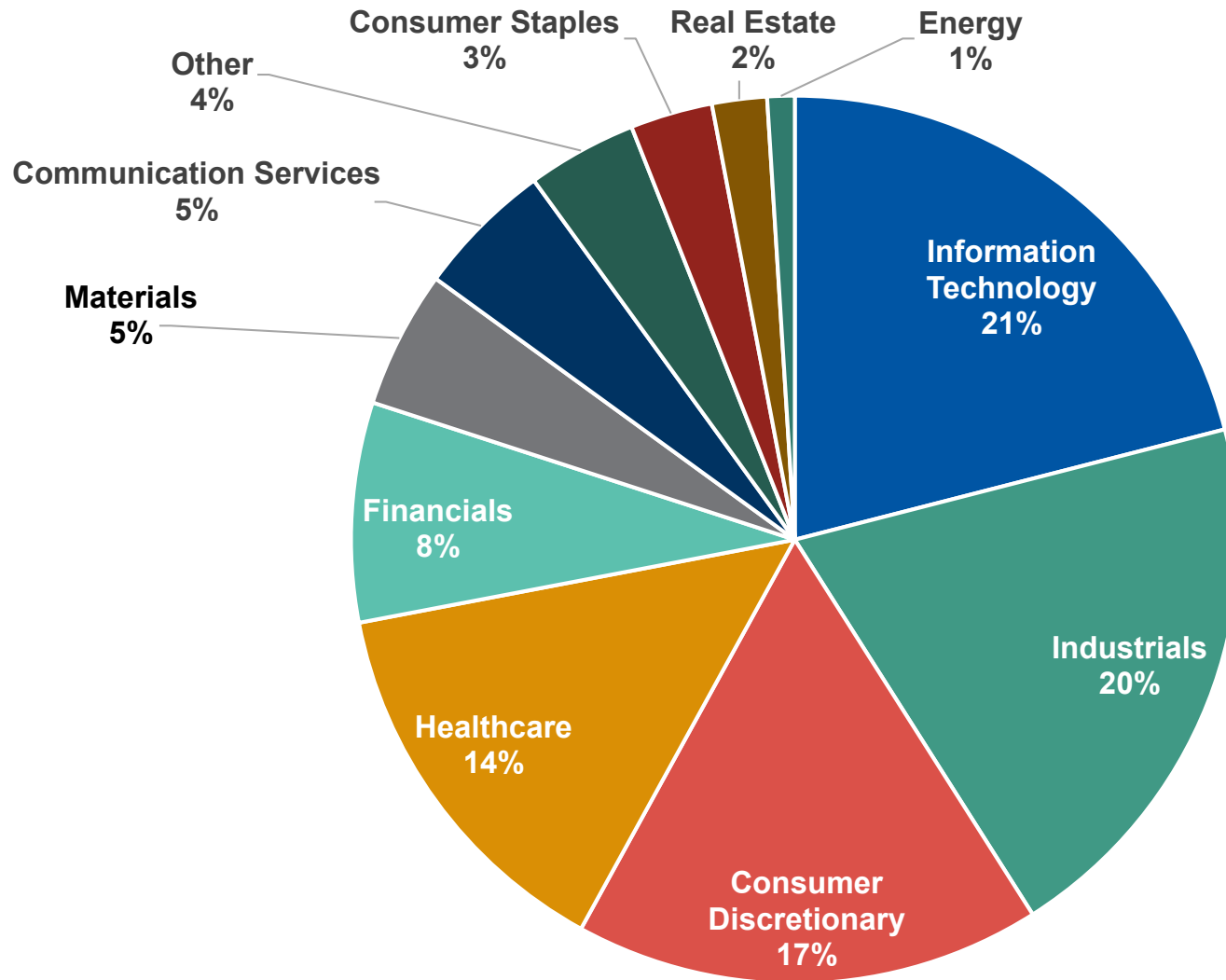


Geography





Sector



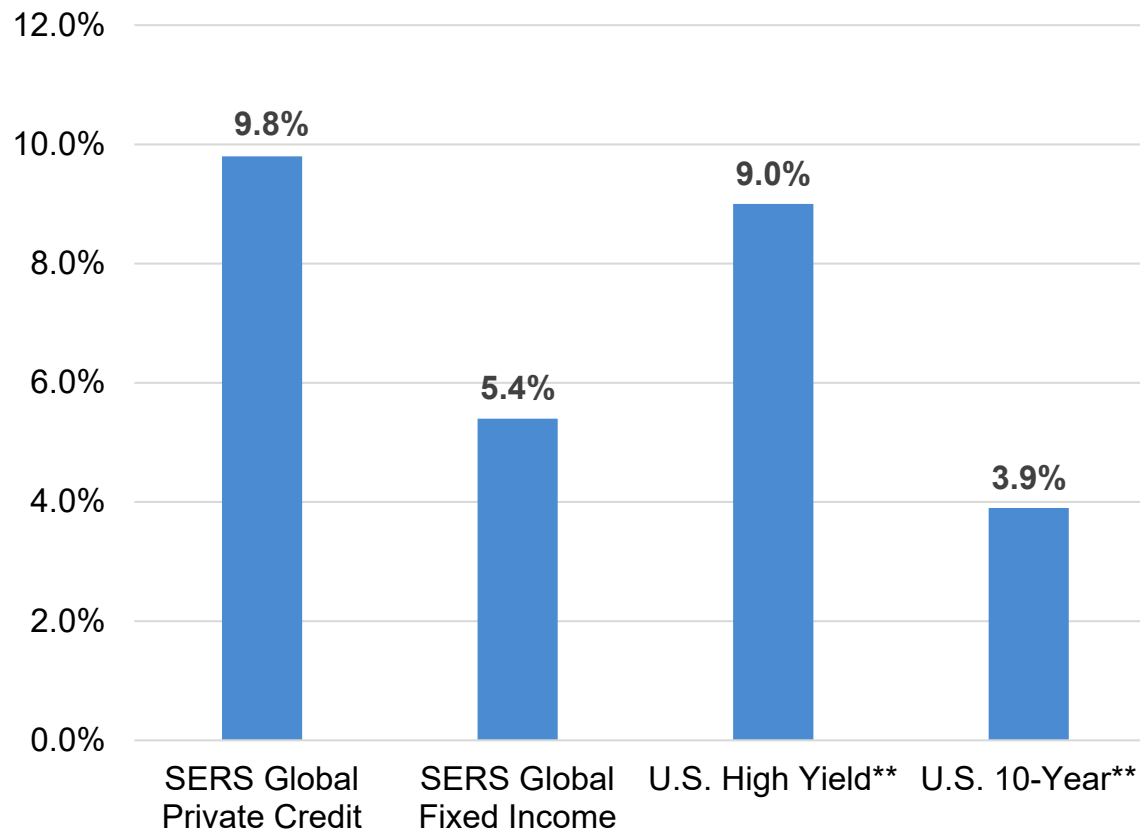


Net of Fees (as of 2/28/2023)	% of Portfolio	Expected Return Range	One-Year Return	Inception to Date*
Private Credit Composite (\$1,008,388,650)			5.9%	10.6%
Direct Lending (\$873,014,967)	86.0%	7% – 10%	6.0%	9.8%
Stressed/Distressed (\$72,590,209)	7.0%	10% – 15%	11.8%	17.1%
Structured Credit/Other (\$62,783,474)	7.0%	10% – 12%	2.1%	10.5%
Private Credit Benchmark			6.7%	5.5%
SERS Global Fixed Income			-8.5%	

*Inception date is 7/1/2020



Portfolio Income Yield*



*As of December 31, 2022

**Source: BAML, Federal Reserve



Fiscal Year 2023 Objectives

- Maintain the allocation within the target range (5% to 7%) by making new investments that fit the SERS' investment policy, while managing the portfolio in conjunction with the pace of capital drawdowns for existing commitments
- Build the allocation in line with the implementation guidelines and ensure appropriate risk and return characteristics are present within the new target allocation.
- Evaluate new investments with a cautious approach given the economic outlook and the rising interest rate environment, while focusing on increasing the cash yield of the portfolio and income distribution to the Total Fund.
- Consider differentiated strategies that can add further diversification to the portfolio while also contributing to the portfolio's return and cash yield.
- Continue to look for co-investment opportunities with existing managers that could be a fit for the portfolio and that increase the portfolio's cash yield.



- Direct Lending: loans made directly to small to medium size companies; secured by assets/cash flows/contracts, etc. depending on the type of loan.
- Mezzanine: subordinated debt to senior loans that is typically structured as an unsecured fixed or floating rate loan with an equity component.
- Stressed/Distressed: loans made to companies that are financially stressed and/or are likely to go through restructuring/bankruptcy. These investments typically have longer holding periods where the lender sometimes is seeking to take control of the company.
- Structured Credit & Other: includes investments in collateralized loan obligation tranches and other asset backed securities. Other private credit investments include specialty financing, non-performing loans, and other private credit investment types that do not fit within the other categories.



Ohio SERS Investment Report

Monthly Report to the Board

For the period ending: February 28, 2023

Prepared by Investment and IAD Staff

Farouki Majeed, Chief Investment Officer

Meeting Date: April 2023



Investment Agenda

Annual Portfolio Review – Private Credit
Monthly Investment Report (February 28, 2023)
Asset Allocation Discussion – possible vote



Economic and Financial Market Outlook

- US growth slowed but remained resilient. The growth rate was 2.6% for Q4 and 2.1% for 2022. The main drivers of Q4 GDP were increases in private inventory investments, consumer and government spendings. (Source: *Bureau of Economic Analysis*)
- US labor market remained strong adding 311,000 jobs in February. The unemployment rate inched higher to 3.6%. The labor force participation rate was 62.5%, remaining below the pre-pandemic level of 63.3%, indicating a continued tight labor market. (Sources: *Bureau of Labor Statistics and Department of Labor*)
- US inflation trended down from its peak as the headline was down to 6.0% and the core was down to 5.5% in February. The energy index and food index increased 5.2% and 9.5%, respectively. Transportation Services index increased at 14.6% while Used Car and Truck index was down by 13.6% for the last 12 months. (Source: *Bureau of Labor Statistics*).
- The 10-year Treasury nominal yield was 3.48% as of March end, which decreased by 44 bps from February. The current 10-year real yield, estimated by the gap between the 10-year Treasury nominal yield and the current headline inflation, was negative 2.52% in February. The Fed conducted the second interest rate hike of 0.25% in 2023, after seven hikes in 2022, to curb inflation. The Fed Funds rate currently is in the range of 4.75-5.0%, the highest level over the last 15 years.
- The S&P Case-Shiller 20-City home price index was down 0.6% for the month. The annual gain reduced to 2.5% in January from 4.6% in December, indicating house prices continued cooling down.
- Consumer Sentiment Index released by Thomson Reuters and University of Michigan continued improving from June 2022 to 62.0 in March; but, remained below the historical average. March US Economic Surprise index improved to 57.0. The February Leading Economic Index (LEI) issued by the Conference Board was 110.0, down 3.6% from 6 months ago.
- Both US and Global Manufacturing PMI readings were below 50, indicating contraction. High interest rates and high inflation continue to be the largest challenges to the US and global economy. (Source: *Institute for Supply Management*).
- Equity markets were up in March. US market (Russell 3000) and Non-US Developed markets (MSCI World ex-USA) were up 2.67% and 2.22%, respectively. Emerging markets were up 3.03%.
- The US fixed income market, Bloomberg Barclay's US Aggregate Bond Index, was up 2.54% in March.

Notes: Acronym – PMI – Purchasing-Managers' Index



ECONOMY

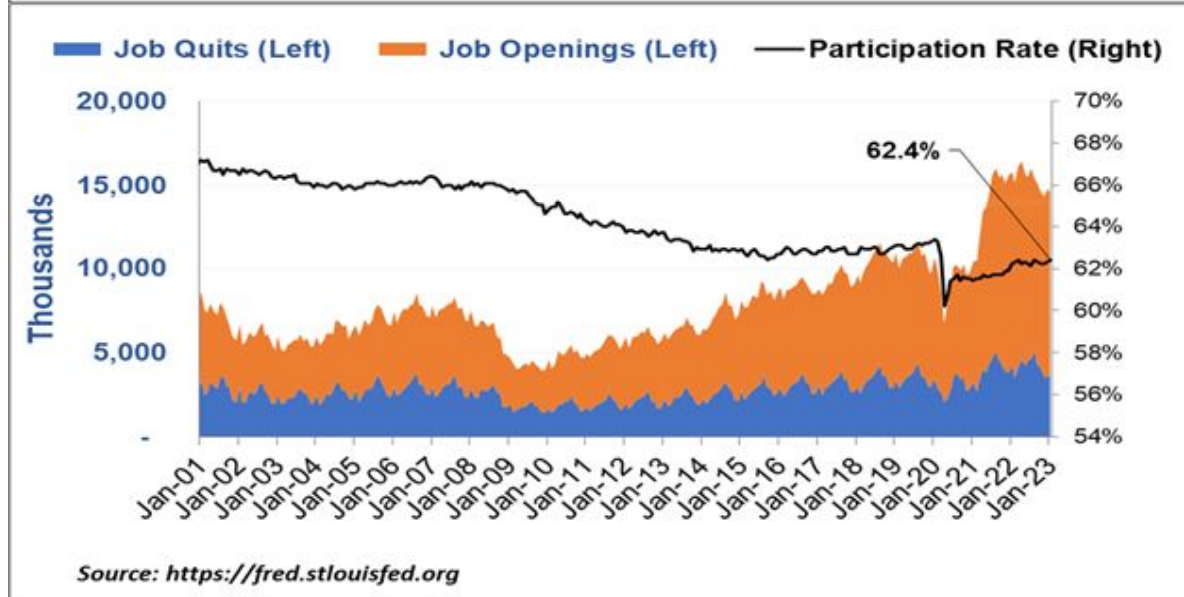
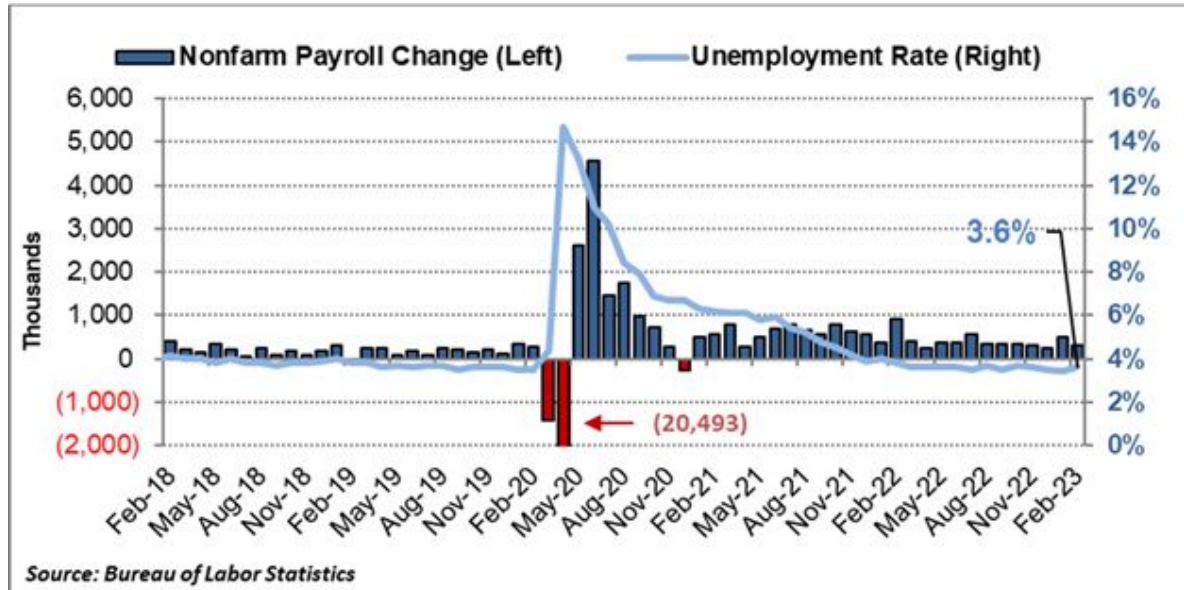
US Real Gross Domestic Product





ECONOMY

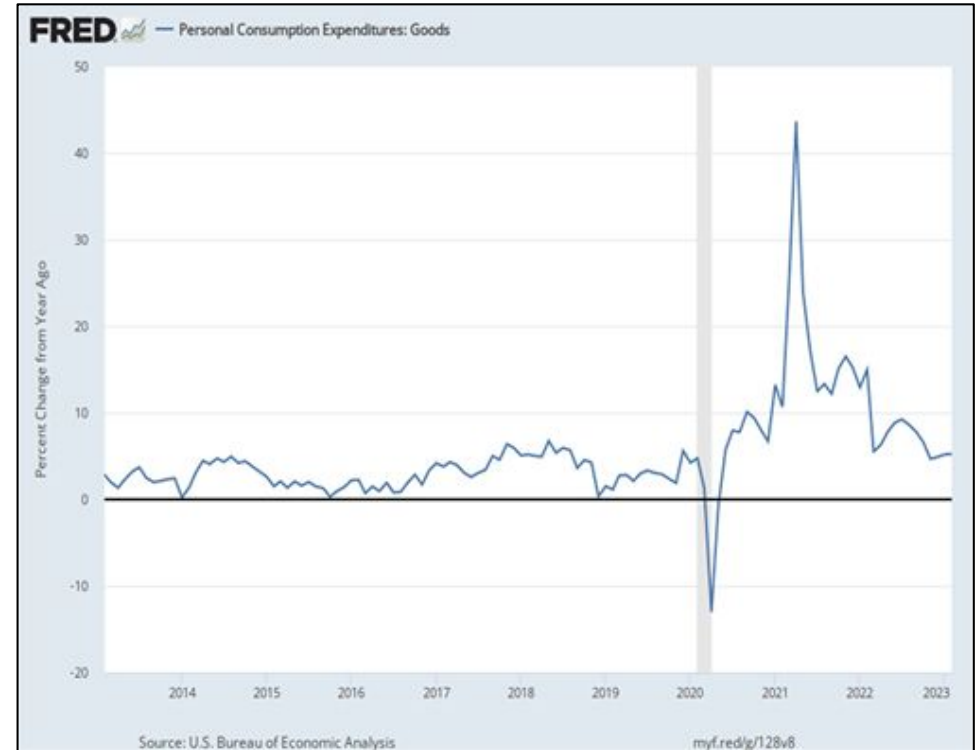
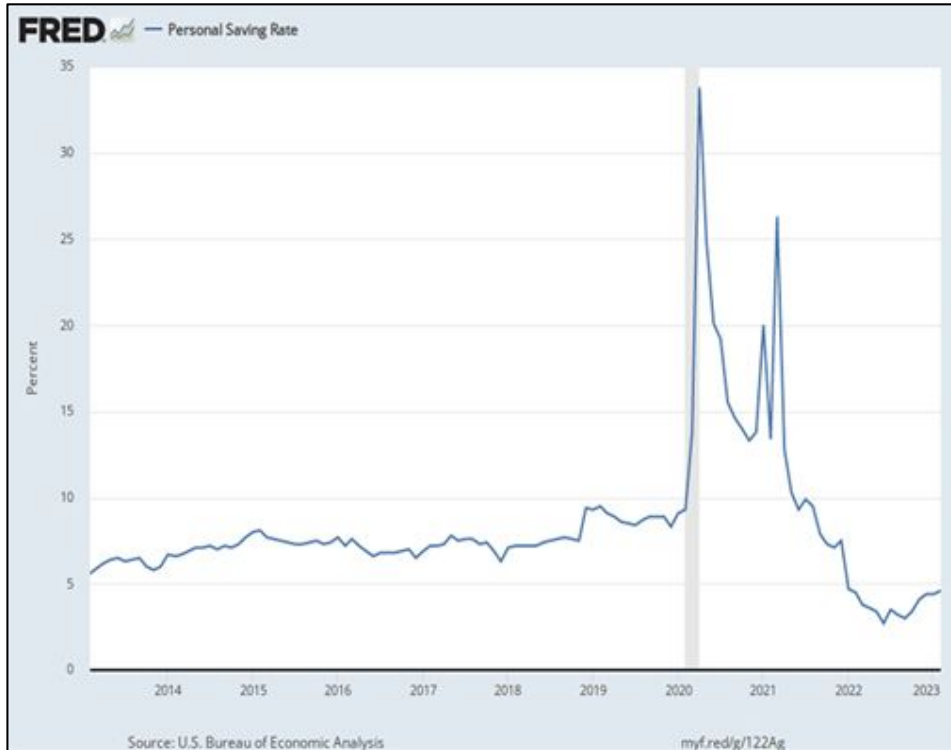
US Labor Market





ECONOMY

Personal Savings Rate & Personal Expenditures: Goods



Date	Annual Personal Savings Rate
Jun-19	8.5%
Jun-20	20.1%
Jun-21	9.3%
Jun-22	2.7%
Feb-23	4.6%

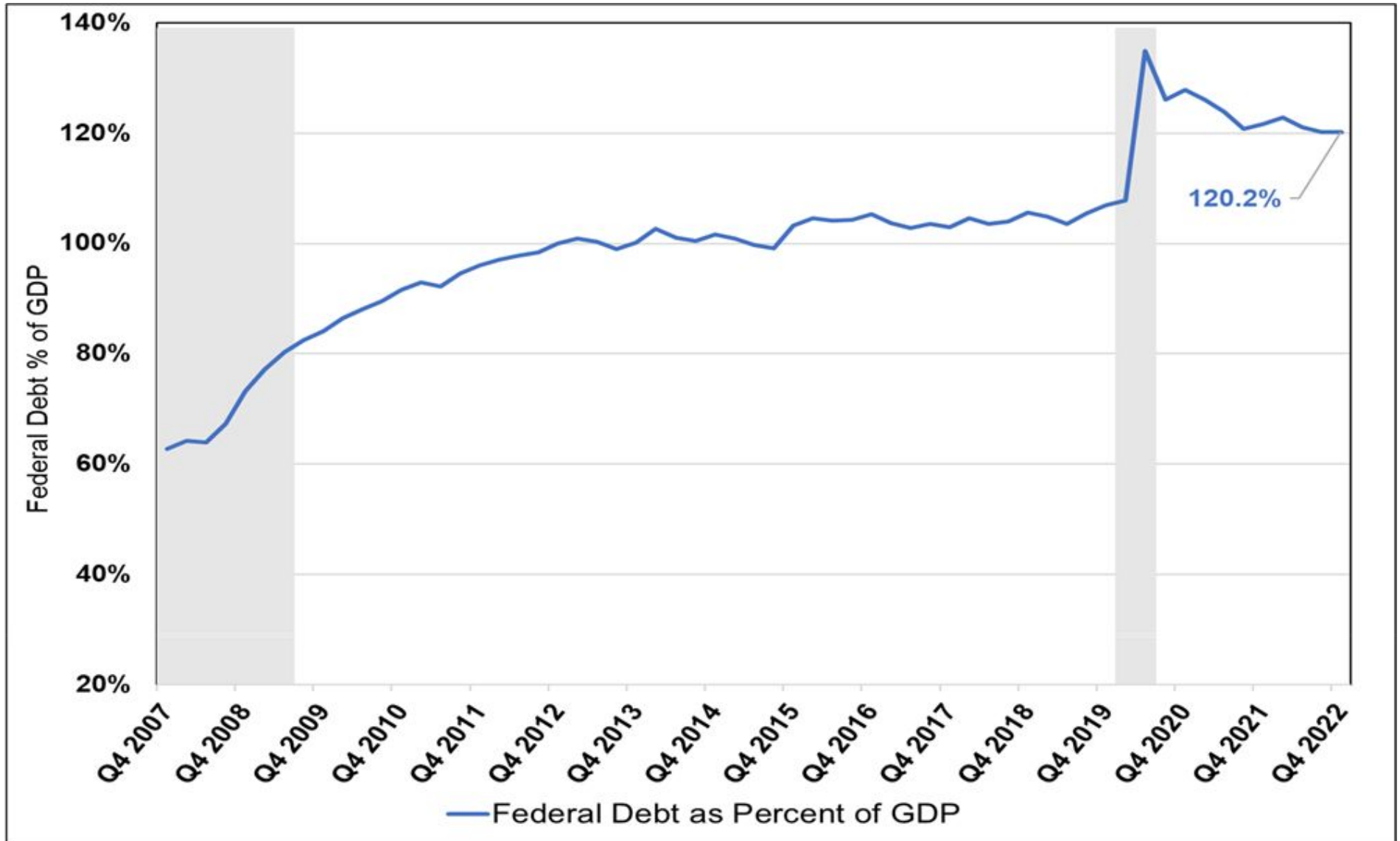
Date	Personal Consumption Expenditures: Goods Change from Prior Year
Jun-19	3.0%
Jun-20	5.7%
Jun-21	17.1%
Jun-22	8.9%
Feb-23	5.3%

Source: FRED, U.S. Bureau of Economic Analysis



ECONOMY

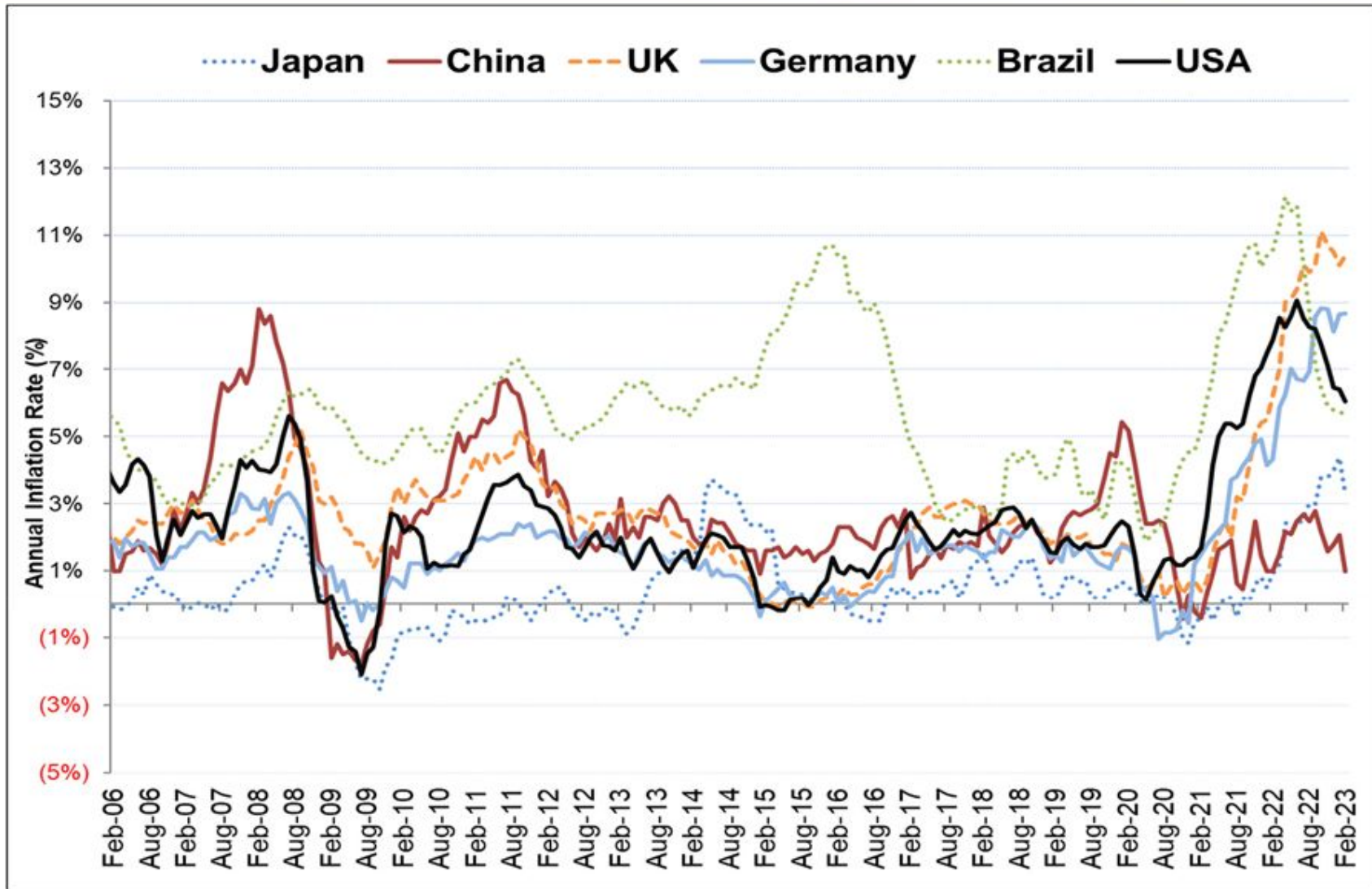
Federal Debt as Percent of GDP





ECONOMY

Headline Inflation



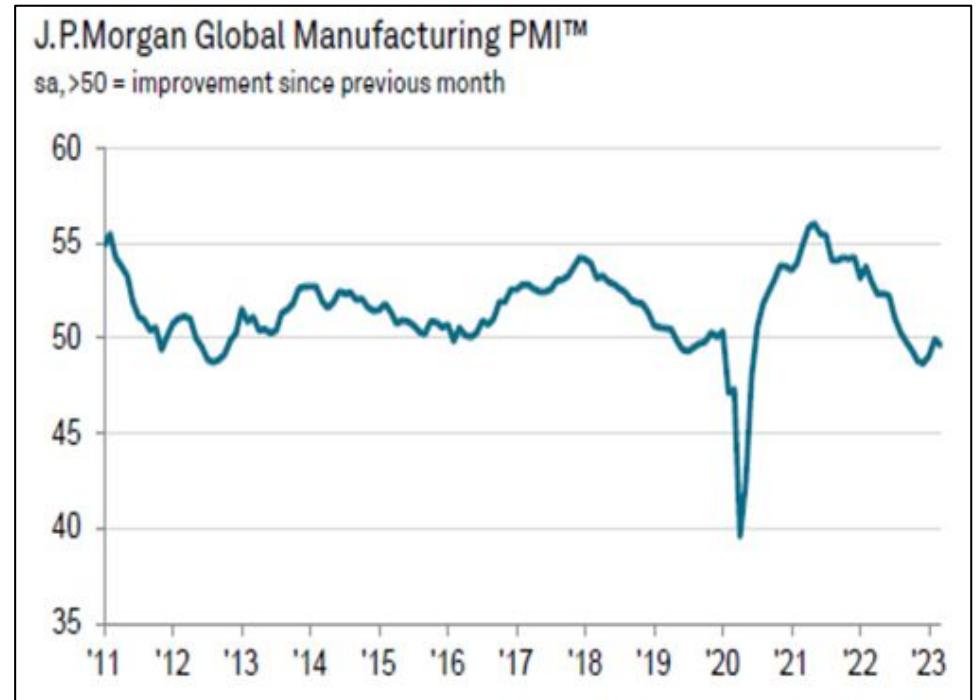
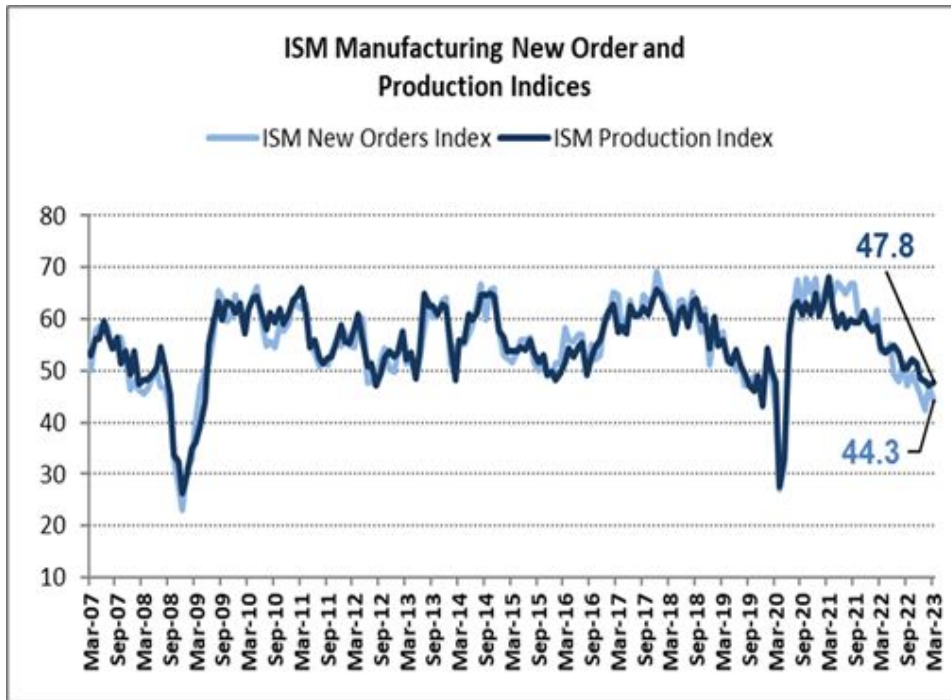
	Japan	China	UK	Germany	Brazil	USA
Feb-23	3.3	1.0	10.4	8.7	5.6	6.0

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



ECONOMY

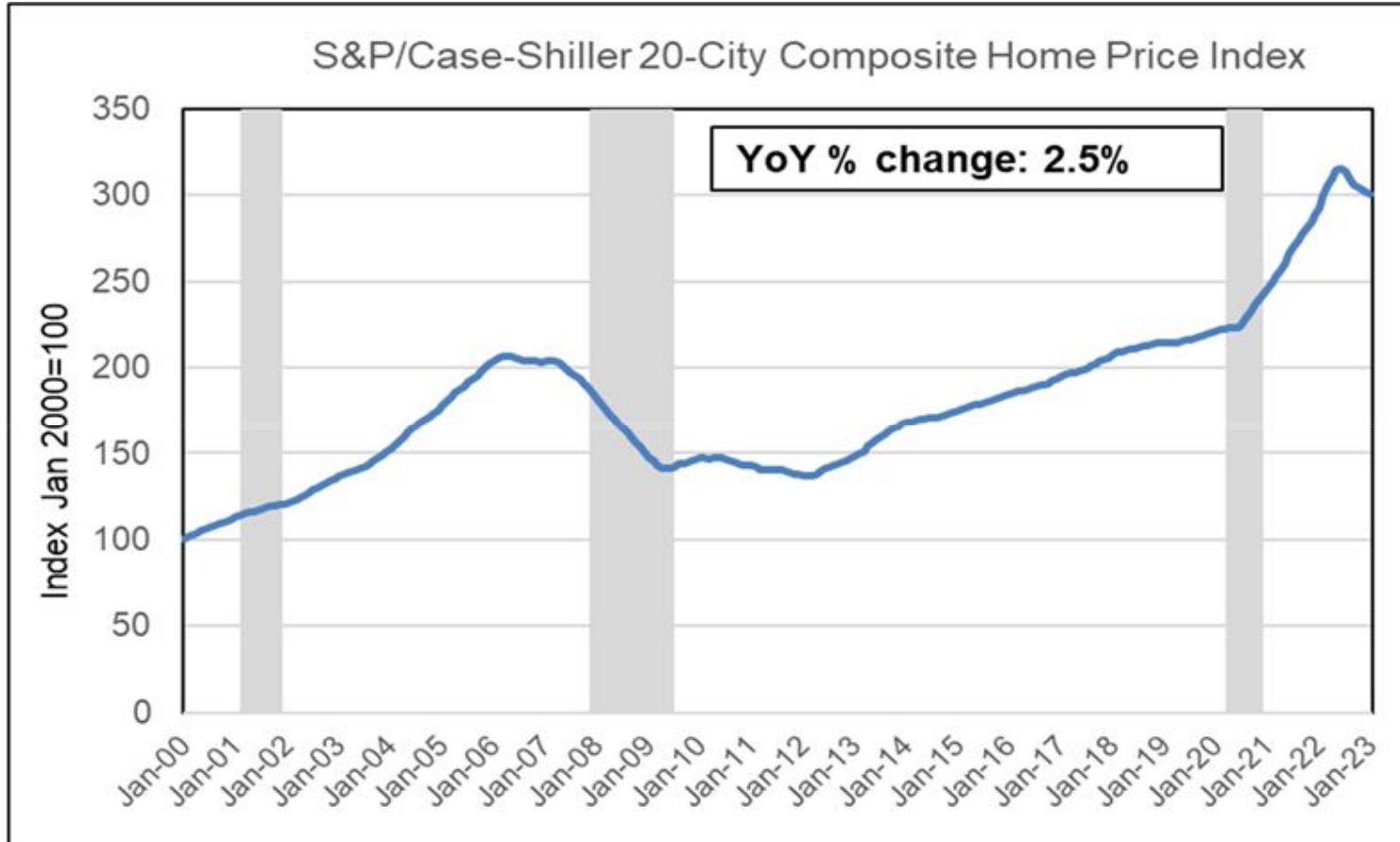
US & Global Manufacturing Activities





ECONOMY

US Housing Market

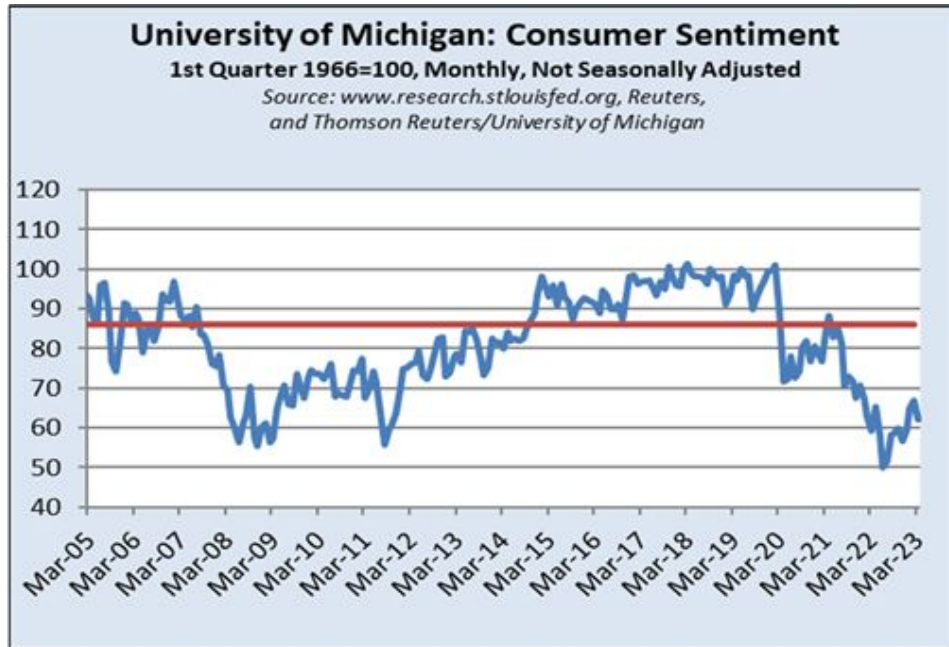


Date	S&P Case-Shiller 20-City Home Price Index January 2000 = 100, Seasonally Adjusted
Jul-19	216.09
Jul-20	225.16
Jul-21	270.14
Jul-22	313.25
Jan-23	300.36

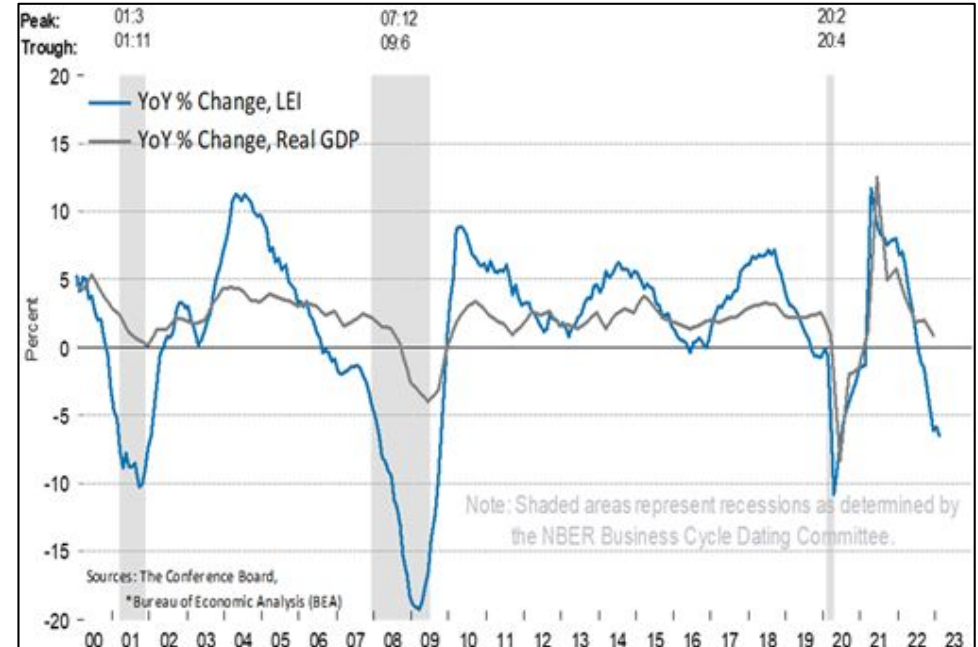


ECONOMY

Consumer Sentiment



The Leading Economic Index (LEI) for the United States



Shaded areas represent US recessions

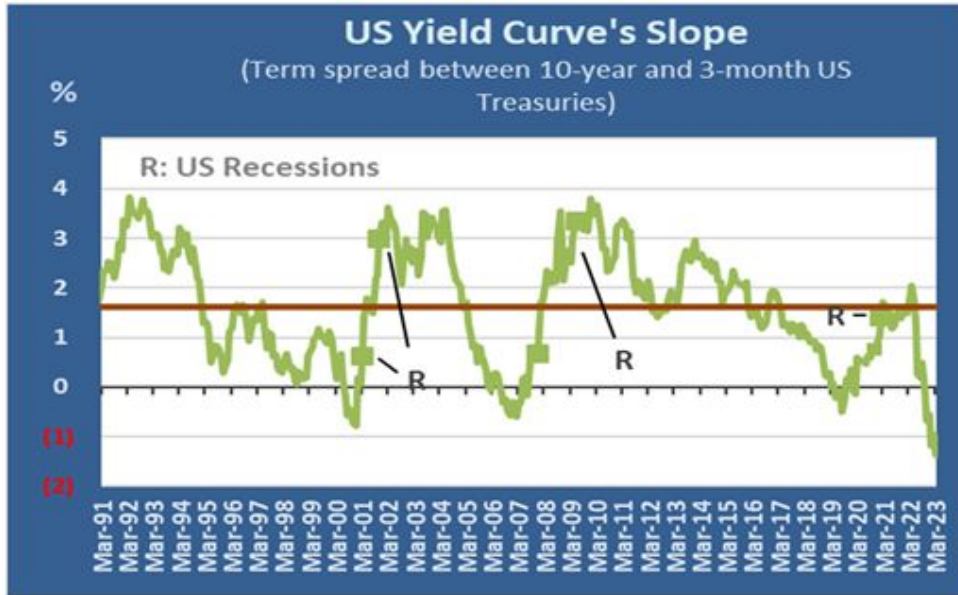
Index of Consumer Sentiment				
Feb-23	Mar-23	Mar-22	M-M Change	Y-Y Change
67.0	62.0	59.4	-7.5%	4.4%

Index	Jan-23	Feb-23	Month -Month Percent Change	6-Month Percent Change (Aug-Feb)
LEI	110.3 r	110.0 p	-0.3	-3.6

p Preliminary; r Revised; Indexes equal 100 in 2016



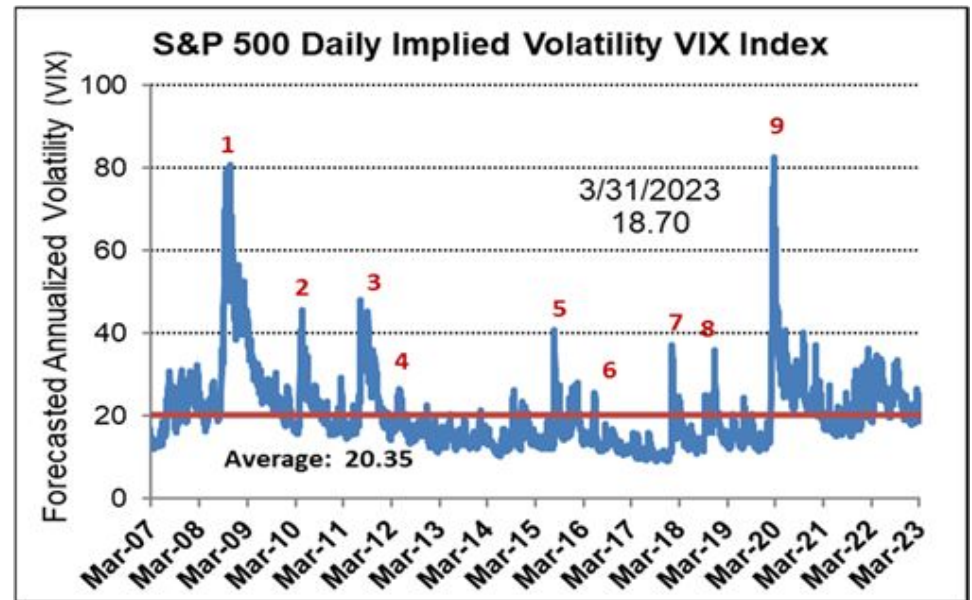
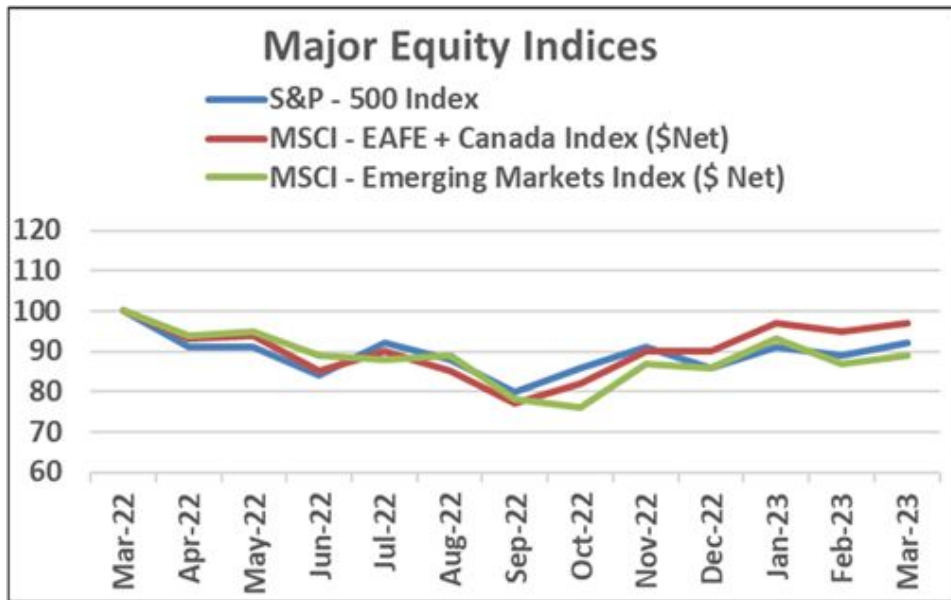
ECONOMY





MARKETS

Equity



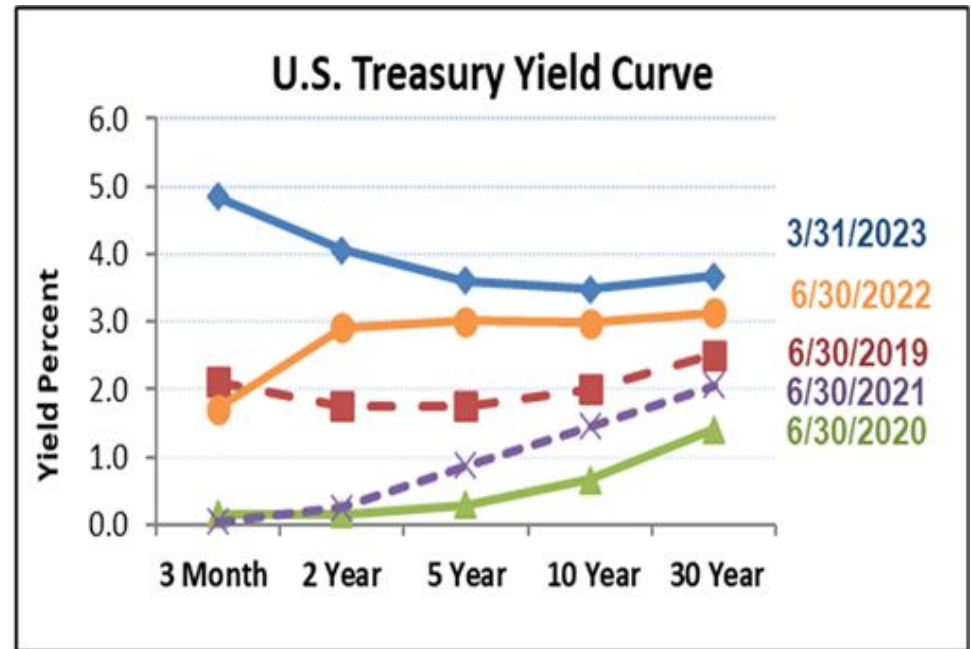
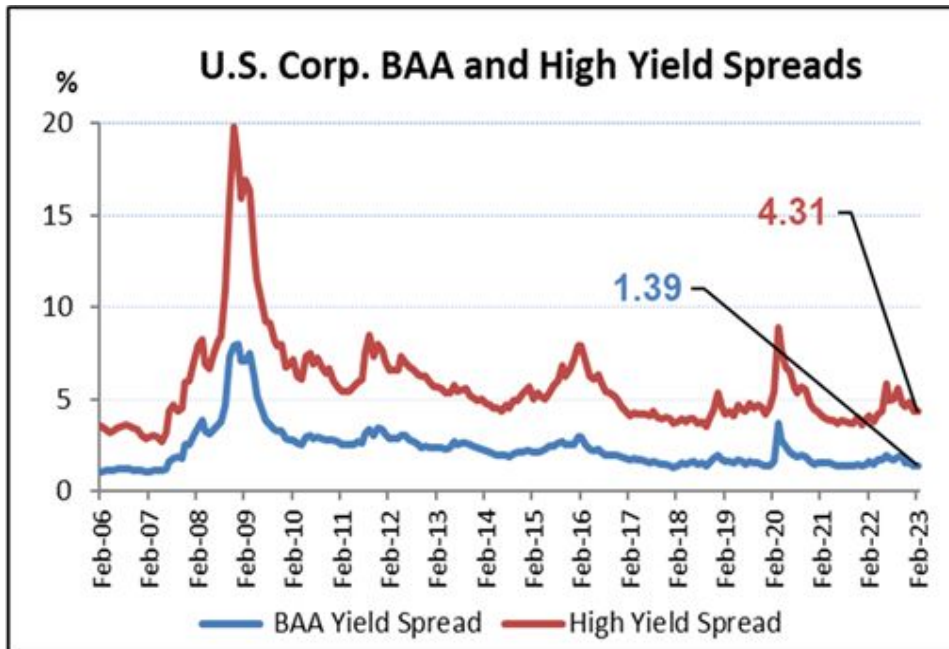
	Return as of 3/31/2023	
	1 Year	FYTD
S&P 500	(7.73)	9.98
MSCI - EAFE + Canada Index (\$Net)	(2.74)	13.96
MSCI - Emerging Markets Index (\$Net)	(10.70)	0.84

- 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%



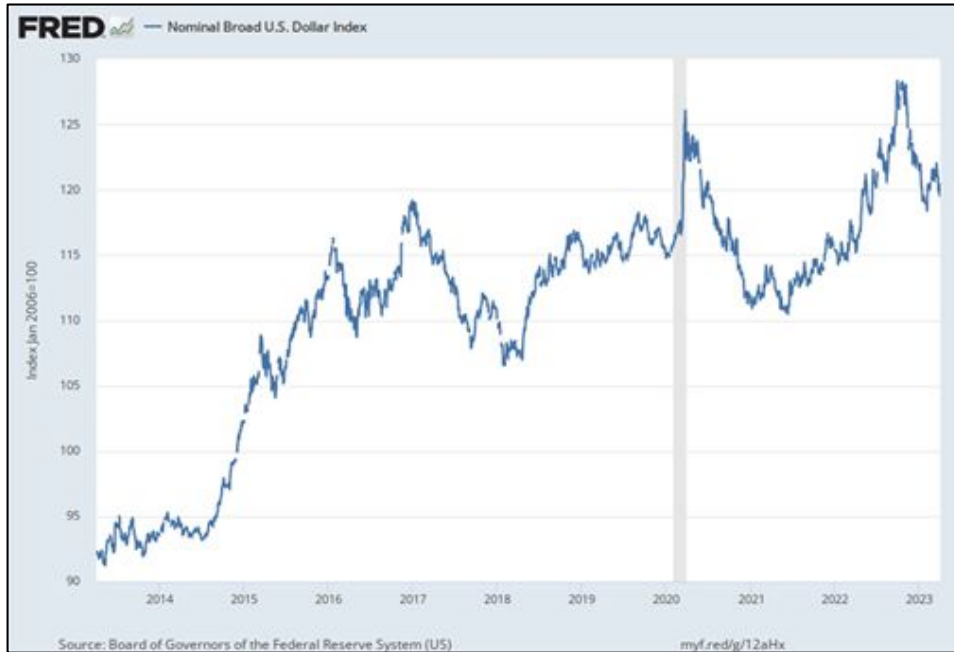
MARKETS

Fixed Income





MARKETS Foreign Exchange



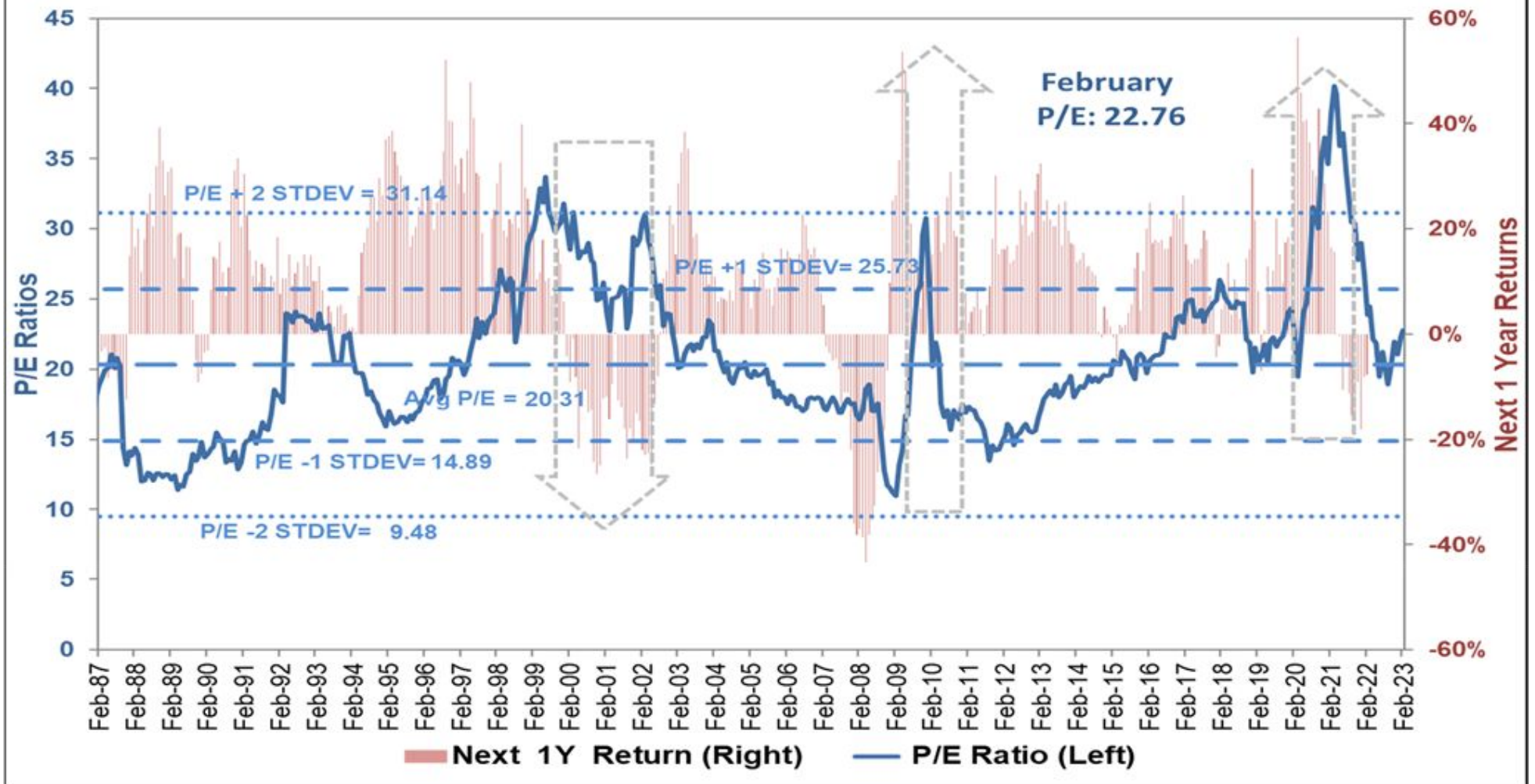
Date	Nominal Broad U.S. Dollar Index January 2006=100
June-19	114.56
June-20	120.86
June-21	112.85
June-22	121.05
March-23	119.48

Date	U.S. / Euro Foreign Exchange Rate U.S. Dollars to One Euro
June-19	1.14
June-20	1.12
June-21	1.18
June-22	1.05
March-23	1.09



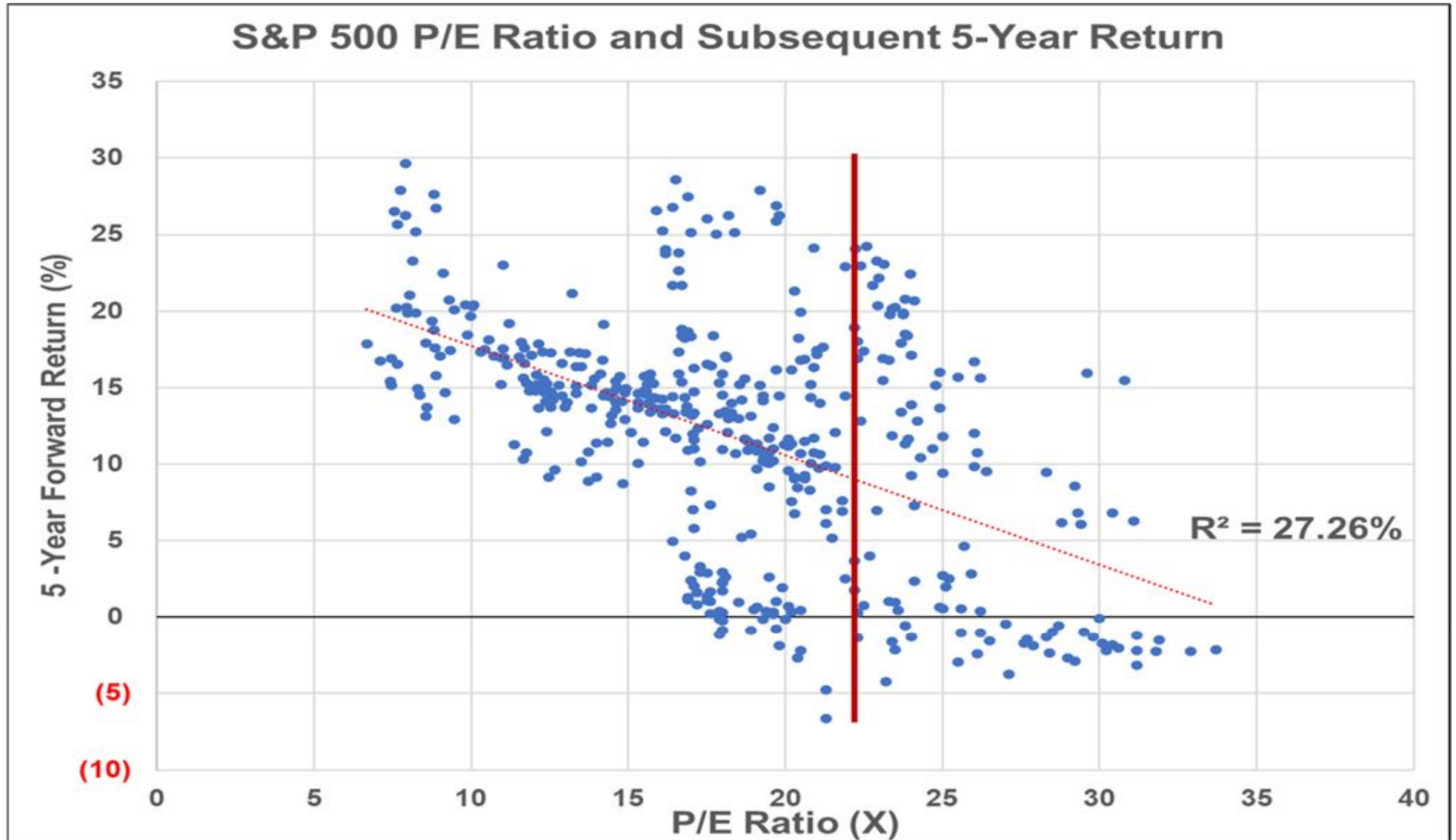
VALUATION **US Equity**

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



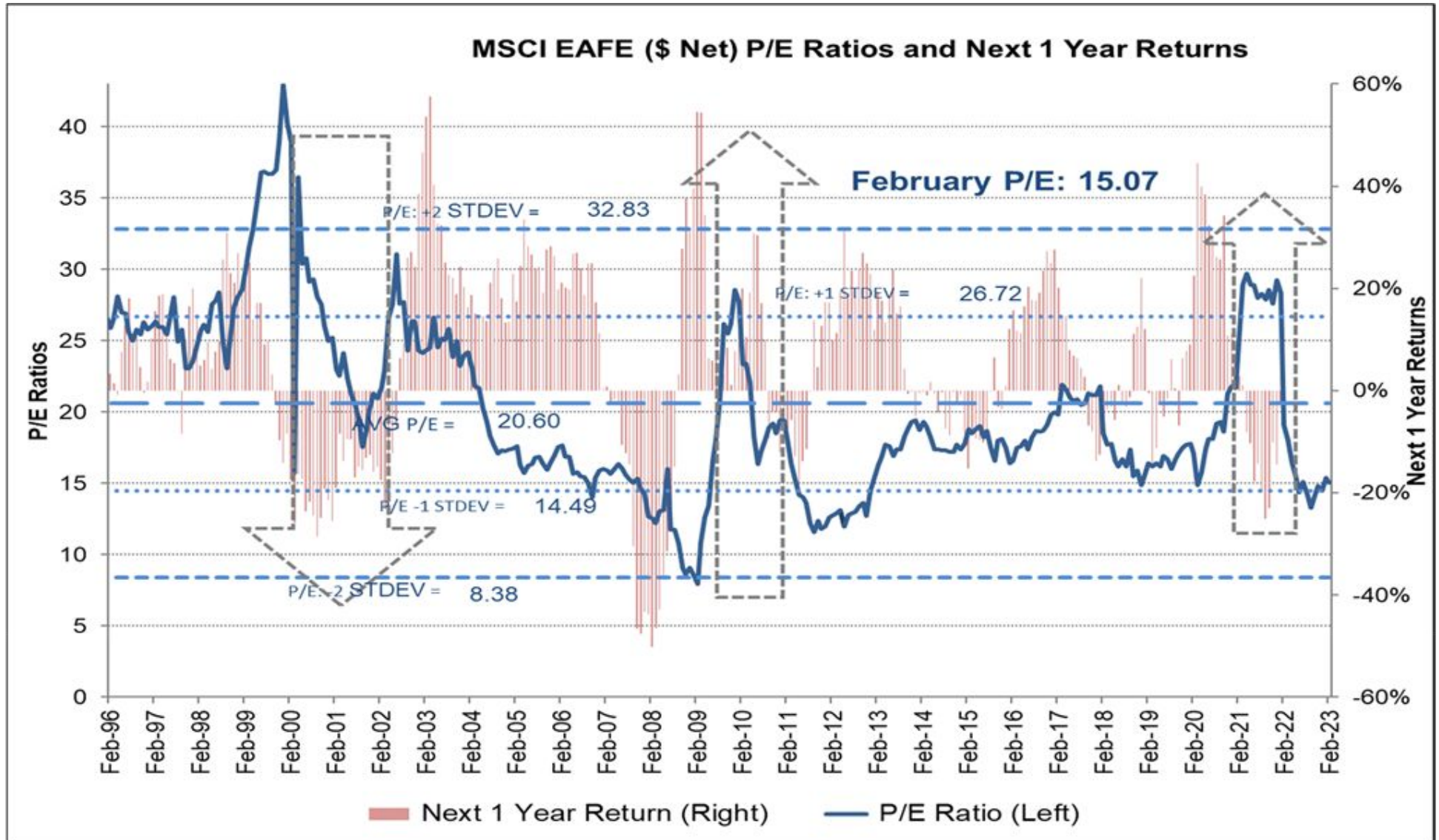


VALUATION US Equity



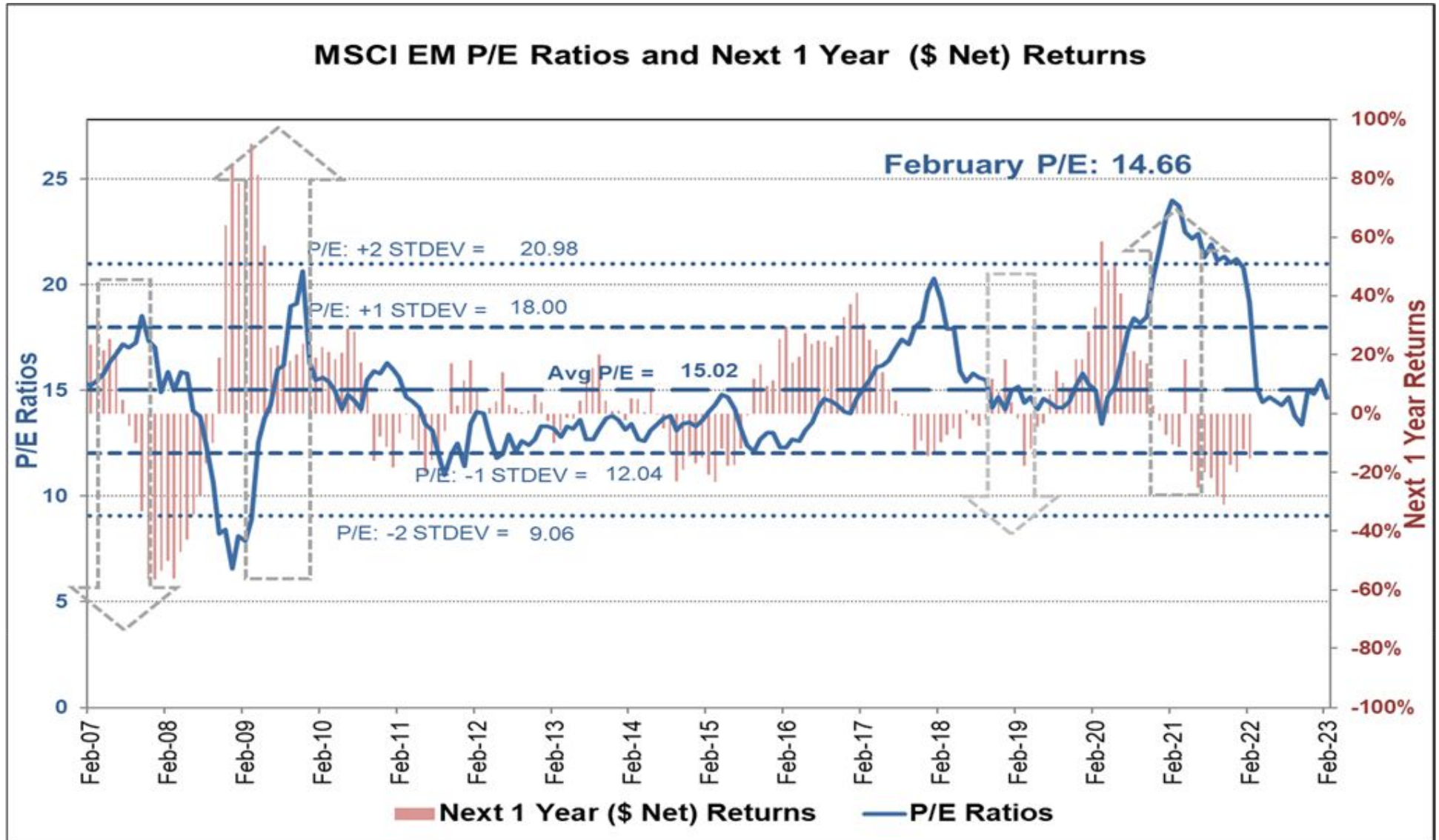


VALUATION Non US Developed Market Equity



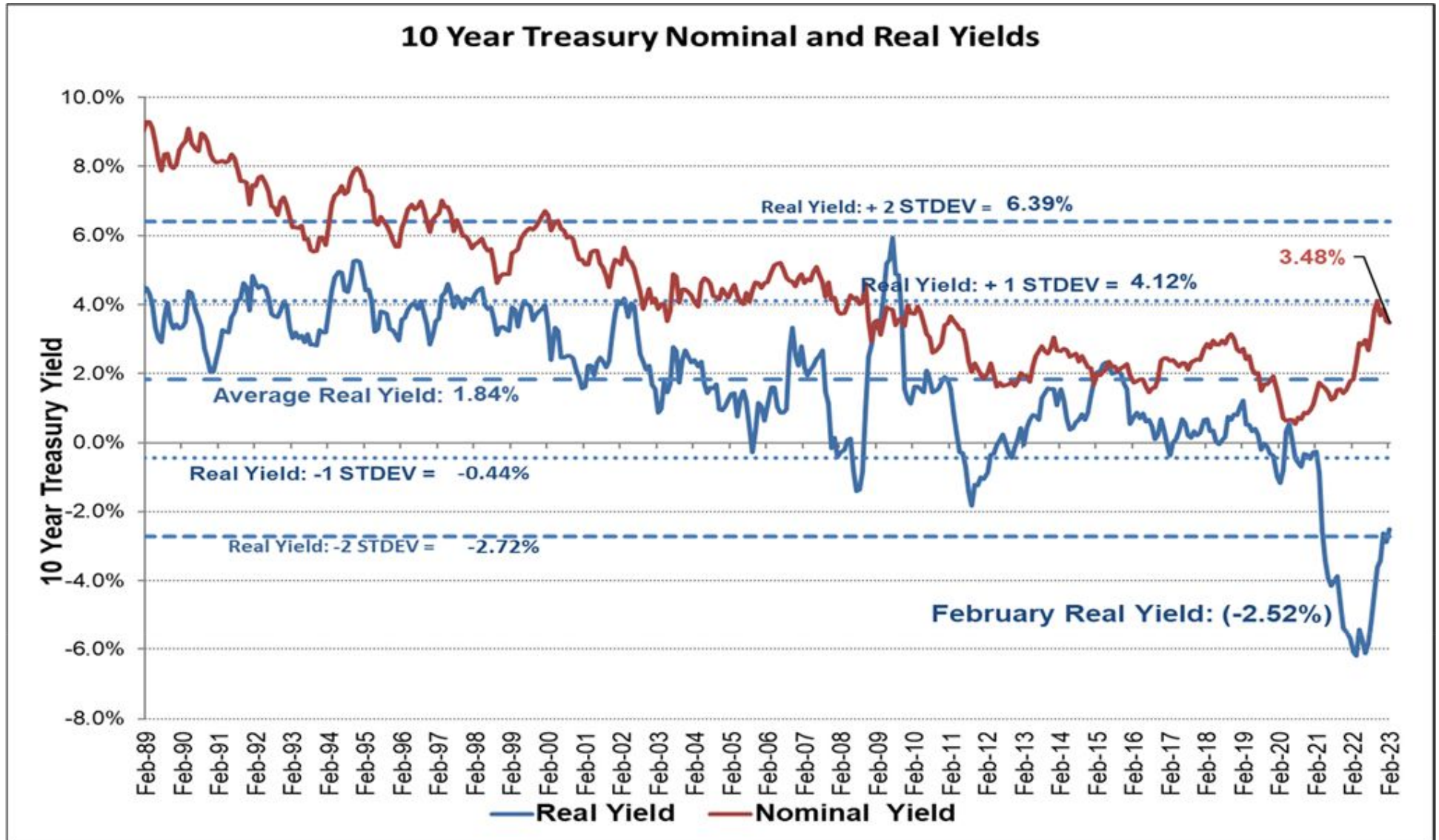


VALUATION Emerging Market Equity





VALUATION US Treasury Bonds





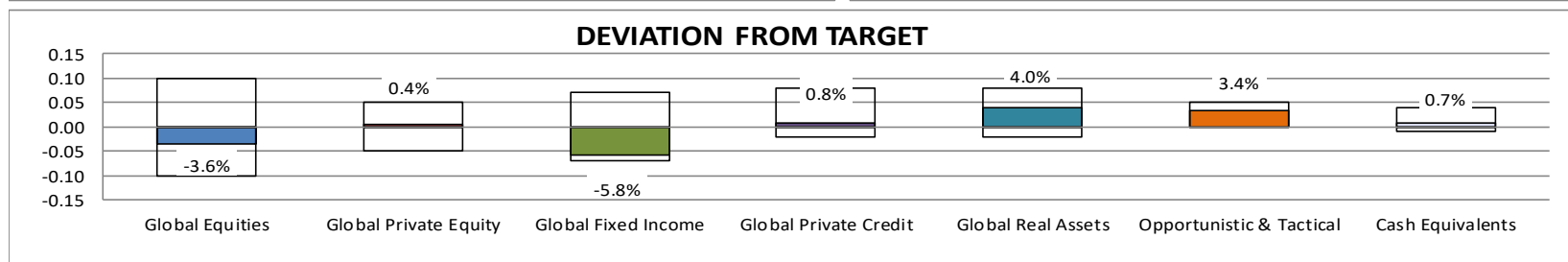
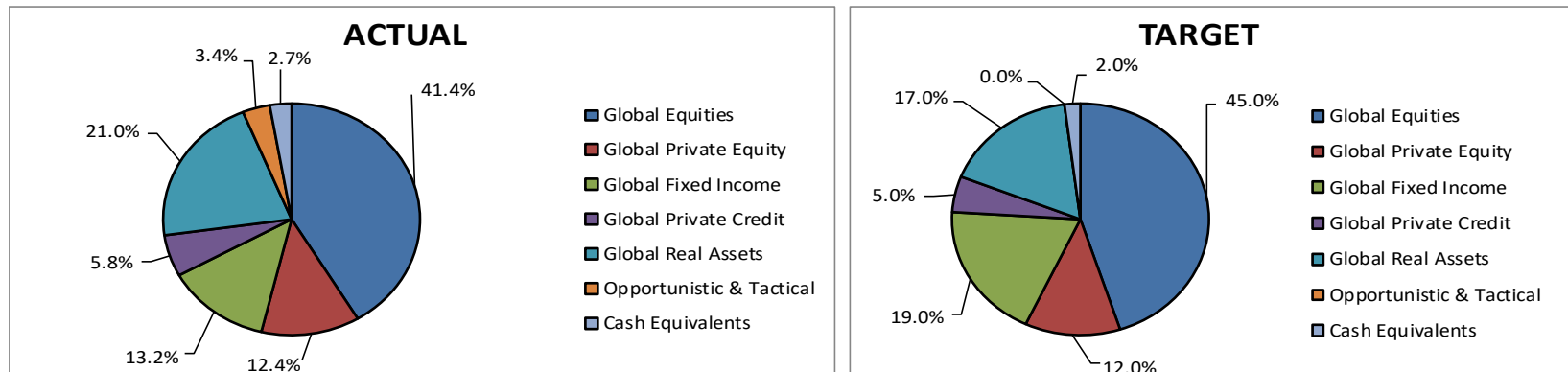
SERS' Investment Portfolios Review



Total Fund Asset Allocation

Asset Class	Market Value \$	Actual	Target	Range
Global Equities	7,157,675,564	41.4%	45.0%	35% - 55%
Global Private Equity	2,146,607,733	12.4%	12.0%	8% - 16%
Global Fixed Income	2,278,307,573	13.2%	19.0%	12% - 26%
Global Private Credit	1,008,388,650	5.8%	5.0%	3% - 7%
Global Real Assets	3,637,324,095	21.0%	17.0%	14% - 22%
Opportunistic & Tactical	596,710,428	3.4%	0.0%	0% - 7%
Cash Equivalents	471,641,436	2.7%	2.0%	0% - 5%
Short-Term	436,388,385	2.5%	2.0%	
Russell EA Overlay	0	0.0%	0.0%	
Aegis - Alpha Overlay	7,095,875	0.0%	0.0%	
Direct Rebalance Overlay	0	0.0%	0.0%	
Transition / Operational Account	1,458,728	0.0%	0.0%	
Currency Overlay	26,698,449	0.2%	0.0%	
Total Fund	17,296,655,479	100.0%	100.0%	

Source: BNY Mellon GRS

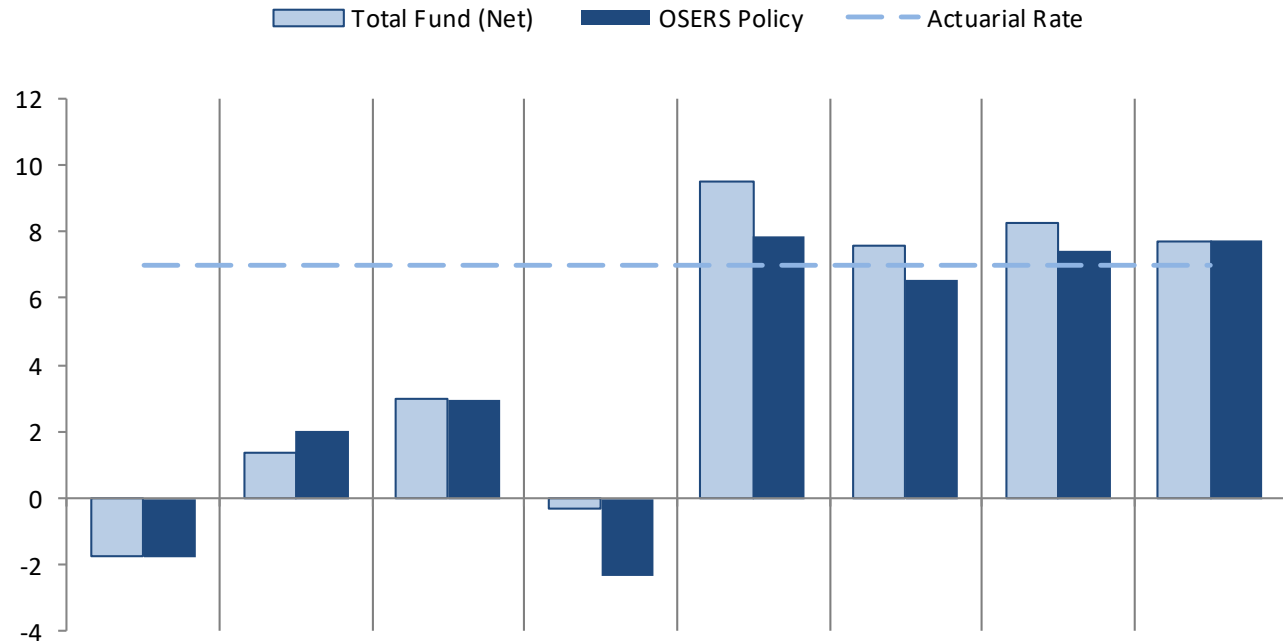




Total Fund Performance

Current Benchmark:

- 45% MSCI ACWI (Net Dividends)
- 12.00% Burgiss All Private Equity benchmark (1q lag) (BAPE)
- 19.00% Bloomberg Aggregate Bond
- 17.00% NCREIF Property (1q lag)
- 5.00% 90 Day T-Bill + 4.5%
- 2.00% Citigroup 30 Day US T-Bill



Actuarial Rate

(7.0% effective 7/1/21, adopted 4/15/21)

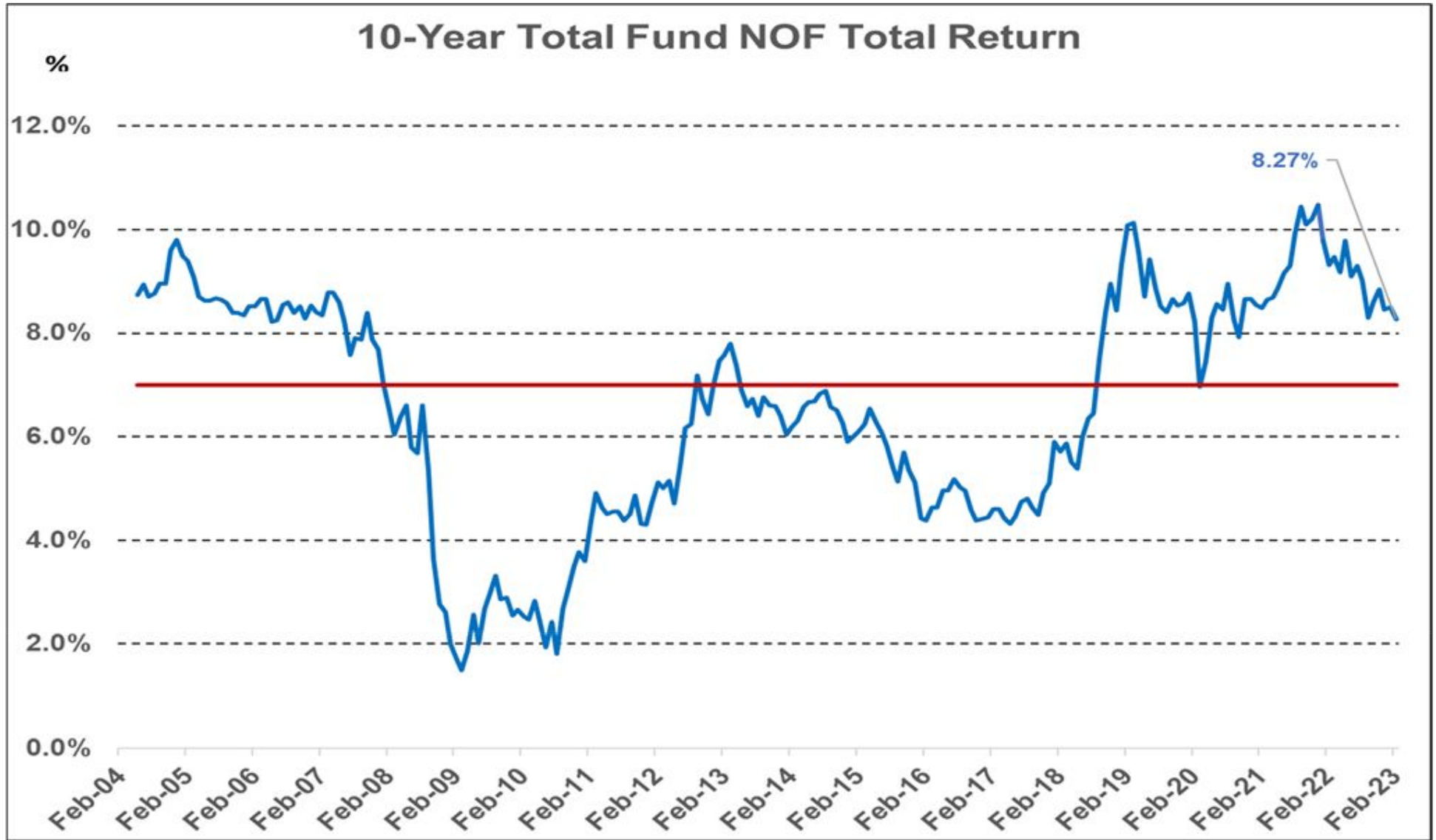
	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD*
Total Fund (Gross)	(1.70)	1.42	3.41	0.47	10.20	8.25	8.96	8.28
Total Fund (Net)	(1.73)	1.37	2.96	(0.28)	9.52	7.57	8.27	7.75
OSERS Policy	(1.74)	2.05	2.95	(2.34)	7.88	6.56	7.45	7.72
Value Added (Net of Fee)	0.01	(0.68)	0.01	2.06	1.64	1.01	0.82	0.03

Source: BNY Mellon GRS

*ITD is Inception date 10/1/1994 (28 years and 5 months)

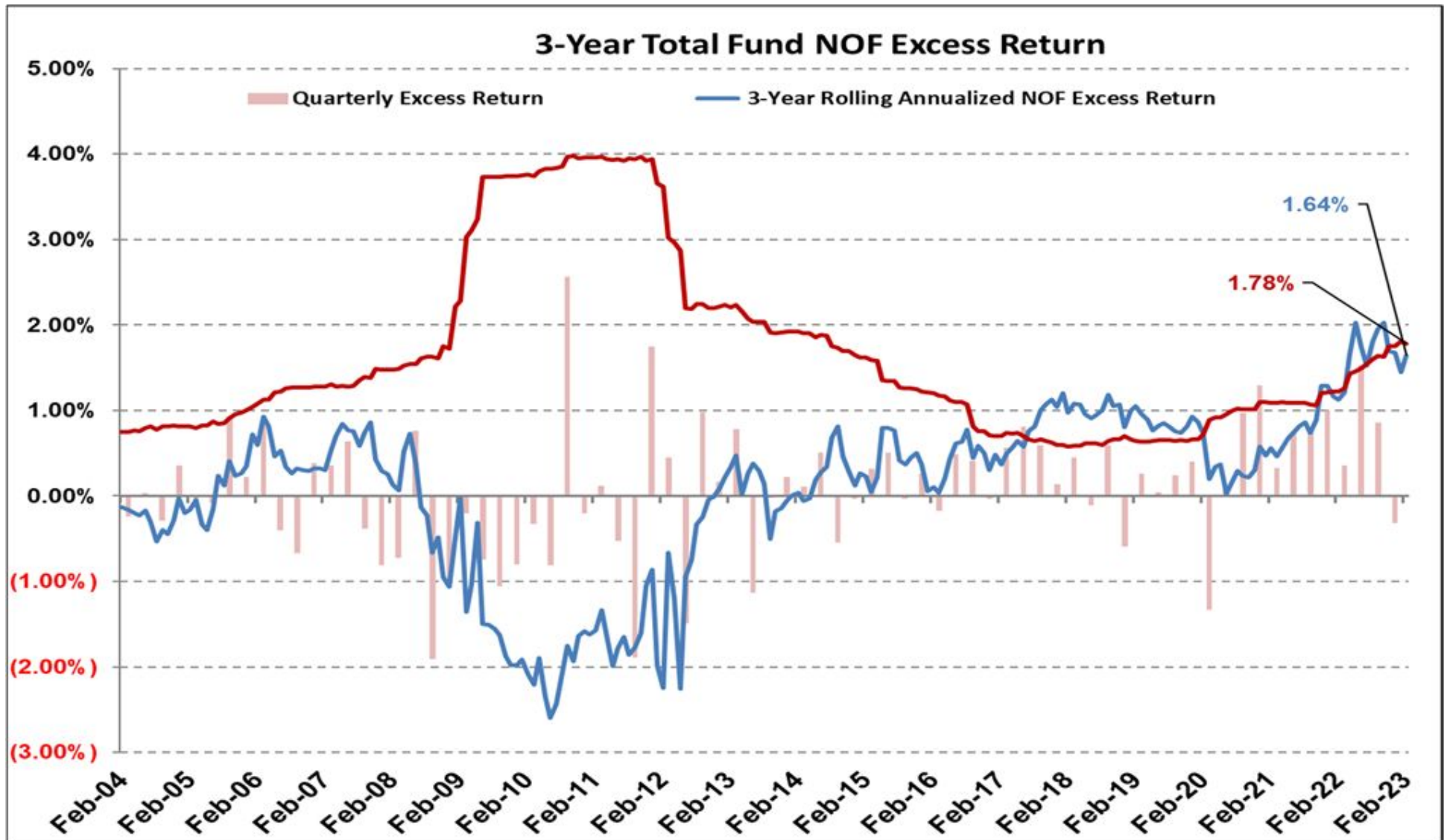


Total Fund Performance



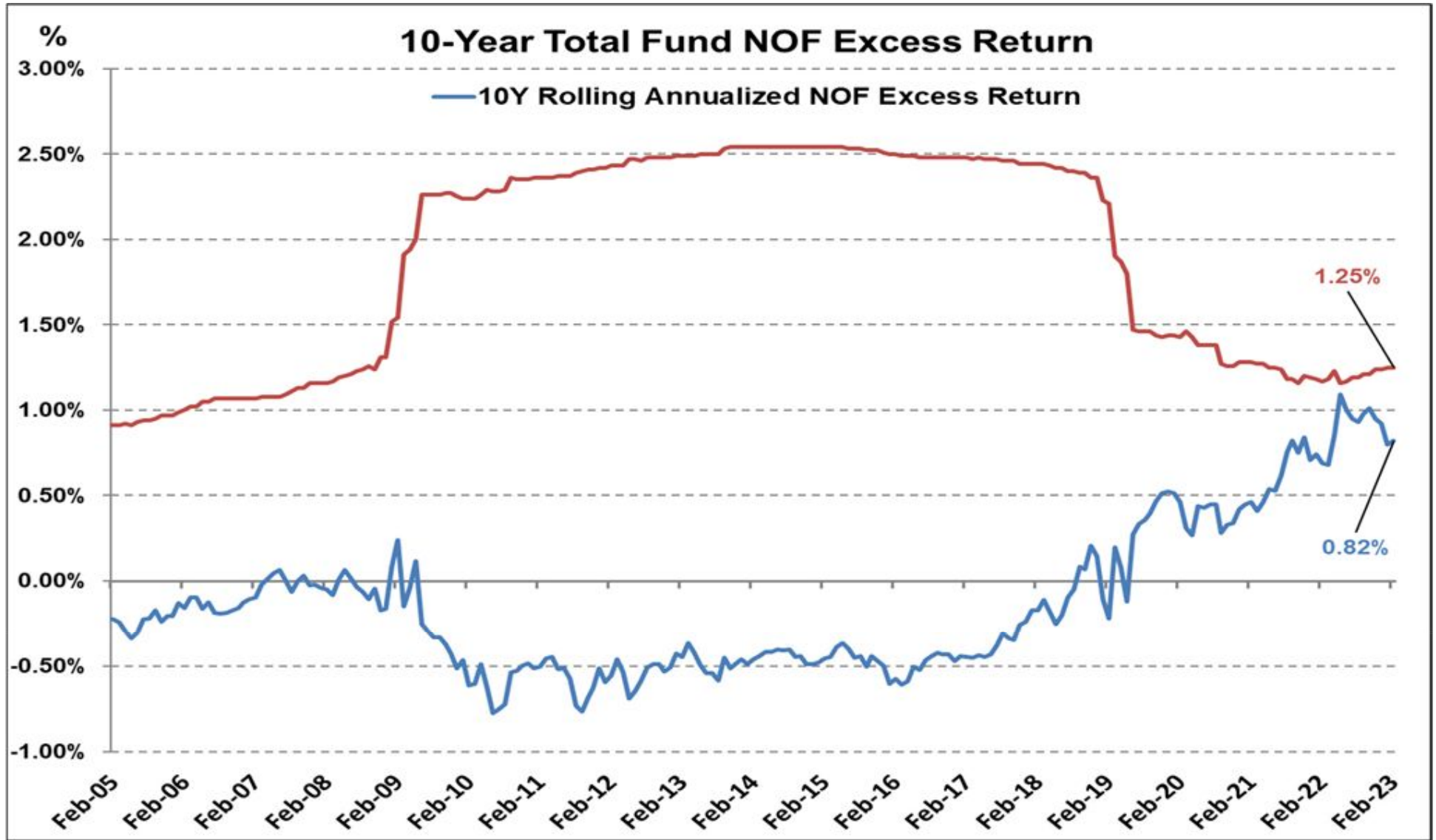


Total Fund Performance



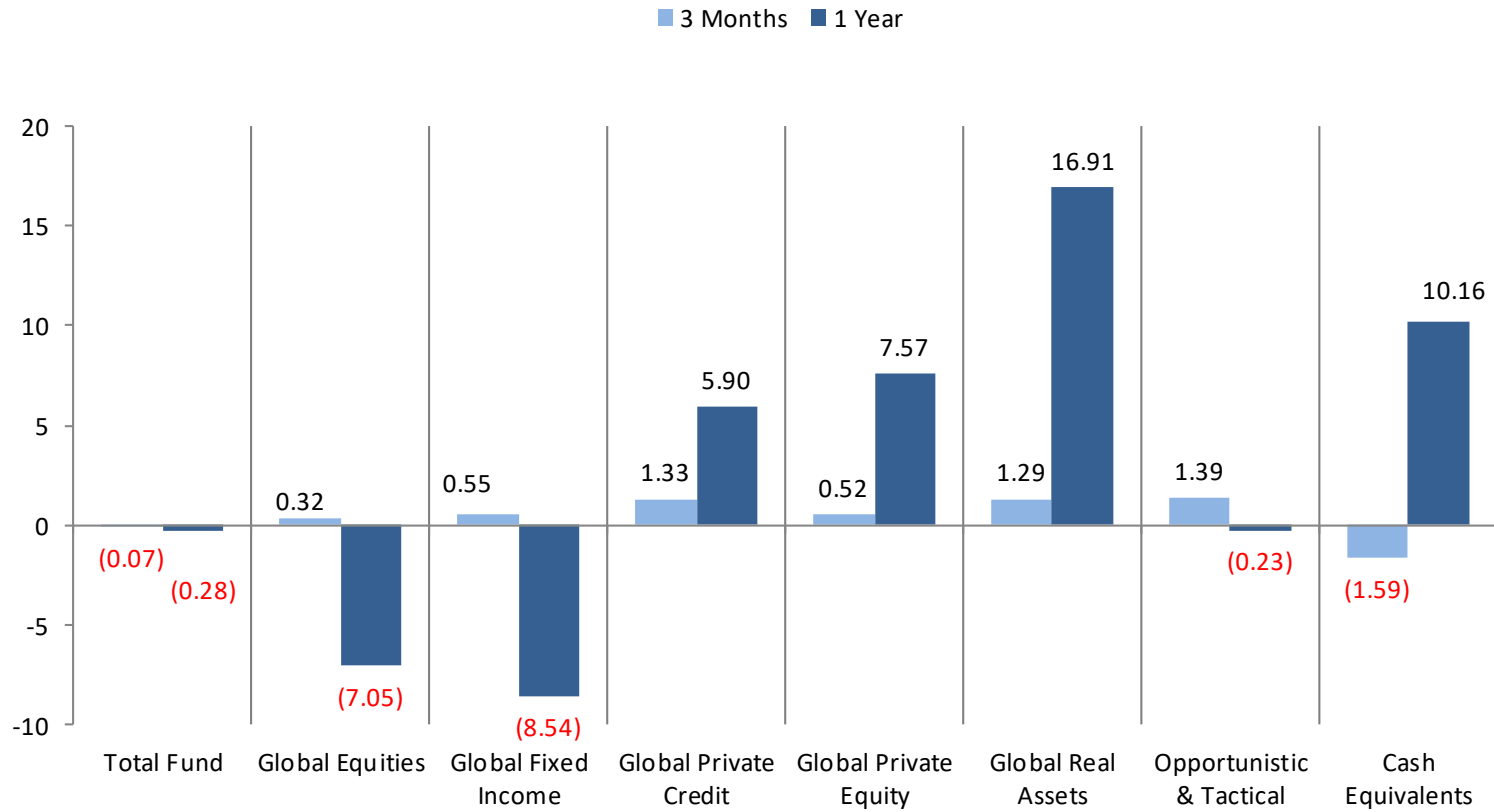


Total Fund Performance





Total Fund and Asset Class Performance (Net)

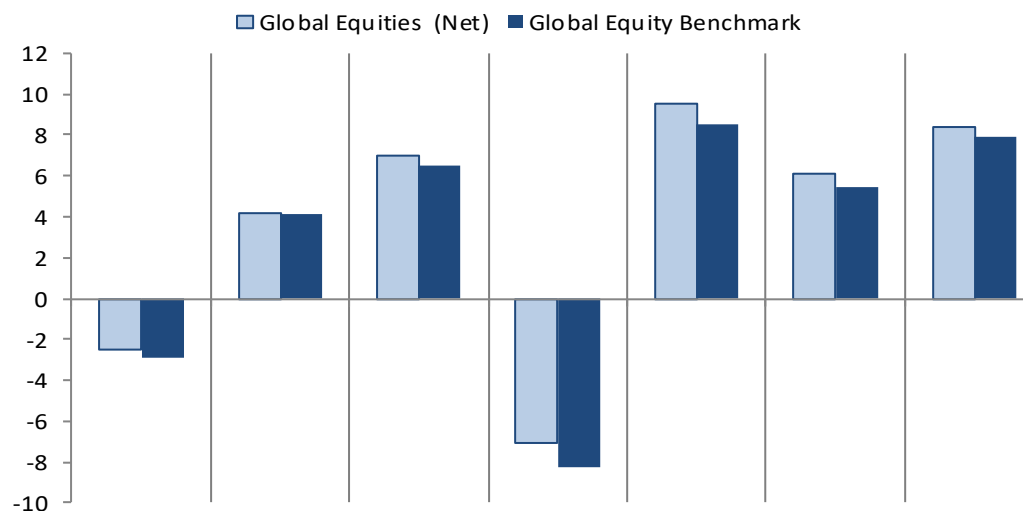


Source: BNY Mellon GRS



Global Equities Performance

Current Benchmark:
MSCI ACWI (Net Dividends)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Global Equities (Gross)	(2.45)	4.21	7.15	(6.78)	9.88	6.46	8.74
Global Equities (Net)	(2.48)	4.18	6.99	(7.05)	9.57	6.14	8.40
Global Equity Benchmark	(2.87)	4.10	6.47	(8.21)	8.49	5.49	7.90
Value Added (Net of Fee)	0.39	0.08	0.52	1.16	1.08	0.65	0.50
Regional US Equity	(2.25)	3.99	6.84	(7.50)	11.57	9.17	11.57
Russell 3000 Index	(2.34)	4.39	6.89	(8.07)	11.79	9.42	11.87
Value Added (Net of Fee)	0.09	(0.40)	(0.05)	0.57	(0.22)	(0.25)	(0.30)
Regional Non-US Equity	(3.09)	5.00	7.53	(6.15)	7.38	3.02	5.20
Custom Non-US Equity BM	(3.51)	4.32	7.41	(7.17)	5.18	1.57	3.94
Value Added (Net of Fee)	0.42	0.68	0.12	1.02	2.20	1.45	1.26

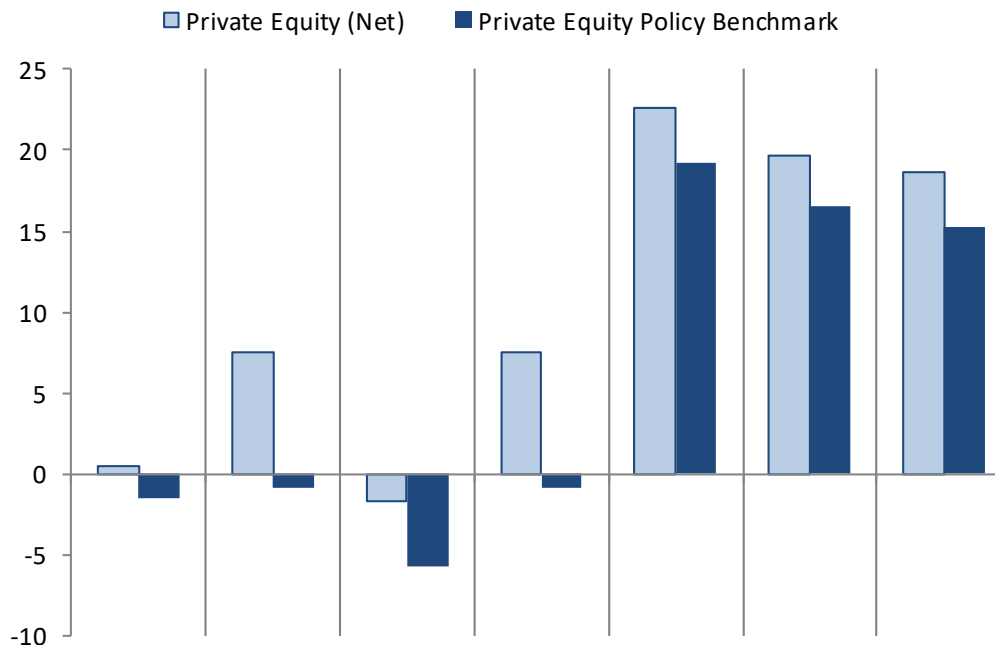
Source: BNY Mellon GRS



Global Private Equity Performance

Results as of: 12/31/2022

Current Benchmark:
Burgiss All Private Equity Index



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Private Equity (Gross)	0.97	9.26	(0.84)	9.26	24.47	21.48	20.31
Private Equity (Net)	0.52	7.57	(1.75)	7.57	22.62	19.72	18.60
Private Equity Policy Benchmark	(1.56)	(0.81)	(5.71)	(0.81)	19.26	16.52	15.28
Value Added (Net of Fee)	2.08	8.38	3.97	8.38	3.37	3.20	3.32

Source: BNY Mellon GRS

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

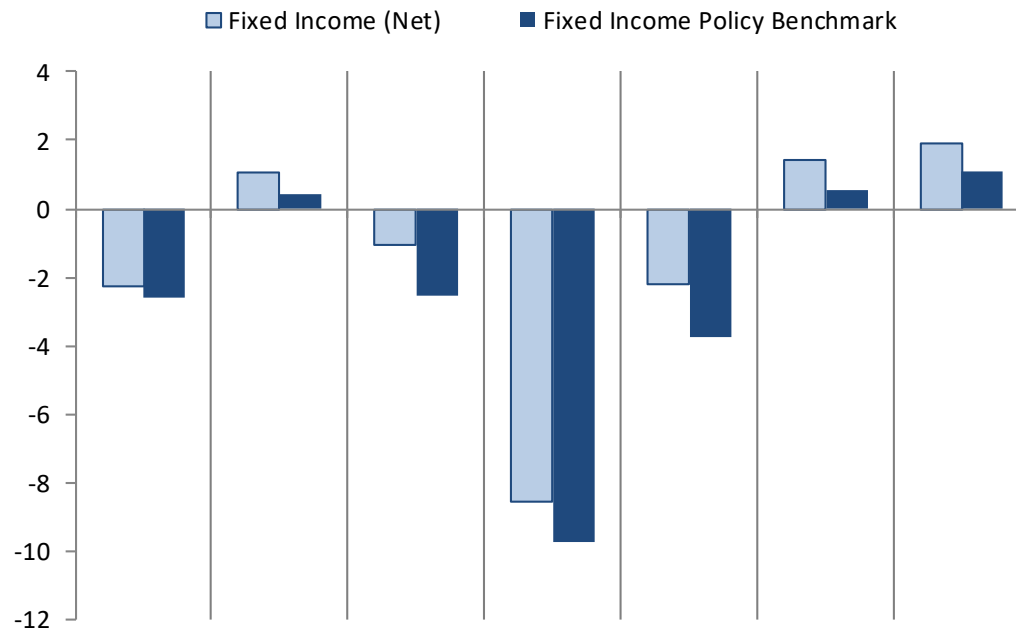
Global Private Equity performance is reported one quarter in arrears.



Global Fixed Income Performance

Current Benchmark:

Bloomberg Aggregate Bond Index



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Fixed Income (Gross)	(2.28)	1.07	(0.92)	(8.30)	(1.94)	1.66	2.11
Fixed Income (Net)	(2.30)	1.04	(1.08)	(8.54)	(2.20)	1.42	1.88
Fixed Income Policy Benchmark	(2.59)	0.41	(2.57)	(9.72)	(3.77)	0.53	1.12
Value Added (Net of Fee)	0.29	0.63	1.49	1.18	1.58	0.89	0.76

Source: BNY Mellon GRS

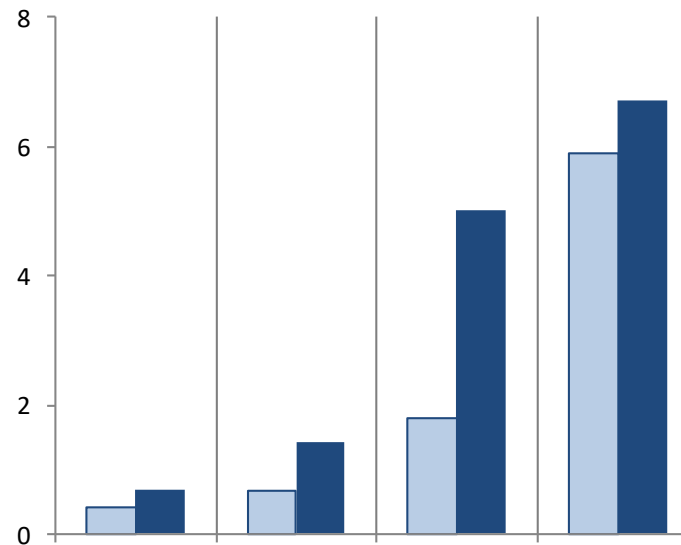


Global Private Credit Performance

Current Benchmark:

90 Day T-Bill + 4.5%

■ Global Private Credit (Net)
■ Global Private Credit Policy Benchmark



	1 Month	CYTD	FYTD	1 Year
Global Private Credit (Gross)	0.58	0.82	2.69	7.39
Global Private Credit (Net)	0.41	0.66	1.80	5.90
Global Private Credit Policy Benchmark	0.70	1.43	5.00	6.72
Value Added (Net of Fee)	(0.29)	(0.77)	(3.20)	(0.82)

Source: BNY Mellon GRS

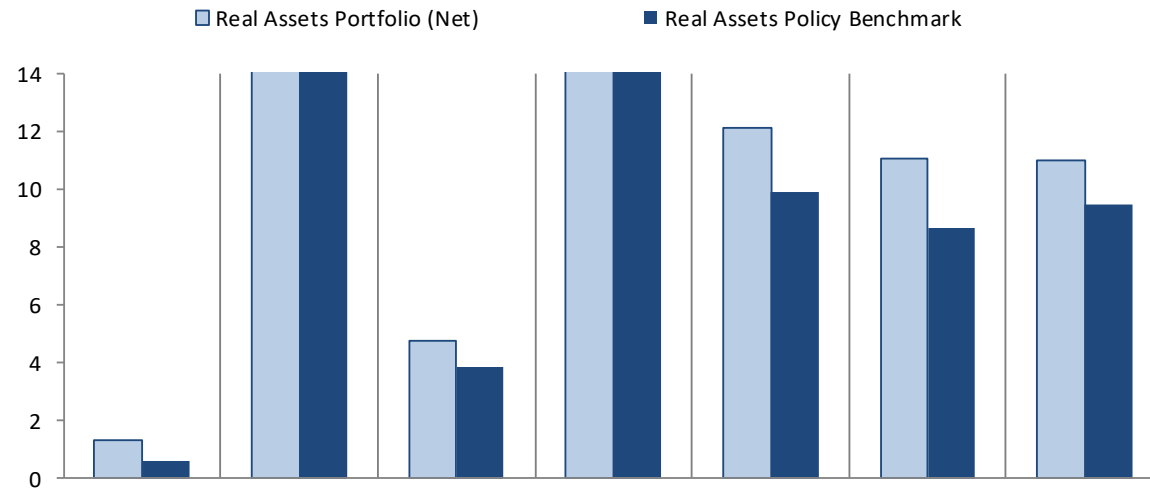
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.



Global Real Assets Performance

Results as of: 12/31/2022

Current Benchmark:
NCREIF Property Index (1q lag)



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Real Assets Portfolio (Gross)	1.52	17.90	5.19	17.90	13.00	12.04	12.07
Real Assets Portfolio (Net)	1.29	16.91	4.74	16.91	12.09	11.03	11.01
Real Assets Policy Benchmark	0.57	16.08	3.82	16.08	9.91	8.62	9.48
Real Assets Value Added (NOF)	0.72	0.83	0.91	0.83	2.18	2.42	1.53
Real Assets Core (Net)	1.24	26.54	7.22	26.54	15.90	13.18	12.43
Real Assets Policy Benchmark	0.57	16.08	3.82	16.08	9.91	8.62	9.48
Real Assets Core Value Added (NOF)	0.67	10.46	3.40	10.46	5.99	4.56	2.95
Real Assets Non-Core (Net)	(1.97)	6.06	(2.62)	6.06	6.25	7.61	10.03
Real Assets Policy Benchmark	0.57	16.08	3.82	16.08	9.91	8.62	9.48
Real Assets Non-Core Value Added (NOF)	(2.54)	(10.02)	(6.44)	(10.02)	(3.66)	(1.01)	0.55
Real Assets Infrastructure (Net)	2.29	6.81	2.85	6.81	8.85	11.07	10.03
Real Assets Policy Benchmark	0.57	16.08	3.82	16.08	9.91	8.62	n/a
Real Assets Infrastructure Value Added (NOF)	1.72	(9.27)	(0.97)	(9.27)	(1.06)	2.45	n/a

Source: BNY Mellon GRS

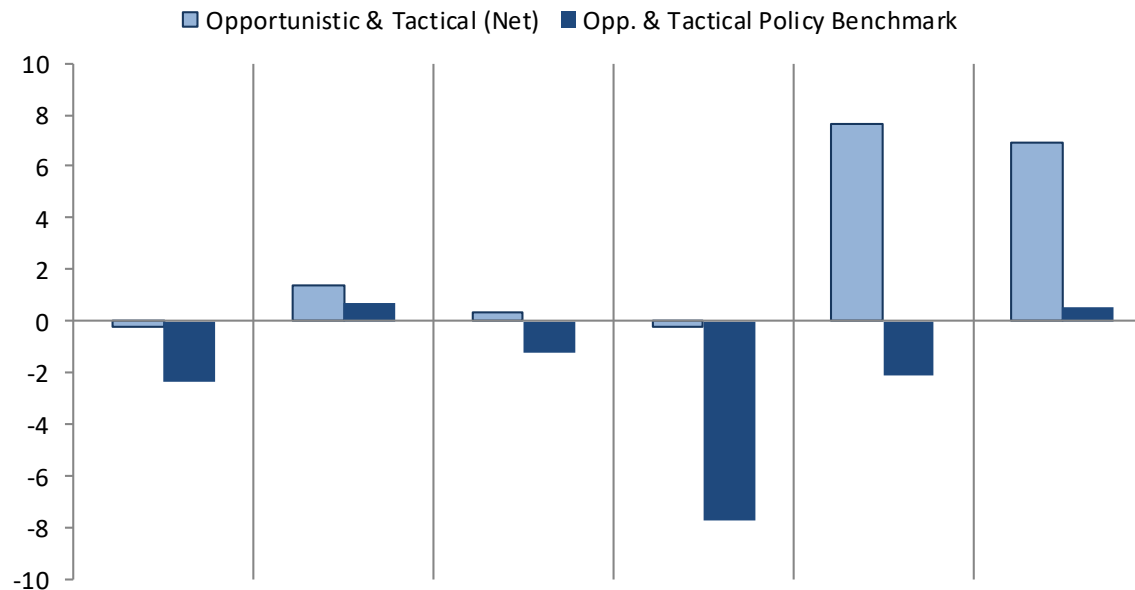
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Real Assets performance is reported one quarter in arrears.



Opportunistic & Tactical Performance

Current Benchmark:
 Bloomberg Aggregate
 Bond Index + 2%



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Opportunistic & Tactical (Gross)	(0.21)	1.43	0.88	0.84	8.93	8.36
Opportunistic & Tactical (Net)	(0.22)	1.42	0.33	(0.23)	7.67	6.93
Opp. & Tactical Policy Benchmark	(2.38)	0.71	(1.23)	(7.72)	(2.11)	0.52
	2.16	0.71	1.56	7.49	9.78	6.41

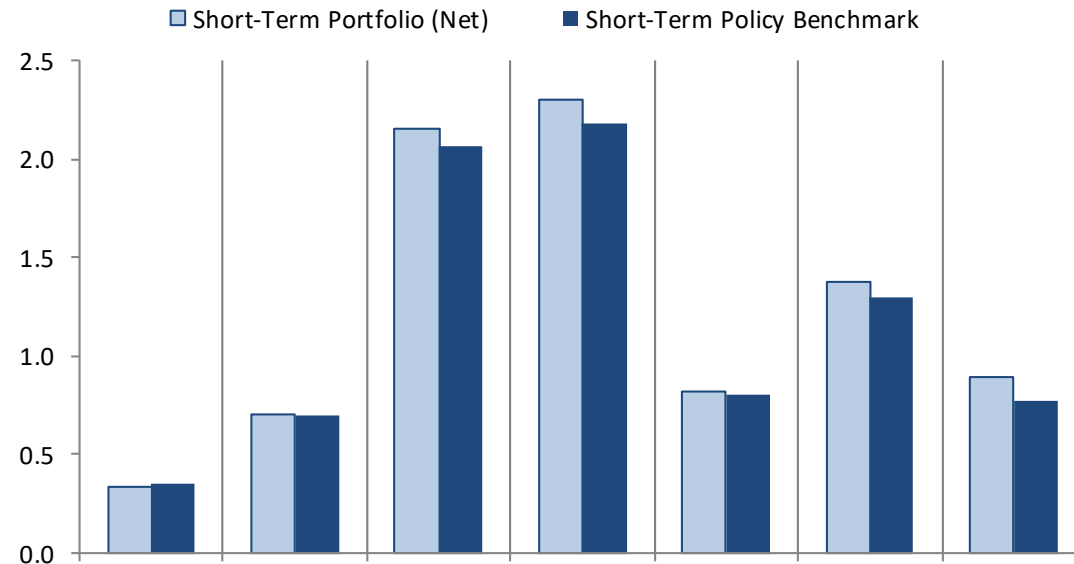
Source: BNY Mellon GRS



Short-Term Performance

Current Benchmark:

Citigroup 30 Day Treasury Bill Index

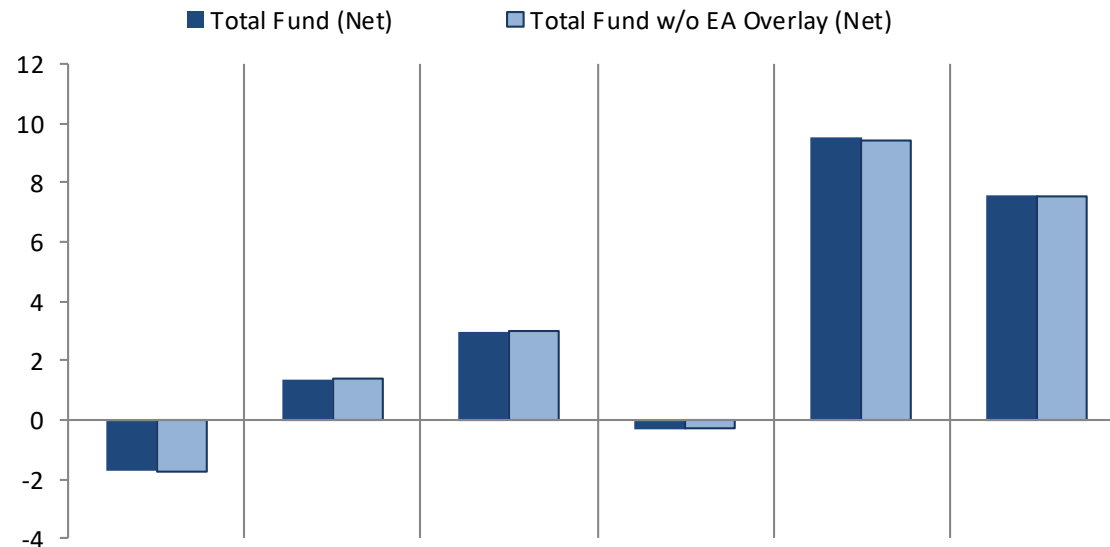


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Short-Term Portfolio (Gross)	0.34	0.70	2.16	2.30	0.82	1.37	0.89
Short-Term Portfolio (Net)	0.34	0.70	2.16	2.30	0.82	1.37	0.89
Short-Term Policy Benchmark	0.35	0.70	2.07	2.18	0.80	1.29	0.77
Value Added (Net of Fee)	(0.01)	0.00	0.09	0.12	0.02	0.08	0.12

Source: BNY Mellon GRS



Enhanced Asset Overlay Performance

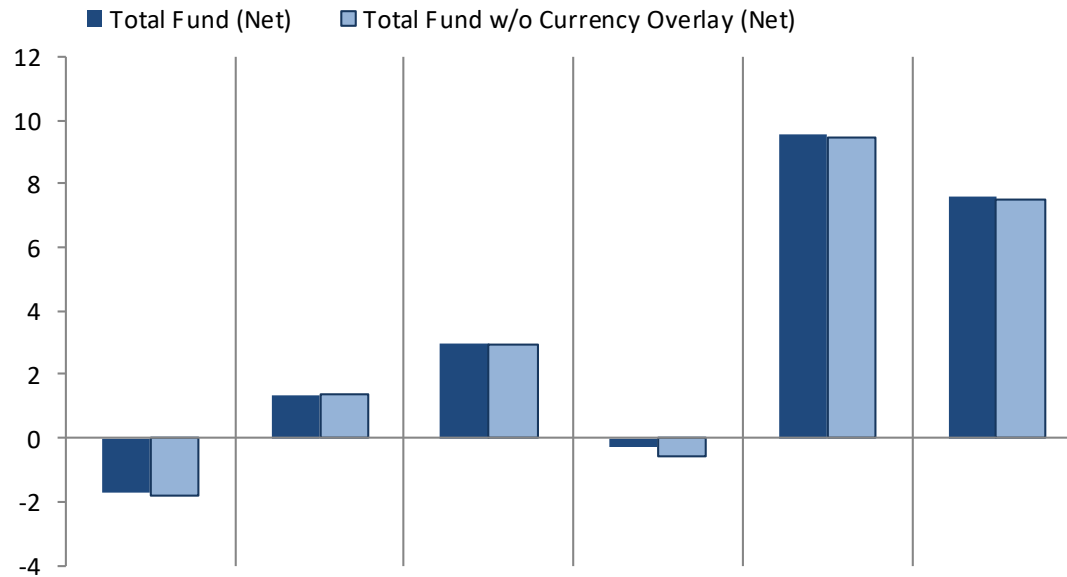


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Total Fund (Gross)	(1.70)	1.42	3.41	0.47	10.20	8.25
Total Fund w/o EA Overlay (Gross)	(1.70)	1.42	3.43	0.47	10.06	8.19
Total Fund (Net)	(1.73)	1.37	2.96	(0.28)	9.52	7.57
Total Fund w/o EA Overlay (Net)	(1.73)	1.37	2.98	(0.27)	9.40	7.52
EA Overlay Impact (Net of Fee)	0.00	0.00	(0.02)	(0.01)	0.12	0.05

Source: BNY Mellon GRS



Currency Overlay Performance



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Total Fund (Gross)	(1.70)	1.42	3.41	0.47	10.20	8.25
Total Fund w/o Currency Overlay (Gross)	(1.78)	1.39	3.34	0.10	10.12	8.17
Total Fund (Net)	(1.73)	1.37	2.96	(0.28)	9.52	7.57
Total Fund w/o Currency Overlay (Net)	(1.81)	1.35	2.96	(0.57)	9.48	7.52
Currency Overlay Impact (Net of Fee)	0.08	0.02	0.00	0.29	0.04	0.05

Source: BNY Mellon GRS



Proposed Investment Agenda – Next Meeting

Annual Overlay Program Review
Wilshire Quarterly Performance Report (March 31, 2023)
Quarterly Investment Report (March 31, 2023)
Annual Investment Plan - draft discussion
Investment Department Incentive Program (possible vote)

Wilshire

Prepared for



School Employees Retirement System of Ohio – OSERS

Asset Liability Study

April 2023

Contents

- Background & Overview
- Asset Allocation Approach
- Asset Allocation Inputs
- Asset Liability Projections
- Observations & Recommendations
- Appendix

Background & Overview

Background & Overview

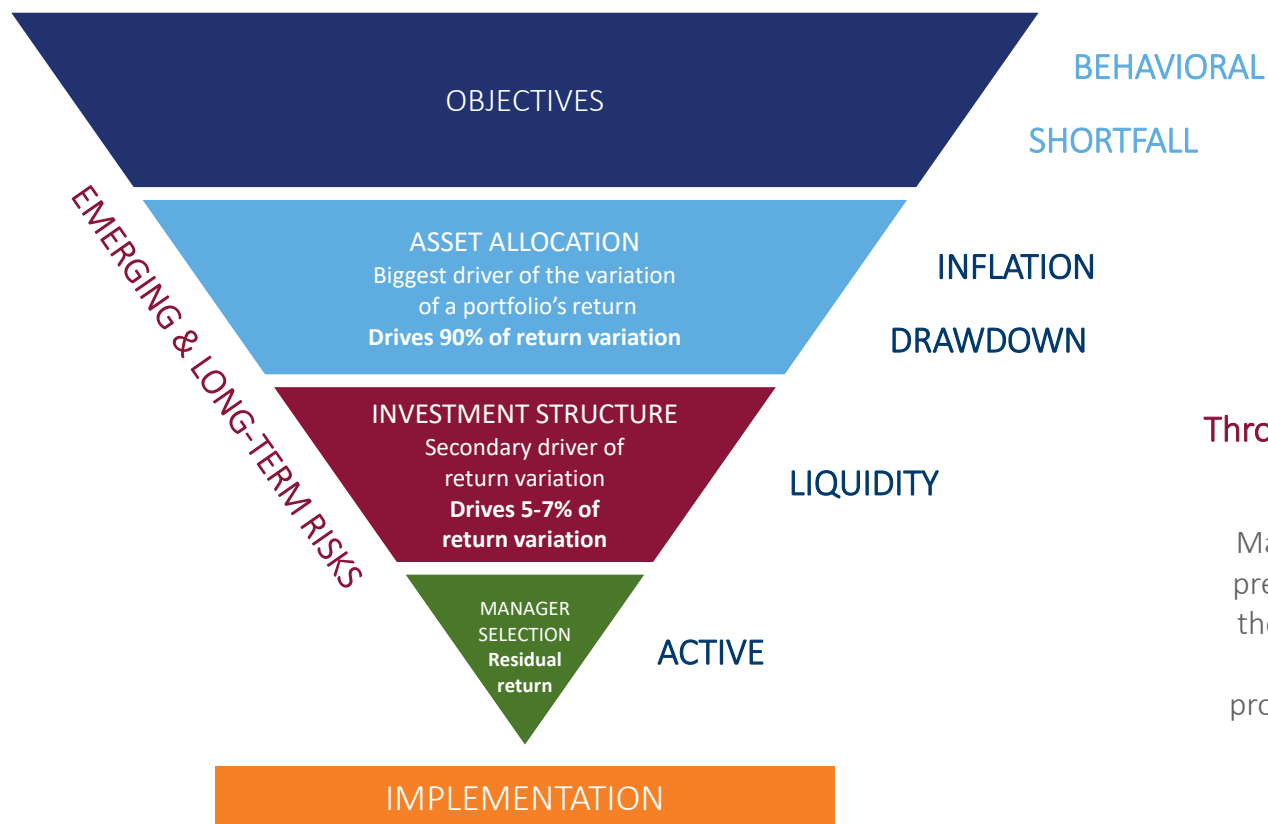
- The asset allocation decision is the most important decision an investor can make
 - The asset allocation decision drives 90% of return variability among portfolios
- Wilshire recommends revisiting the asset allocation decision every three to five years, or sooner, as market conditions warrant
 - Ohio School Employees Retirement System (“SERS”) last reviewed asset allocation in February 2020
- The 2022/2023 review of asset allocation will occur over several phases
 - December 2022 and January 2023 – OH SERS team and Wilshire map the project and complete foundational work
 - February 2023 – Review asset class expected return and risk assumptions with the Board
 - March 2023 – Review asset-only optimization
 - Asset-only optimization serves as a useful tool in comparing risk/return trade-off among various alternative policy portfolios
 - April 2023 – Introduce SERS’ liability information to the modeling process and finalize a recommendation to Board

Considerations

- **Board has allowed the asset allocation decision to be very long-term focused**
 - Diversification and illiquidity premium are expected to benefit the portfolio over the long-term
 - Changes to asset allocation have been incremental but impactful over the long-term
 - Phased out the multi asset strategies allocation
 - Increased the real asset allocation
 - Added private credit
- **Focus of the 2023 asset allocation review**
 - Continue to remain long-term focused
 - Preserve liquidity and maintain an income focus
 - A new interest rate regime improves the risk/reward profile of fixed income
 - Real Assets: Identify real estate as a specific line item
 - Maintain liquidity and income orientation

Asset Allocation Approach

Focus on Decisions That Matter



Address Key Risks Throughout the Investment Process

Many of the six key risks are present at multiple points in the investment process, but each distinct step in the process is focused on one or two primary risks.

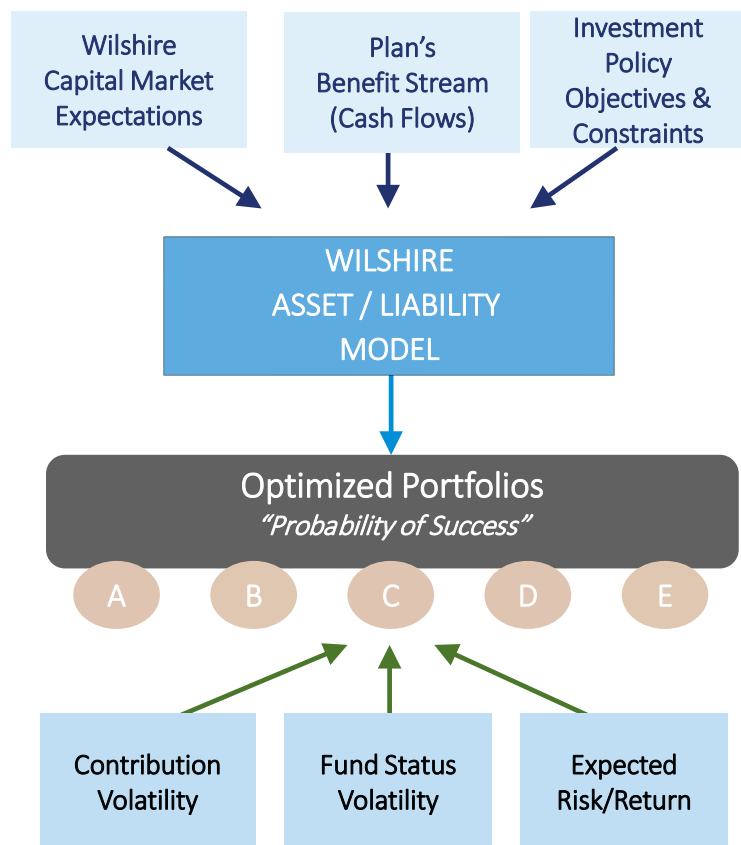
Risk Assessment Framework

Wilshire’s multi-dimensional view of risk integrates organizational and investment considerations into a comprehensive framework for evaluating strategic decisions.

- **Shortfall:** Support distributions and long-term growth
- **Behavioral:** Instill strong governance
- **Drawdown:** Limit portfolio losses
- **Inflation:** Preserve long-term purchasing power
- **Liquidity:** Balance near-term needs, long-term opportunities
- **Active:** Ensure unique exposures
- **Emerging & Long-Term:** Environmental, Social & Governance risks, such as externalities, intangibles and reputation may be linked to various risk lenses



Asset Allocation Process



- Wilshire believes the mission of a defined benefit plan is to fund benefits promised to participants
- The role of asset allocation is to manage risk in order to fulfill that core mission
 - **Maximize safety** of promised benefits
 - **Minimize cost** of funding these benefits
- Wilshire's Asset Liability Model provides methodology for selecting a target portfolio that considers both goals
- Rigorously developed capital market assumptions for risk and return (see appendix)
- Given that short-term volatility is also important, we identify the impact of the asset allocation decision on funded ratios, annual contribution requirements, and other metrics
- Strategic asset allocation is not a guide to outperforming in every market ... but it should provide a roadmap for success over a market cycle

Asset Allocation Inputs

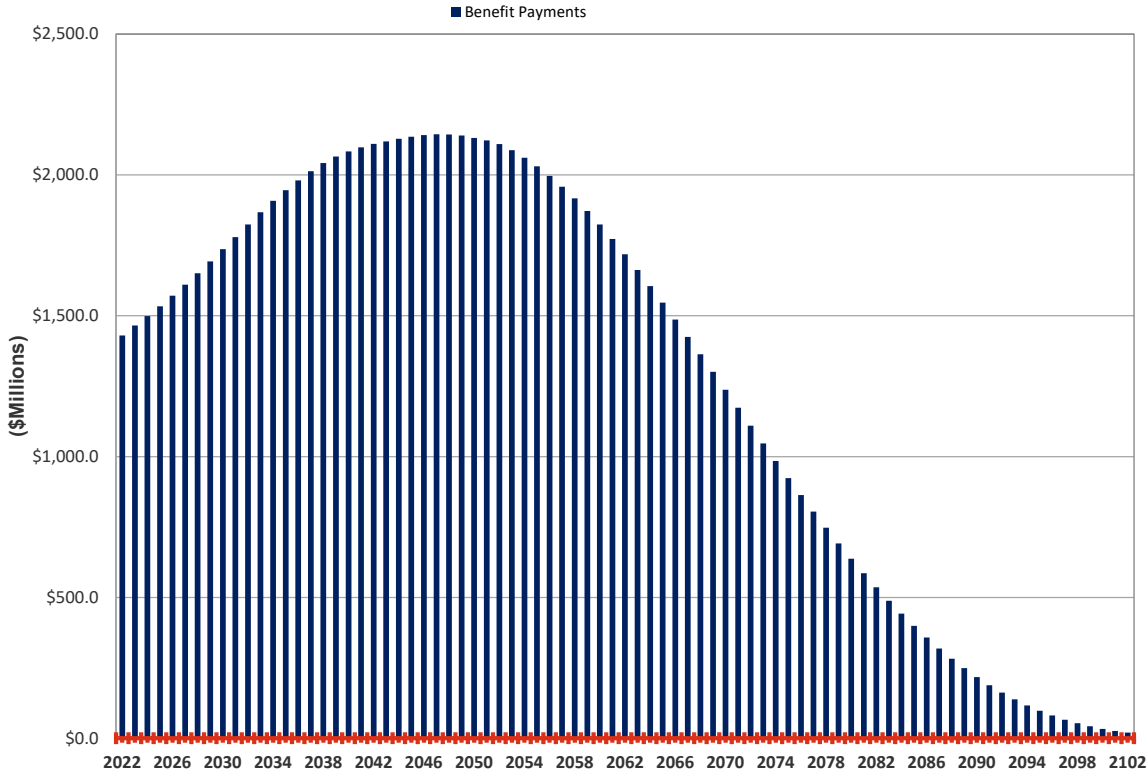
Plan Status

\$ - Millions	June 30, 2021	June 30, 2022
Asset and Liability Data		
1. Actuarial Accrued Liability (AAL)	22,371.5	22,371.5
2. Market Value of Assets (MVA)	<u>18,440.4</u>	<u>17,574.3</u>
3. AAL MVA Funded Status (Unfunded Liability) (1. - 2.)	3,931.1	4,797.2
4. <u>AAL MVA Funded Ratio (2. / 1.)</u>	<u>82.4%</u>	<u>78.6%</u>
5. Actuarial Value of Assets (AVA)	16,631.9	17,498.5
6. AAL AVA Funded Status (Unfunded Liability) (1. - 5.)	5,739.5	4,872.9
7. <u>AAL AVA Funded Ratio (5. / 1.)</u>	<u>74.3%</u>	<u>78.2%</u>
Economic Assumptions		
Discount Rate	7.50%	7.00%

- June 30, 2021 and 2022, data was provided in the actuarial valuation reports by the plan actuary.

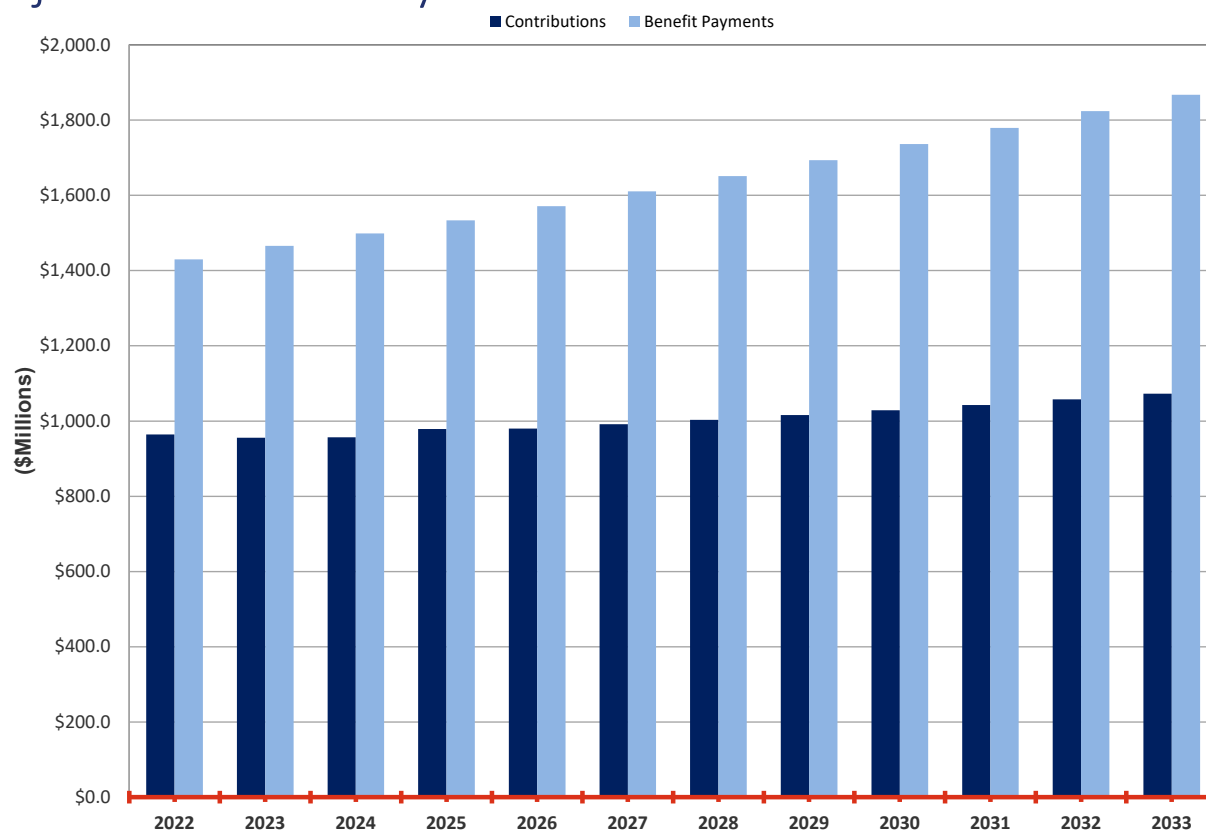
AAL is a measure of total liability for all plan participants (active works, terminated vested and those in pay status) as of the measurement. It is calculated using the discount rate.

Projected Benefit Payments



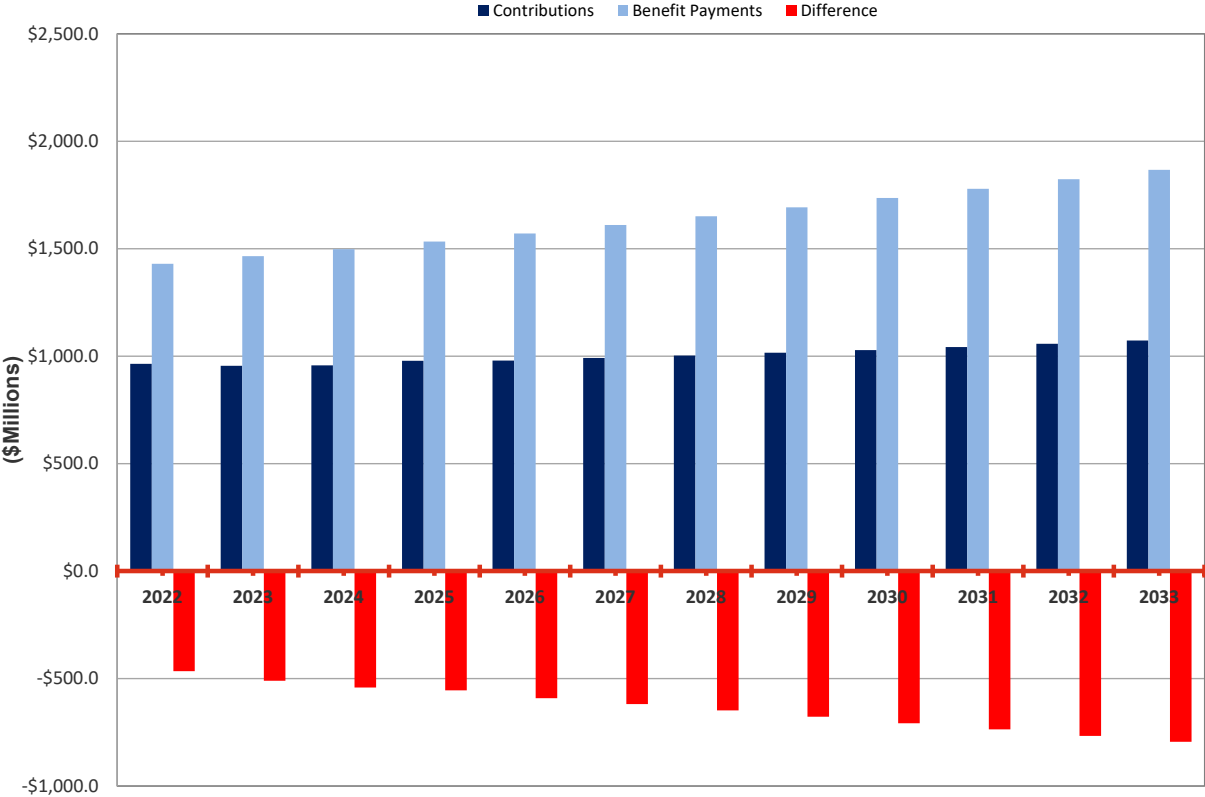
- *Benefit payments provided by plan actuary.*
- *Closed group population, i.e., no new entrants assumed*

Projected Benefit Payments and Contributions



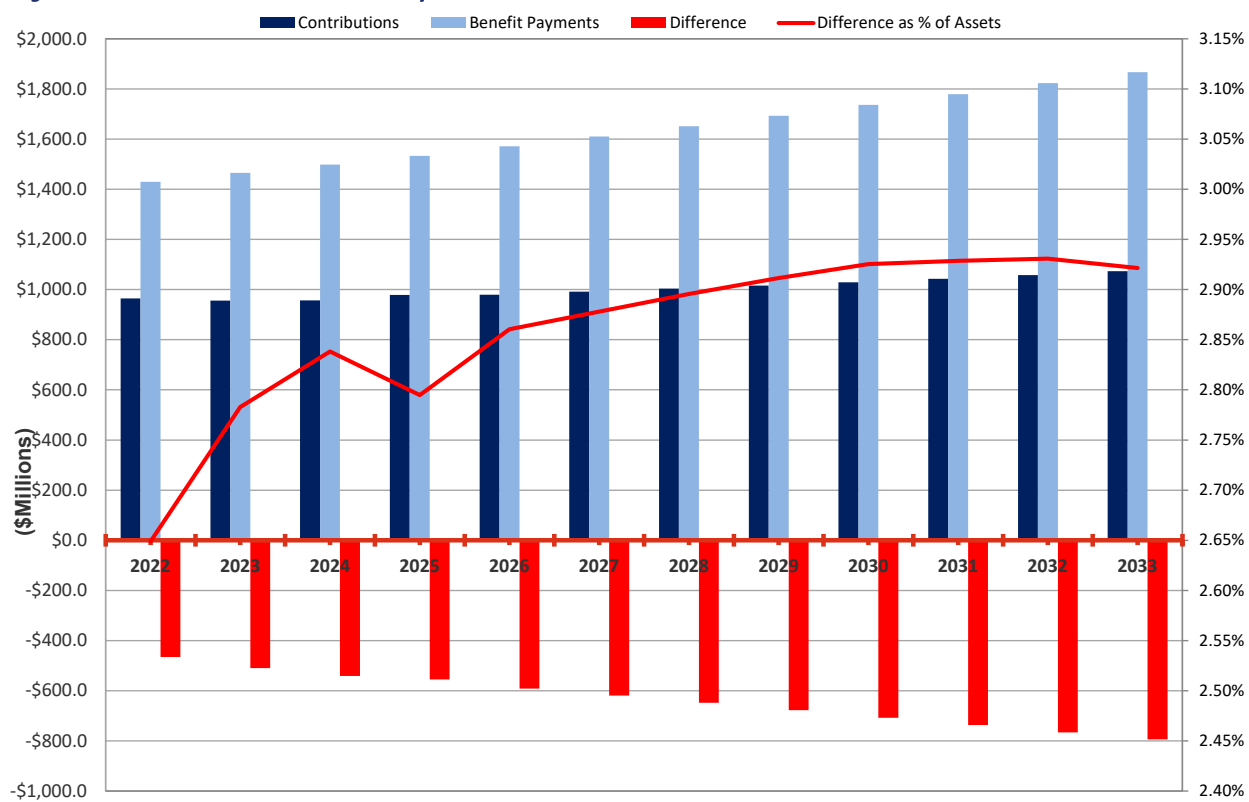
- *Benefit payments & (employer + employee) contributions provided by plan actuary.*

Projected Benefit Payments and Contributions



- *Benefit payments & (employer + employee) contributions provided by plan actuary.*

Projected Benefit Payments, Contributions and Difference as % of Assets



- Benefit payments & (employer + employee) contributions provided by plan actuary.

* Assets are based on a deterministic projection assuming an annual asset return equivalent to the discount rate (7.00%).

Capital Market Assumptions

- Wilshire’s Capital Market Assumptions as of **December 31, 2022**
- Wilshire’s asset class return, risk and correlation assumptions are developed on multi-year forward looking expected rates of return and historical risk and correlation, adjusted to incorporate recent trends
- Public market return expectations represent a passive investment in the asset class (beta). They do not reflect value added from active management (alpha).

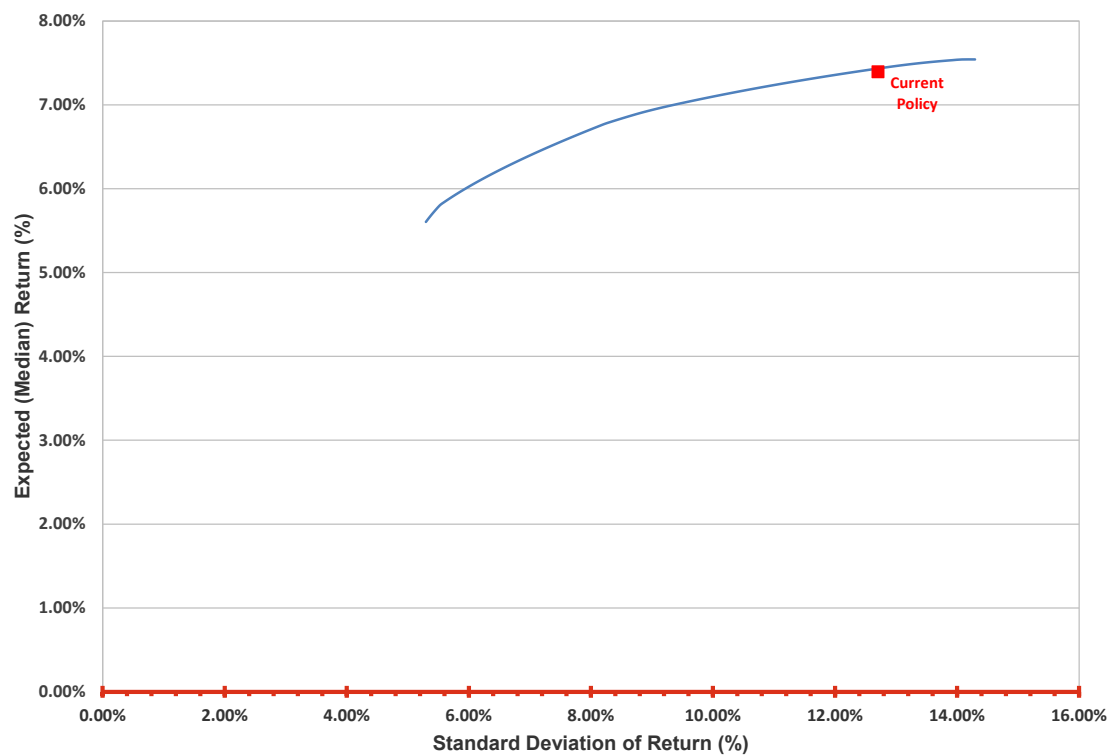
Asset Classes	Expected Return 10 Years	Expected Return 30 Years	Risk	Cash Yield	Factor Exposure Growth	Factor Exposure Inflation	Liquidity Market Level	Liquidity Stressed Metric
Global Equities	7.05	7.60	17.10	2.25	8.00	-1.30	90	0
Global Min Vol	7.10	7.60	13.80	2.60	6.40	-0.55	90	0
Global Private Equity	9.90	10.30	29.00	0.00	14.00	-3.75	0	0
Global Private Credit	8.85	8.15	12.75	5.10	5.10	-1.50	0	0
Global Fixed Income	5.20	5.20	4.60	5.70	-0.30	-2.10	95	75
Cash Equivalents	4.00	3.65	0.75	4.00	0.00	0.00	100	100
Global Real Assets	6.30	7.10	12.05	2.25	3.60	1.70	0	0
Real Estate	6.00	6.85	13.55	2.35	3.75	1.00	0	0
Private Real Assets	6.10	7.25	13.80	2.70	4.00	4.10	0	0

- Growth – Assets with significant growth factor exposure, high expected returns and high risk
- Defensive Growth – Assets with positive growth factor exposure with moderate risk
- Defensive/Rate Sensitive – Assets whose value/return is sensitive to changes in interest rates
- Real Assets/Inflation Sensitive – Assets whose value/return is sensitive to inflation

- Global Fixed Income is reflective of the Bloomberg US Universal Index. Approximate composition as of 12-30-2022: 85% Agg, 10% HY, 5% EMD.
- Global Real Assets is a custom basket for SERS that includes 20% Timber/Infrastructure, and 80% Real Estate.
- Real Estate assumption is a mix of 75% Core Real Estate, 25% Value-Add and Opportunistic Real Estate
- Private Real Assets is 75% Infrastructure, 25% Timber (inclusive of Agriculture).

Asset Only Efficient Frontier

- Given the asset classes and constraints, opportunities to enhance portfolio efficiency are limited



Portfolios Modeled

Asset Class	Current Policy	Optimization Constraints	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy
Global Equities	45.00%	15% - 100%	40.00%	42.00%	40.00%	40.00%
Global Private Equity	12.00%	0% - 14% ¹	14.00%	14.00%	14.00%	14.00%
Total Growth Assets	57.00%		54.00%	56.00%	54.00%	54.00%
Global Private Credit	5.00%	0% - 5% ¹	5.00%	5.00%	5.00%	5.00%
Total Defensive Growth Assets	5.00%		5.00%	5.00%	5.00%	5.00%
Global Fixed Income	19.00%	19% - 100%	23.00%	21.00%	18.00%	20.00%
Cash Equivalents	2.00%	2.0%	2.00%	2.00%	3.00%	3.00%
Total Defensive / Rate Sensitive Assets	21.00%		25.00%	23.00%	21.00%	23.00%
Global Real Assets	17.00%	0.0%	N/A	N/A	N/A	N/A
Real Estate	0.00%	0% - 17% ¹	13.00%	13.00%	13.00%	11.00%
Private Real Assets	0.00%	0% - 7% ¹	3.00%	3.00%	7.00%	7.00%
Total RA / Inflation Sensitive Assets	17.00%		16.00%	16.00%	20.00%	18.00%
Total Assets	100.0%		100.0%	100.0%	100.0%	100.0%
Total Private Assets ¹	34.0%	0% - 38%	35.00%	35.00%	39.00%	37.00%
Expected Return - 10 Years (%)	7.39		7.39	7.43	7.41	7.40
Expected Return - 30 Years (%)	7.78		7.77	7.81	7.85	7.80
Standard Deviation of Return (%)	12.70		12.28	12.67	12.61	12.47
+ / (-) in Expected Return - 10 Years (bps)			0	4	2	1
+ / (-) in Expected Return - 30 Years (bps)			(1)	3	7	2
+ / (-) in SD of Return (bps)			(42)	(3)	(9)	(23)
Sharpe Ratio	0.27		0.28	0.27	0.27	0.27

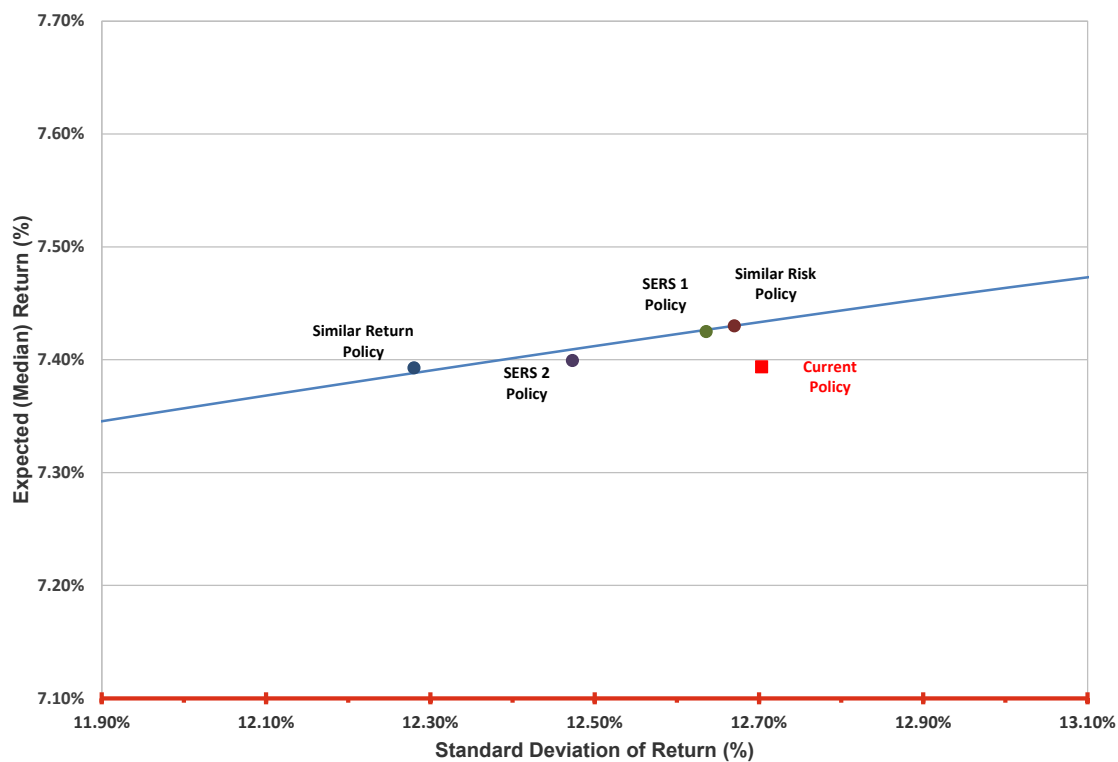
¹ Private Assets are Global Private Equity, Global Private Credit, Real Estate and Private Real Assets

Portfolios Modeled

Asset Class	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy
<i>Total Growth Assets</i>	57.00%	54.00%	56.00%	54.00%	54.00%
<i>Total Defensive Growth Assets</i>	5.00%	5.00%	5.00%	5.00%	5.00%
<i>Total Defensive / Rate Sensitive Assets</i>	21.00%	25.00%	23.00%	21.00%	23.00%
<i>Total RA / Inflation Sensitive Assets</i>	17.00%	16.00%	16.00%	20.00%	18.00%
<i>Total Assets</i>	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Expected Return - 10 Years (%)</i>	7.39	7.39	7.43	7.41	7.40
<i>Expected Return - 30 Years (%)</i>	7.78	7.77	7.81	7.85	7.80
<i>Standard Deviation of Return (%)</i>	12.70	12.28	12.67	12.61	12.47
<i>Sharpe Ratio</i>	0.27	0.28	0.27	0.27	0.27
<i>Contribution to Asset Volatility (%):</i>					
<i>Growth</i>	81.5	80.0	80.9	78.2	79.3
<i>Defensive Growth</i>	3.6	3.7	3.6	3.6	3.6
<i>Defensive/Rate Sensitive</i>	3.2	4.1	3.6	3.0	3.4
<i>RA/Inflation Sensitive</i>	11.7	12.2	11.9	15.2	13.7
<i>Cash Yield</i>	2.8	3.0	2.9	2.8	2.9
<i>Growth Factor</i>	6.1	5.9	6.0	6.0	6.0
<i>Inflation Factor</i>	-1.2	-1.3	-1.3	-1.0	-1.1
<i>Liquidity</i>					
<i>Market</i>	60.6	59.9	59.8	56.1	58.0
<i>Stressed</i>	16.3	19.3	17.8	16.5	18.0

Asset Only Efficient Frontier

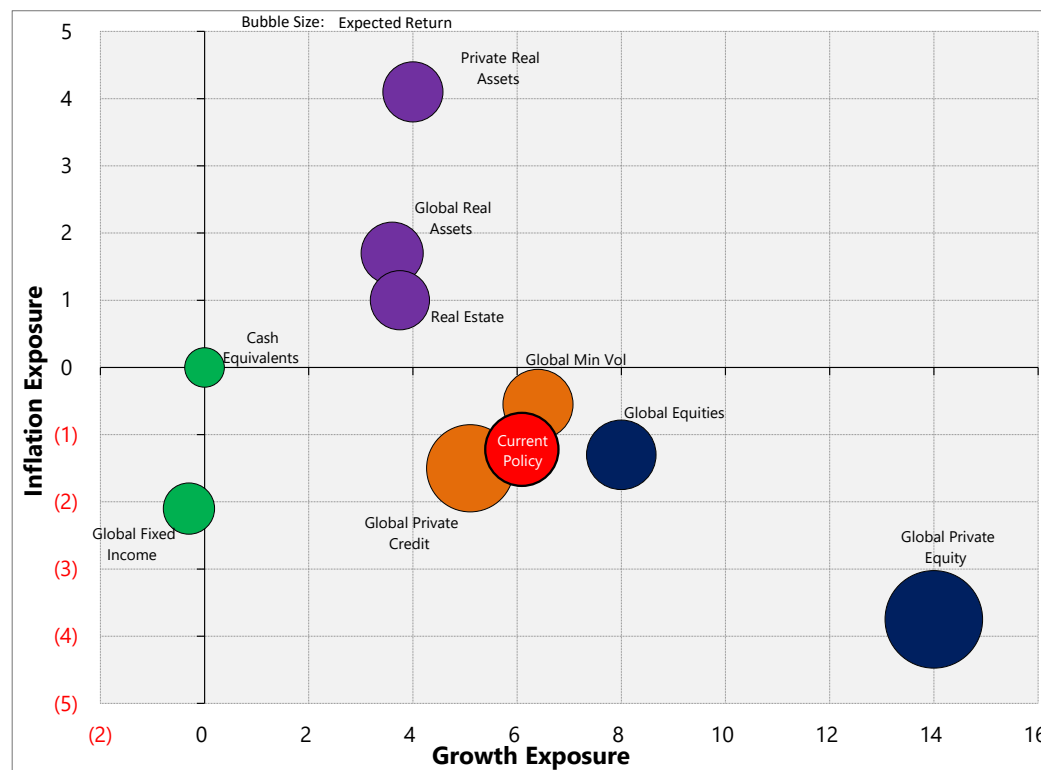
- Given the asset classes and constraints, opportunities to enhance portfolio efficiency do exist



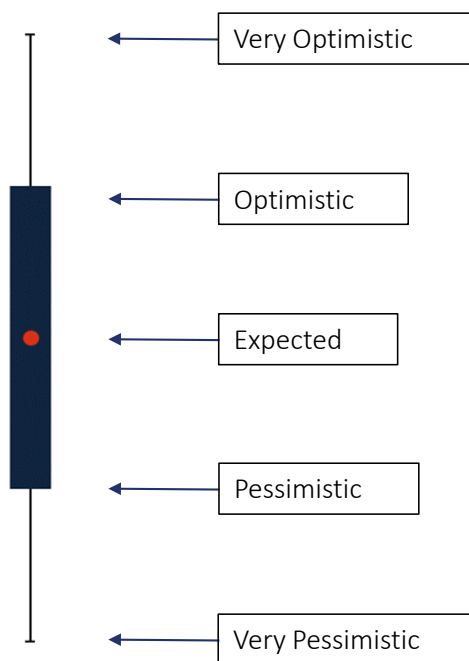
Economic Factor Exposure

Concentrated factor tilts can represent portfolio vulnerability (e.g., reliance on growth markets)

To the extent possible, a portfolio with factor neutrality is desirable for weathering unexpected future market environments



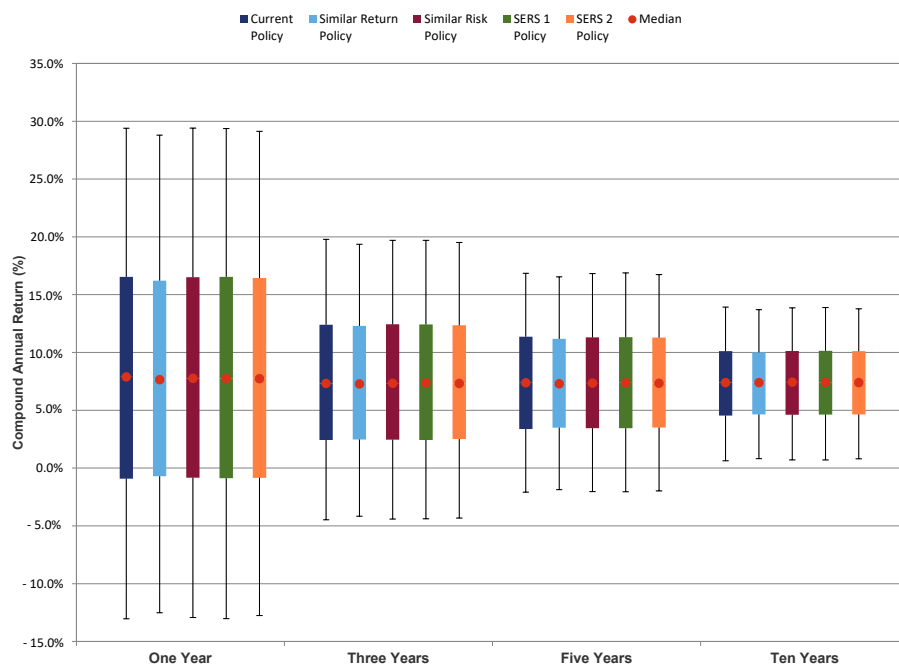
Box and Whisker Graphs



In each year of the simulation, there are 5,000 independent economic trial results.

- **Expected:** 50% of the potential scenarios result in higher than this value and 50% results in lower
- **Very optimistic:** Only 5% of the scenarios result in higher than this value and 95% result in lower
- **Optimistic:** Only 25% of the scenarios result in higher than this value and 75% result in lower
- **Pessimistic:** 75% of the scenarios results in higher than this value and 25% result in lower
- **Very pessimistic:** 95% of the scenarios result in higher than this value and 5% result in lower

Distribution of Returns*

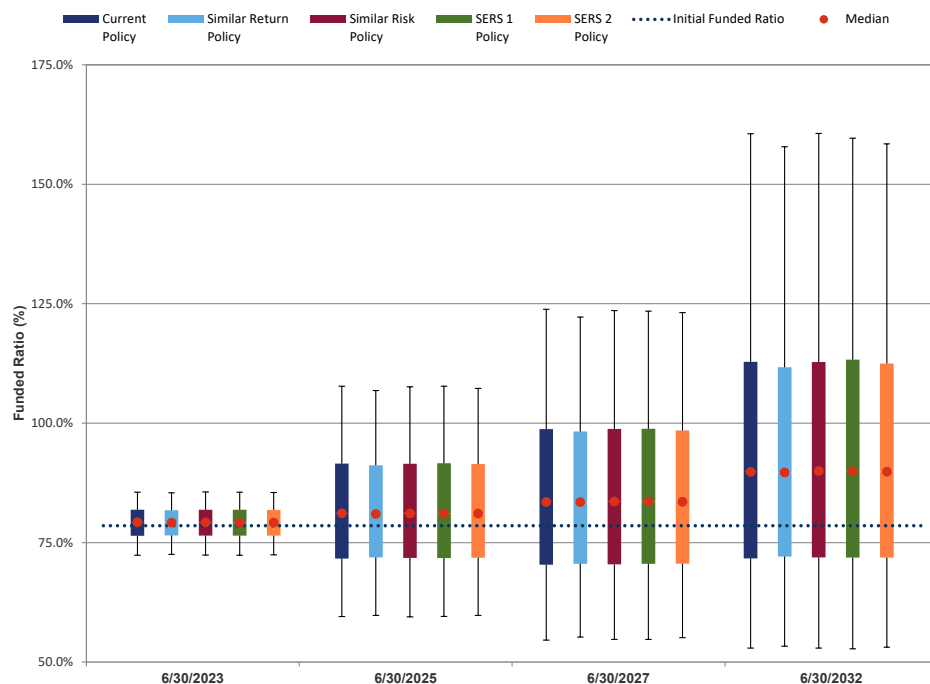


(%)	One Year					Three Years					Five Years					Ten Years				
	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy
Very Optimistic	29.39	28.80	29.41	29.37	29.13	19.79	19.36	19.69	19.70	19.51	16.85	16.53	16.82	16.88	16.74	13.93	13.70	13.85	13.88	13.78
Optimistic	16.54	16.21	16.51	16.53	16.43	12.40	12.30	12.44	12.43	12.36	11.36	11.18	11.31	11.32	11.29	10.12	10.01	10.13	10.15	10.11
Median (Expected)	7.88	7.65	7.76	7.75	7.73	7.32	7.28	7.34	7.37	7.33	7.38	7.30	7.35	7.37	7.34	7.39	7.39	7.43	7.42	7.40
Pessimistic	-0.92	-0.71	-0.84	-0.87	-0.85	2.43	2.47	2.46	2.44	2.51	3.38	3.49	3.45	3.45	3.50	4.54	4.65	4.61	4.63	4.64
Very Pessimistic	-13.03	-12.52	-12.93	-13.03	-12.76	-4.47	-4.16	-4.41	-4.39	-4.31	-2.08	-1.87	-2.04	-2.06	-1.99	0.63	0.81	0.70	0.71	0.79

*For periods longer than one year, returns are compound annual.

Asset Liability Projections

AAL MVA Funded Ratio



Shortfall Risk:
The potential for the current policy to have a lower median funded ratio than the alternative policies.

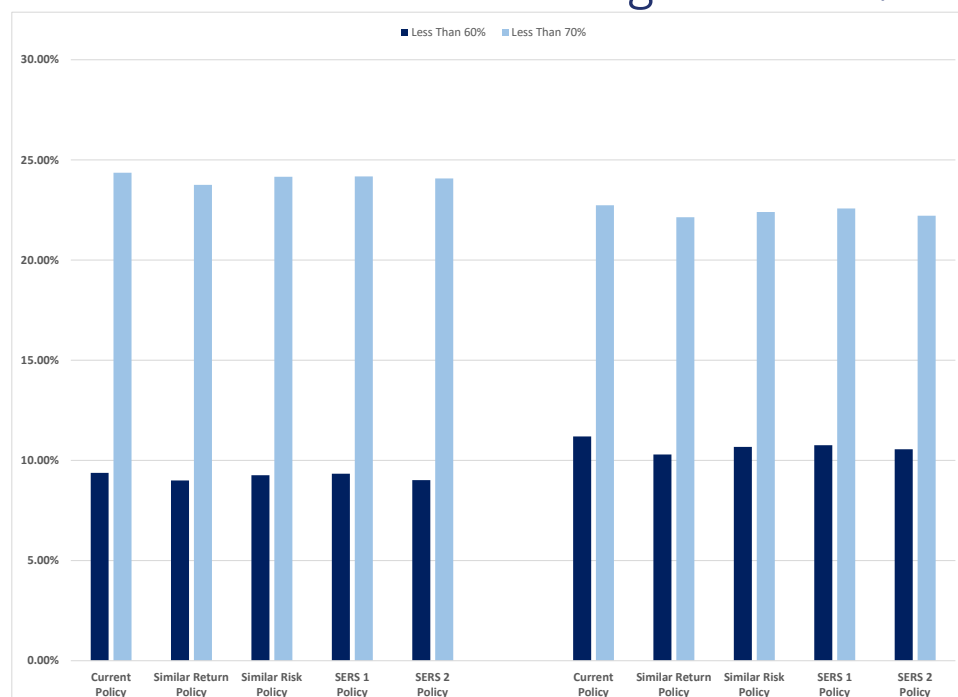
Drawdown Risk:
The potential for the current policy to have a lower “very pessimistic” funded ratio than the alternative policies.

Initial Funded Ratio = 78.6%

One Year Simulation (6/30/2023) reflects 1/31/2023 Fiscal Year to Date Return of 4.78%.

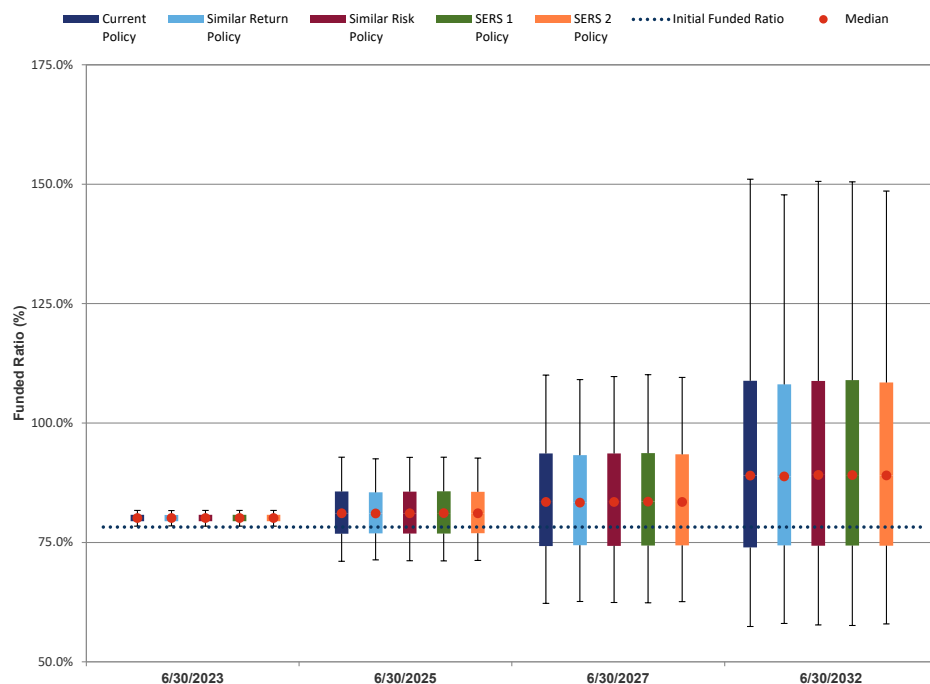
(%)	6/30/2023					6/30/2025					6/30/2027					6/30/2032				
	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy
Very Optimistic	85.58	85.42	85.59	85.57	85.51	107.75	106.84	107.61	107.75	107.29	123.85	122.20	123.55	123.45	123.13	160.58	157.85	160.64	159.66	158.44
Optimistic	81.88	81.78	81.87	81.88	81.85	91.54	91.18	91.51	91.60	91.44	98.75	98.27	98.80	98.84	98.48	112.86	111.72	112.82	113.30	112.50
Median (Expected)	79.26	79.19	79.22	79.22	79.21	81.13	81.01	81.11	81.12	81.11	83.51	83.47	83.60	83.59	83.55	89.81	89.70	90.00	89.95	89.86
Pessimistic	76.46	76.53	76.48	76.47	76.48	71.67	71.90	71.80	71.78	71.84	70.40	70.57	70.45	70.57	70.60	71.68	72.09	71.92	71.88	71.89
Very Pessimistic	72.36	72.54	72.39	72.36	72.45	59.54	59.78	59.46	59.56	59.76	54.61	55.25	54.77	54.77	55.11	52.94	53.33	52.95	52.78	53.14

Probability of AAL MVA Funded Ratio Falling Below 60% or 70%



(%)	Year 5					Year 10				
	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy
Less Than 60%	9.38	9.00	9.26	9.34	9.02	11.20	10.30	10.68	10.76	10.56
Less Than 70%	24.36	23.76	24.16	24.18	24.08	22.74	22.14	22.40	22.58	22.22

AAL AVA Funded Ratio



Shortfall Risk:
The potential for the current policy to have a lower median funded ratio than the alternative policies.

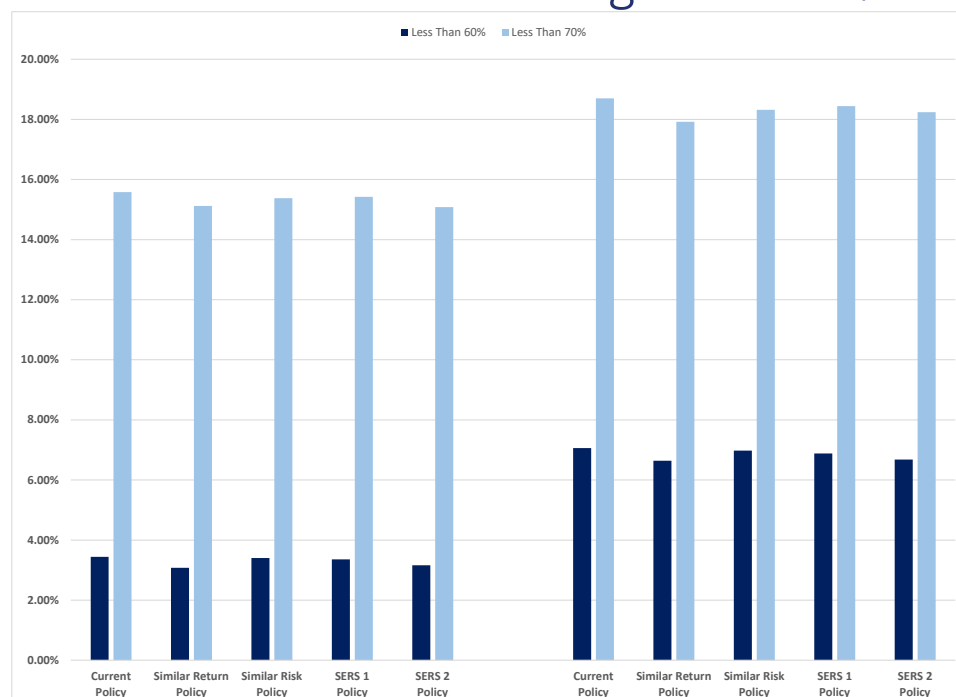
Drawdown Risk:
The potential for the current policy to have a lower “very pessimistic” funded ratio than the alternative policies.

Initial Funded Ratio = 78.2%

One Year Simulation (6/30/2023) reflects 1/31/2023 Fiscal Year to Date Return of 4.78%.

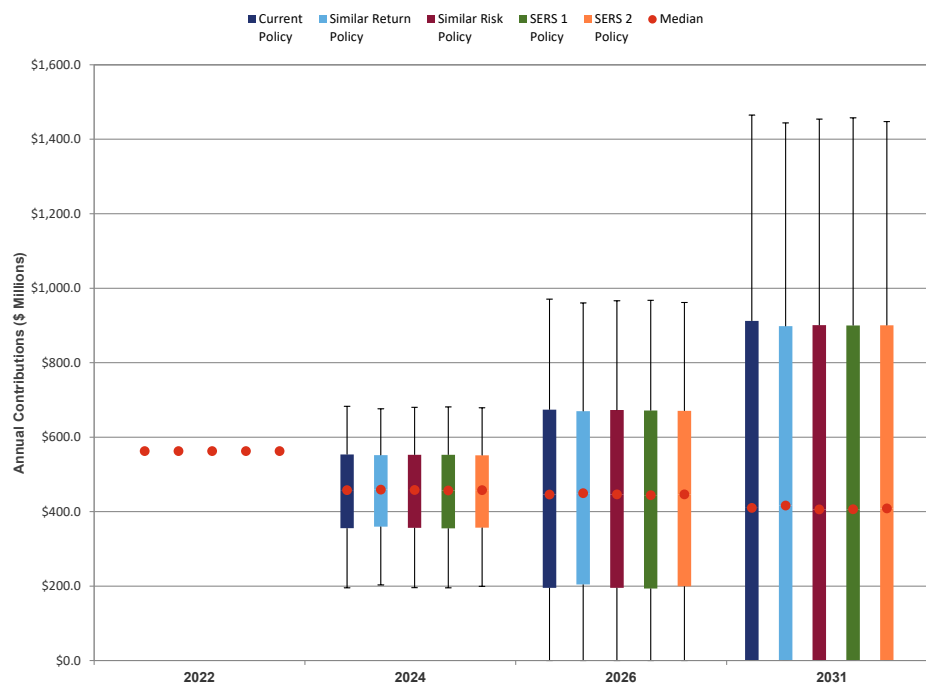
(%)	6/30/2023					6/30/2025					6/30/2027					6/30/2032				
	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy
Very Optimistic	81.71	81.67	81.71	81.71	81.69	92.84	92.50	92.82	92.85	92.67	110.05	109.08	109.73	110.11	109.57	151.03	147.74	150.58	150.46	148.57
Optimistic	80.79	80.76	80.79	80.79	80.78	85.68	85.50	85.65	85.71	85.62	93.64	93.27	93.63	93.70	93.46	108.86	108.09	108.83	109.00	108.47
Median (Expected)	80.13	80.11	80.12	80.12	80.12	81.10	81.06	81.10	81.16	81.11	83.49	83.33	83.47	83.56	83.48	89.01	88.81	89.13	89.11	89.05
Pessimistic	79.43	79.45	79.44	79.44	79.44	76.84	76.90	76.88	76.86	76.92	74.25	74.42	74.29	74.34	74.38	73.97	74.38	74.31	74.34	74.32
Very Pessimistic	78.41	78.45	78.42	78.41	78.43	71.05	71.34	71.16	71.12	71.23	62.24	62.65	62.42	62.36	62.60	57.40	58.04	57.73	57.63	57.93

Probability of AAL AVA Funded Ratio Falling Below 60% or 70%



(%)	Year 5					Year 10				
	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy
Less Than 60%	3.44	3.08	3.40	3.36	3.16	7.06	6.64	6.98	6.88	6.68
Less Than 70%	15.58	15.12	15.38	15.42	15.08	18.70	17.92	18.32	18.44	18.24

Employer Plan Year Contributions



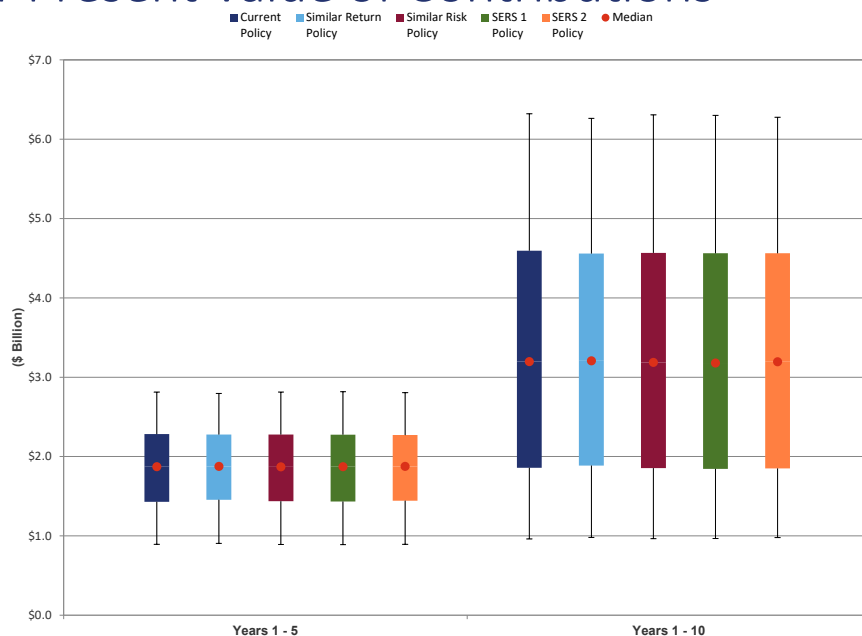
Shortfall Risk:
The potential for the current policy to have higher median contributions than the alternative policies.

Drawdown Risk:
The potential for the current policy to have higher “very pessimistic” contributions than the alternative policies.

*Initial Contribution = \$562.58M
(provided by the Actuary)*

(\$ Millions)	2022					2024					2026					2031				
	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy
Very Pessimistic	562.58	562.58	562.58	562.58	562.58	682.76	676.25	680.43	681.21	678.77	970.56	960.50	966.15	967.74	961.89	1,465.17	1,443.65	1,454.31	1,457.41	1,447.62
Pessimistic	562.58	562.58	562.58	562.58	562.58	553.45	551.97	552.48	552.78	551.52	674.05	670.01	673.17	671.78	670.82	912.17	898.28	900.79	899.90	900.41
Median (Expected)	562.58	562.58	562.58	562.58	562.58	457.98	458.97	458.05	456.84	457.83	445.83	449.76	446.31	444.24	446.26	410.22	416.69	406.01	406.70	408.93
Optimistic	562.58	562.58	562.58	562.58	562.58	355.66	359.68	356.36	355.00	357.00	195.35	204.47	195.54	193.74	199.67	0.00	0.00	0.00	0.00	0.00
Very Optimistic	562.58	562.58	562.58	562.58	562.58	195.58	203.02	195.93	195.25	199.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Employer Present Value of Contributions



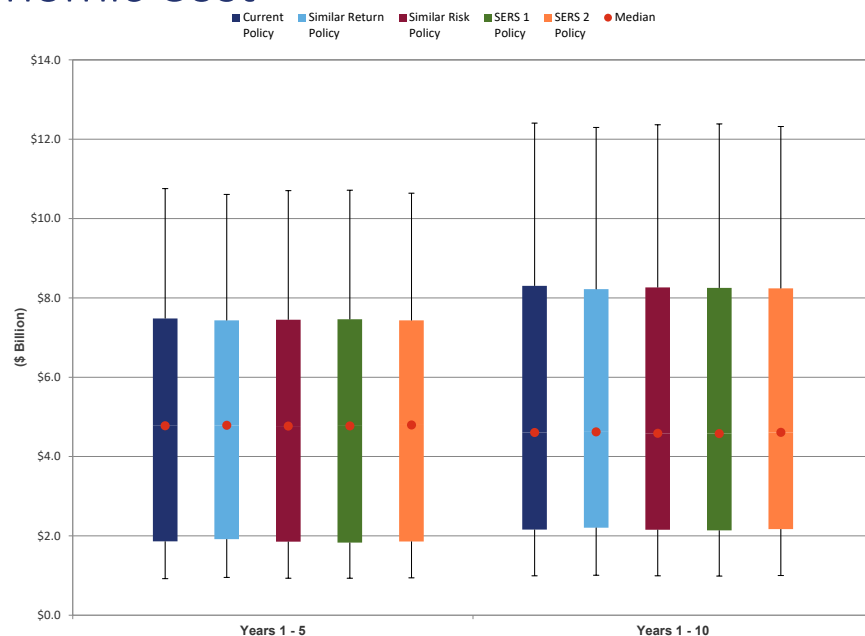
Shortfall Risk:
The potential for the current allocation to have higher median present value of contributions than the alternative policies.

Drawdown Risk:
The potential for the current allocation to have higher “very pessimistic” present value of contributions than the alternative policies.

EROA = 7.00%

(\$ Billion)	Years 1 - 5					Years 1 - 10				
	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy
Very Pessimistic	2.81	2.80	2.81	2.82	2.81	6.32	6.26	6.31	6.30	6.28
Pessimistic	2.28	2.28	2.28	2.28	2.27	4.59	4.56	4.57	4.56	4.56
Median (Expected)	1.87	1.88	1.87	1.87	1.88	3.20	3.21	3.19	3.18	3.20
Optimistic	1.43	1.46	1.44	1.43	1.44	1.86	1.89	1.85	1.84	1.85
Very Optimistic	0.89	0.91	0.89	0.89	0.89	0.96	0.98	0.96	0.97	0.98

MVA Economic Cost



Shortfall Risk:
The potential for the current allocation to have a higher median economic cost than the alternative policies.

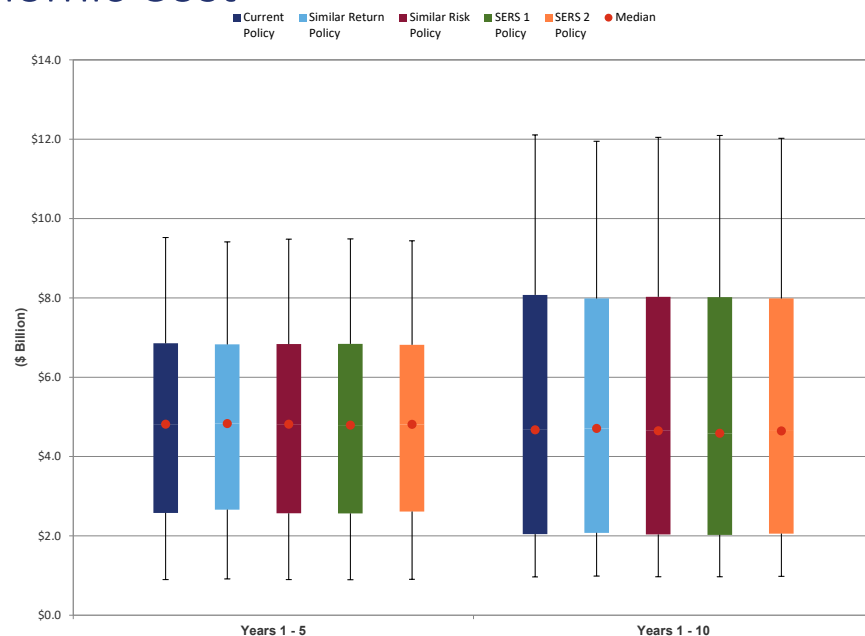
Drawdown Risk:
The potential for the current allocation to have a higher “very pessimistic” economic cost than the alternative policies.

EROA = 7.00%

(\$ Billion)	Years 1 - 5					Years 1 - 10				
	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy
Very Pessimistic	10.75	10.61	10.70	10.71	10.64	12.41	12.29	12.36	12.38	12.32
Pessimistic	7.48	7.43	7.45	7.46	7.43	8.30	8.22	8.26	8.25	8.24
Median (Expected)	4.78	4.79	4.77	4.77	4.80	4.61	4.62	4.59	4.58	4.61
Optimistic	1.86	1.92	1.86	1.83	1.86	2.16	2.21	2.16	2.14	2.17
Very Optimistic	0.92	0.95	0.93	0.93	0.94	0.99	1.01	0.99	0.99	1.00

Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.

AVA Economic Cost



Shortfall Risk:
The potential for the current allocation to have a higher median economic cost than the alternative policies.

Drawdown Risk:
The potential for the current allocation to have a higher “very pessimistic” economic cost than the alternative policies.

EROA = 7.00%

(\$ Billion)	Years 1 - 5					Years 1 - 10				
	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy	Current Policy	Similar Return Policy	Similar Risk Policy	SERS 1 Policy	SERS 2 Policy
Very Pessimistic	9.52	9.41	9.48	9.48	9.44	12.11	11.95	12.05	12.09	12.02
Pessimistic	6.85	6.83	6.84	6.84	6.82	8.07	7.99	8.03	8.02	7.99
Median (Expected)	4.82	4.83	4.82	4.79	4.81	4.67	4.71	4.65	4.59	4.64
Optimistic	2.58	2.66	2.57	2.57	2.61	2.04	2.08	2.04	2.03	2.06
Very Optimistic	0.90	0.91	0.90	0.90	0.91	0.96	0.99	0.97	0.97	0.98

Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.

Observations & Recommendation

Observations & Recommendation

The current portfolio is very near the efficient frontier.

- Alternative portfolios offer modest improvements in portfolio efficiency, yield, factor exposure, and liquidity.
- Given that the equity risk premium is compressed, the optimizer seeks out asset classes with better risk/reward trade-offs such as fixed income and private equity with both global public equities and real assets as funding sources.
- Liability profile: The difference between projected benefit payments and contributions grows to approximately 2.95% over the next 10-years. With this in mind, OH SERS also included two alternative portfolios that increase the cash allocation to 3% and maintain the current real assets exposure given the income orientation of real assets such as real estate.

Recommendation

- Given modest quantitative differences between the alternative portfolios, Wilshire is supportive of qualitative preferences driving the final asset allocation decision.
- Wilshire recommends adopting the asset allocation of the SERS 1 Policy portfolio. SERS 1 Policy portfolio achieves a similar risk/reward trade-off as the alternative portfolios. Furthermore, this asset allocation modestly decreases global equity (-5%) while increasing the allocations to private equity (+2%), cash (+1%), and real assets (+3%).
 - Private equity offers higher returns in a less efficient asset class versus public equities.
 - The higher cash allocation is funded from core fixed income and will serve as a buffer against increasing benefit demands.
 - The increase in real assets provides modestly higher inflation protection and maintains a preference for income-oriented assets such as real estate.

Appendix – Correlation Matrix

Capital Market Assumptions

- Wilshire’s Capital Market Assumptions as of **December 31, 2022**
- Wilshire’s asset class return, risk and correlation assumptions are developed on multi-year forward looking expected rates of return and historical risk and correlation, adjusted to incorporate recent trends
- Public market return expectations represent a passive investment in the asset class (beta). They do not reflect value added from active management (alpha).

	Global Equities	Global Min Vol	Global Private Equity	Global Private Credit	Global Fixed Income	Cash Equivalents	Global Real Assets	Real Estate	Private Real Assets
Return - 10-Year (%)	7.05	7.10	9.90	8.85	5.20	4.00	6.30	6.00	6.10
Return - 30-Year (%)	7.60	7.60	10.30	8.15	5.20	3.65	7.10	6.85	7.25
Risk (%)	17.10	13.80	29.00	12.75	4.60	0.75	12.05	13.55	13.80
Correlations									
Global Equities	1.00								
Global Min Vol	0.97	1.00							
Global Private Equity	0.73	0.75	1.00						
Global Private Credit	0.68	0.67	0.44	1.00					
Global Fixed Income	0.35	0.34	0.37	0.44	1.00				
Cash Equivalents	-0.06	-0.04	0.00	0.00	0.13	1.00			
Global Real Assets	0.60	0.70	0.53	0.67	0.35	-0.06	1.00		
Real Estate	0.54	0.65	0.50	0.63	0.34	-0.05	0.98	1.00	
Private Real Assets	0.69	0.69	0.55	0.62	0.27	-0.06	0.63	0.49	1.00

Appendix – Asset Allocation Ranges

Allowable Asset Allocation Ranges

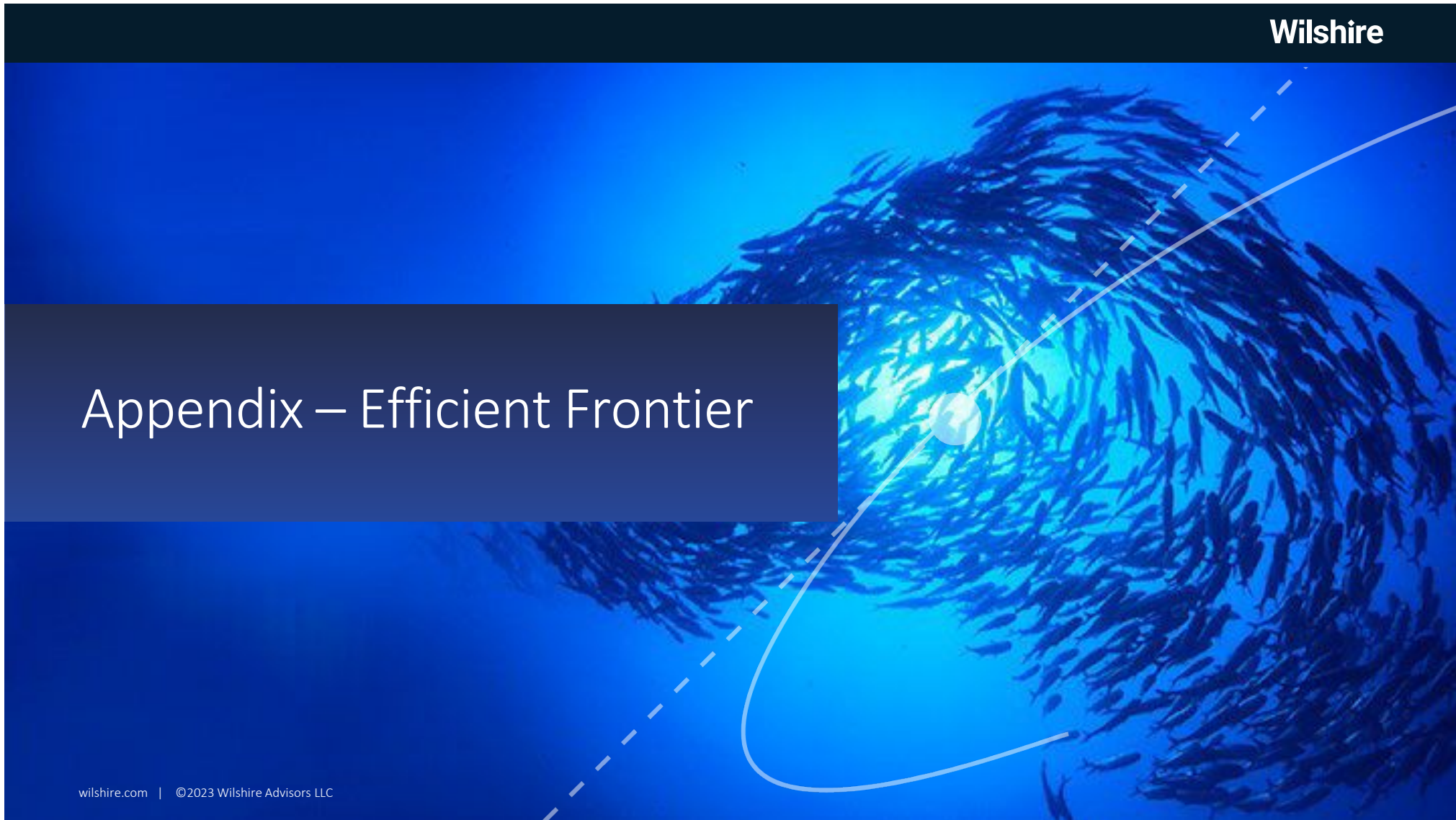
Wilshire’s Asset Allocation Committee (WAAC) maintains standard asset allocation parameters which reflect generally observed market practices for institutional asset owners. While Wilshire expects most client portfolios will fall within these asset allocation ranges. Wilshire recognizes and occasionally recommends portfolio allocations that may diverge from these general ranges based on a client’s particular circumstances, goals or needs.

Asset Segment	Corporate DB	Public DB	E&F
Total Equity (Public+Private)	0% - 80%		
Private Equity (Aggregate)	0% - 15%	0% - 20%	0% - 30%
Fixed Income (Core/High-quality - Liquid IG)	10% - 100%	10% - 50%	
Other Fixed Income/Credit (Aggregate)	0% - 25%		
Private/Illiquid Credit (Aggregate)	0% - 15%		
High Yield	0% - 10%		
Other: EMD, Loans, Convertibles	0% - 7.5%		
Total Real Assets (Public + Private)	0% - 25%		
Total Real Estate (Public + Private)	0% - 25%		
RA Other: Commodities, Gold, Infra, GLI, MLPs, O&G, Timber	0% - 5%		
Marketable Alternatives (Aggregate)	0% - 12.5%	0% - 20%	
Cash	0% - 5%		
Leverage	0% - 20%		
Total Private/Illiquid	0% - 25%	0% - 35%	0% - 50%

These thresholds were informed by allocation information from Greenwich Associates, and Wilshire Advisors, LLC, universe data and will be reviewed for reasonableness from time to time.

**Last Updated 12/2021*

Appendix – Efficient Frontier



Efficient Frontier Portfolios

Asset Class	Current Policy	Optimization Constraints	Minimum Risk	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7	Portfolio 8	Portfolio 9	Maximum Risk
Global Equities	45.00%	15% - 100%	15.00%	15.00%	15.00%	15.50%	20.00%	27.50%	33.50%	40.00%	50.50%	60.00%
Global Private Equity	12.00%	0% - 14% ¹	0.00%	4.50%	9.50%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Total Growth Assets	57.00%		15.00%	19.50%	24.50%	29.50%	34.00%	41.50%	47.50%	54.00%	64.50%	74.00%
Global Private Credit	5.00%	0% - 5% ¹	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Total Defensive Growth Assets	5.00%		0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Global Fixed Income	19.00%	19% - 100%	83.00%	73.50%	68.50%	62.00%	48.00%	39.00%	31.50%	23.50%	19.00%	19.00%
Cash Equivalents	2.00%	2.0%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Total Defensive / Rate Sensitive Assets	21.00%		85.00%	75.50%	70.50%	64.00%	50.00%	41.00%	33.50%	25.50%	21.00%	21.00%
Global Real Assets	17.00%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Real Estate	0.00%	0% - 17% ¹	0.00%	0.00%	0.00%	1.50%	7.00%	9.00%	10.50%	12.50%	9.50%	0.00%
Private Real Assets	0.00%	0% - 7% ¹	0.00%	0.00%	0.00%	0.00%	4.00%	3.50%	3.50%	3.00%	0.00%	0.00%
Total RA / Inflation Sensitive Assets	17.00%		0.00%	0.00%	0.00%	1.50%	11.00%	12.50%	14.00%	15.50%	9.50%	0.00%
Total Assets	100.0%		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Private Assets¹	34.0%	0% - 38%	0.0%	9.5%	14.5%	20.5%	30.0%	31.5%	33.0%	34.5%	28.5%	19.0%
Expected Return - 10 Years (%)	7.39		5.60	6.13	6.48	6.80	6.99	7.15	7.28	7.39	7.49	7.54
Standard Deviation of Return (%)	12.70		5.30	6.27	7.27	8.32	9.31	10.35	11.31	12.31	13.34	14.29
+ / (-) in Expected Return - 10 Years (bps)			(179)	(126)	(91)	(59)	(40)	(24)	(11)	0	10	15
+ / (-) in SD of Return (bps)			(740)	(643)	(543)	(438)	(339)	(235)	(139)	(39)	64	159
Sharpe Ratio	0.27		0.30	0.34	0.34	0.34	0.32	0.30	0.29	0.28	0.26	0.25

¹ Private Assets are Global Private Equity, Global Private Credit, Real Estate and Private Real Assets

Appendix – Regimes

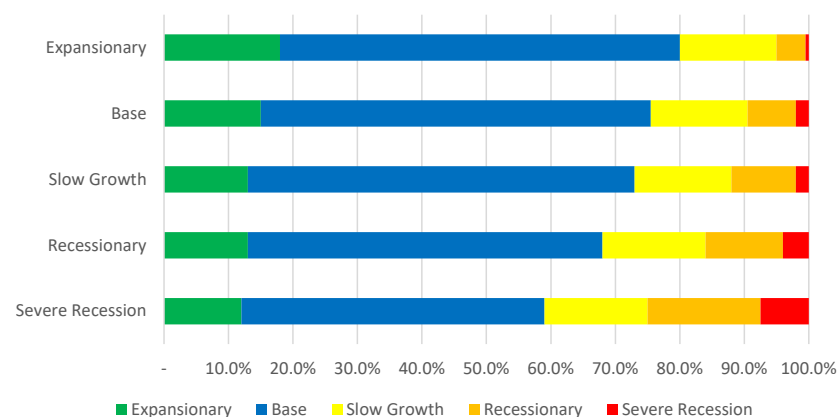


Efficient Frontier Portfolios

Managing drawdown risk – the “uncertainty around the uncertainty”

- Most simulation models assume returns are log-normally distributed
- Though reasonable in most years, left-tail events occur more frequently than predicted
- A regime switching model can help us pre-experience uncomfortable return paths that fall outside a normal distribution’s field of view

	expansionary	base	slow growth	recessionary	severe recession
expansionary	18.0%	62.0%	15.0%	4.5%	0.5%
base	15.0%	60.5%	15.0%	7.5%	2.0%
slow growth	13.0%	60.0%	15.0%	10.0%	2.0%
recessionary	13.0%	55.0%	16.0%	12.0%	4.0%
severe recession	12.0%	47.0%	16.0%	17.5%	7.5%



Stress Testing: Regime Assumptions

- In below trend and worse environments, the portfolio’s return expectations is materially lower and the volatility is materially higher
- Volatility in the below trend and worse environments are left-skewed, i.e. negative-skewed

	US Stocks	Dev xUS Stocks	EM Stocks	Prvt Mkts	Cash	Core Bonds	LT Bonds	US TIPS	HY	US RES	Private RE	Commodities	Current Policy
Expansionary/Above Trend Growth													
Return (%)	11.50	12.25	12.50	17.40	4.25	4.40	4.40	3.45	8.55	10.65	11.20	9.25	11.34
Risk (%)	12.00	13.00	21.00	21.50	0.75	5.20	10.80	6.50	8.00	13.50	11.00	16.00	9.46
Baseline/Trend Growth													
Return (%)	6.50	7.25	7.50	9.90	4.00	4.90	4.90	3.95	6.55	5.65	6.20	6.25	7.39
Risk (%)	17.00	18.00	26.00	29.00	0.75	4.70	9.80	6.00	10.00	17.50	14.00	16.00	12.70
Slow Growth/Below Trend													
Return (%)	4.50	5.25	5.50	6.90	4.00	5.90	6.40	4.45	5.55	3.65	4.20	5.25	6.08
Risk (%)	22.00	23.00	31.00	36.50	0.75	5.70	11.80	7.50	12.00	21.50	17.00	18.00	16.47
Recessionary/Negative Growth													
Return (%)	(3.50)	(2.75)	(2.50)	(5.10)	3.50	6.90	7.90	6.45	1.55	(4.35)	(3.80)	2.25	(0.28)
Risk (%)	27.00	28.00	36.00	44.00	0.75	6.70	13.80	9.00	15.00	27.50	22.00	21.00	20.42
Severe Recession/Deflation													
Return (%)	(43.50)	(42.75)	(42.50)	(40.10)	3.00	14.90	19.90	16.45	(13.45)	(44.35)	(33.80)	(1.75)	(26.62)
Risk (%)	42.00	43.00	51.00	54.00	0.75	14.70	29.80	21.00	20.00	42.50	34.00	26.00	30.10

Stress Testing: Regime Descriptions

Regime Descriptions

- **Expansionary/Above Trend Growth** – Regime when the economy is coming out of a recession or the economy is running above long-run capacity. Wilshire does not project the economy to remain in this regime over longer periods.
- **Baseline/Trend Growth** – The long term expected state of the economy. Wilshire's capital market assumptions are based on this regime.
- **Slow Growth/Below Trend** – Regime when the economy is running at less than full capacity.
- **Recessionary/Negative Growth** – Regime when the economy has below zero growth. Wilshire expects the economy would be in a recession.
- **Severe Recession/Deflation** – Regime when the economy defined by significantly negative growth. Wilshire does not project the economy to remain in this regime over longer periods.

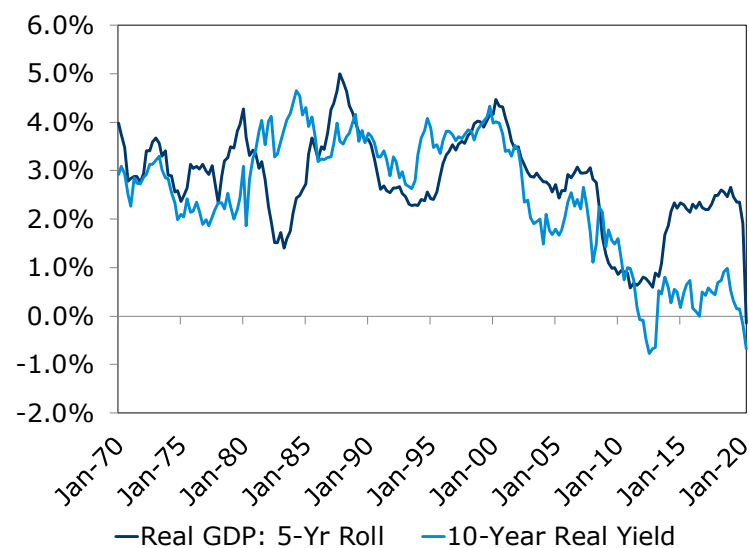
Appendix – Economic Factor Exposures

Why Introduce Factors?

- **Risk Assessment:** Including factors within the asset allocation process provides an opportunity to measure asset class (and portfolio) exposures to key economic factors
- **Economic Efficiency:** If the underlying economic activity that drives asset performance can be identified, perhaps it can be used to assist in building economically-efficient portfolios
- **Portfolio Stability:** Macroeconomic risk factors – when separated from the valuation component inherent in investment pricing – may exhibit more stable correlations and, therefore, can better inform the allocation process

Growth Proxy

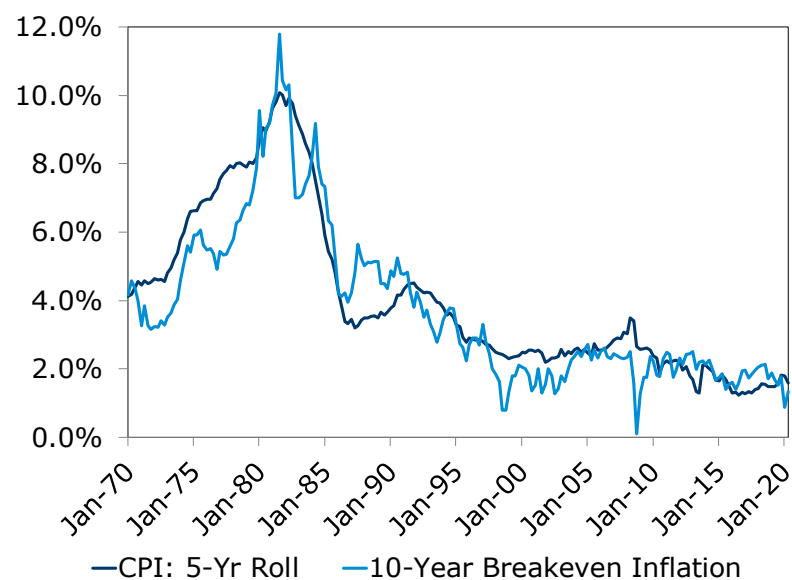
- Interest rates contain information and can reflect economic factors
- Nominal yields aggregate two important and distinct sources of economic information – real yields and expected inflation
- Disaggregating these factors should prove beneficial in developing a set of factors with improved explanatory power



Data Source: Federal Reserve, Bridgewater

Inflation Proxy

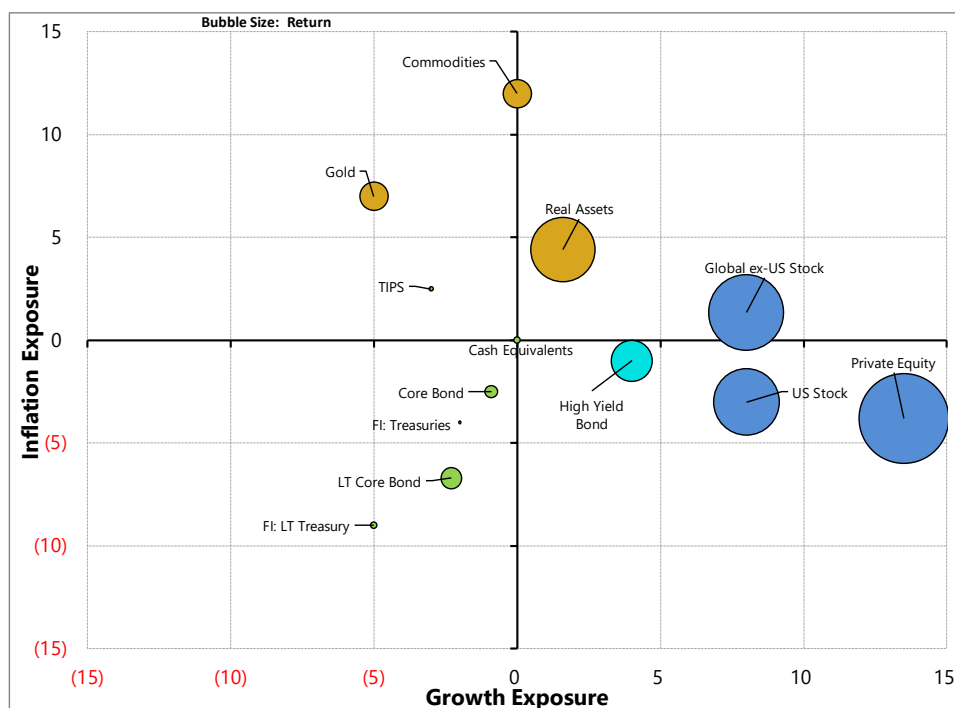
- Breakeven inflation is the market’s expectation for inflation
- Tends to follow closely with actual, recent inflation and can act as a timely signal of trends in consumer prices



Data Source: Federal Reserve, Bridgewater

Wilshire's Approach

- Employ a 2-factor regression model (growth and inflation) to formulate factor assumptions
- Growth proxy is enhanced by high yield bond spreads to better capture shifts in growth forecasts



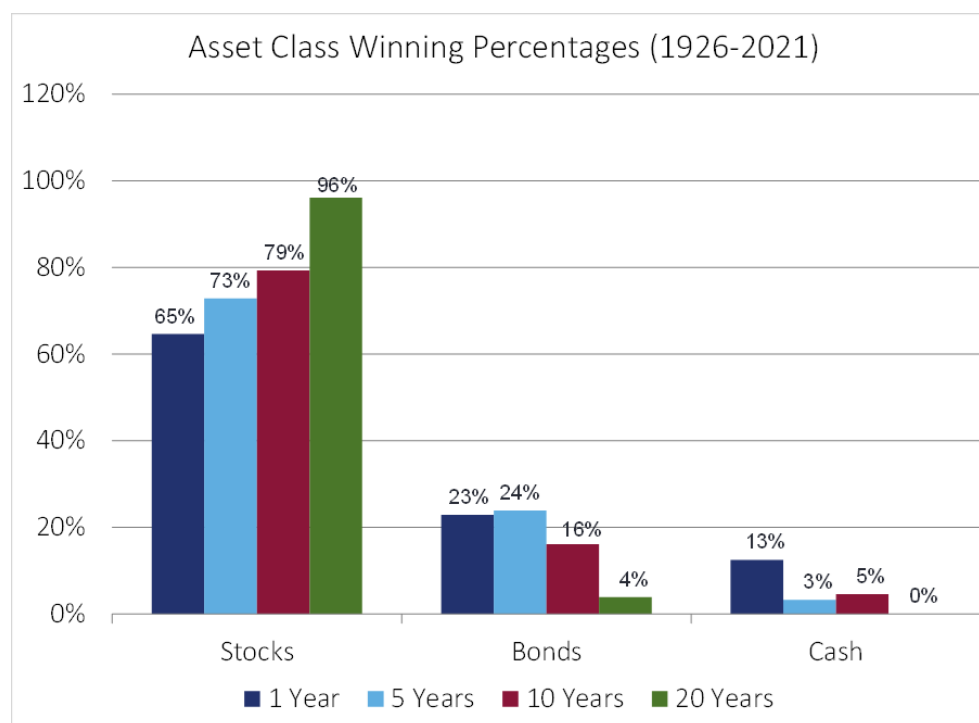
Appendix – Liquidity

Liquidity Risk: What Are The Consequences?

Default/Insolvency is the most severe outcome from having insufficient liquidity, but...

There are many other, more likely, disruptive impacts that a lack of liquidity can impose on an investment portfolio

- Liquidity breaches can rob an investor of their biggest advantage: a long-term investment horizon
- The timing and price of such sales dictated by liquidity needs rather than by explicit investment rationale
- Can destroy portfolio value and effectively strip a portfolio from its ability to recover from market sell-offs



Wilshire Liquidity Metric

Wilshire's Liquidity Metric framework has two levels:

- **Market Level of Liquidity**
- **Overall Level of Liquidity**

Market Level of Liquidity

- Quantified on scale from 0% (low liquidity) to 100% (high liquidity)
- Designed to capture general notion of marketable versus private/off-market transactions
 - Marketable asset classes typically reflect a 90% or 100%
 - Private asset classes reflect 0%
- Goal is to reflect the tradability of assets, which is helpful in connecting these values back to our definitional framework (i.e., to quantify the differences between Convertible Liquidity and Delayed Liquidity)

Wilshire Liquidity Metric

Wilshire's Liquidity Metric framework has two levels:

- **Market Level of Liquidity**
- **Overall Level of Liquidity**

Overall Liquidity Metric

Includes a penalty process to reflect the loss in practical liquidity due to asset class volatility and sensitivity to particular economic environments

Penalty components:

1. **Growth Penalty:**
 - Impacts asset classes with vulnerability to slowing growth
 - Recognizes the hit to liquidity that can occur during growth related bear markets
2. **Inflation Penalty:**
 - Impacts asset classes with vulnerability to rising inflation
 - Recognizes the hit to liquidity that can occur during inflation driven bear markets
3. **Volatility Penalty:**
 - Impacts higher volatility asset classes
 - Recognizes the hit to liquidity that can occur from any form of volatility

Wilshire Stressed Liquidity Metric

Stressed Level of Liquidity Metric

Asset Class	Market Liquidity	Liquidity Penalty Components			Applied Penalty	Stressed Liquidity
		Growth	Inflation	Volatility		
US Equity	100	50		24	50	0
Dev ex-US Equity	100	50		26	50	0
EM Equity	90	50		40	50	0
Private Equity	0	50		40	0	0
Cash Equivalents	100				0	100
Core Bonds	100		8		8	86
High Yield Bonds	80	40		10	40	0
US Real Estate Securities	90	50		24	50	0
Private Real Estate	0	50		18	0	0
Commodities	90			20	20	55

Applied Penalty = $\text{Min}(\text{Max}(\text{Growth} + \text{Inflation}, \text{Volatility}), \text{Market Liquidity})$

Stressed Liquidity * = $\text{Market Liquidity} - (1.75 \times \text{Applied Penalty})$

* If less than 20, Stressed Liquidity is assumed to be 0

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Memo

To: Retirement Board
From: Farouki Majeed
cc: Richard Stensrud, Karen Roggenkamp
Date: April 7, 2023
Re: **Asset Allocation Recommendation**

RECOMMENDATION

Staff recommends the Board adopt the new strategic Asset Allocation Policy (Recommended Policy) as shown in Attachment A, effective July 1, 2023. Significant changes from the current policy are:

- 1) Decrease in Global Equity from 45% to 40%
- 2) Increase in Private Equity from 12% to 14%
- 3) Increase in Real Assets from 17% to 20%
- 4) Decrease in Global Fixed Income from 19% to 18%; and
- 5) Increase in Cash from 2% to 3%

The rationale for these proposed changes are outlined below.

ANALYSIS

Asset Modeling Process/Asset Classes

Wilshire Associates and Staff presented and discussed with the Board input assumptions for the Asset/Liability review including expected returns, risk and correlations of various asset classes, as well as the output from the efficient frontier model. Since the current policy portfolio plots near the efficient frontier, no changes are necessary unless warranted by other considerations such as the need to increase income which drove the changes in the 2020 review. In 2020, Multi-Asset Strategies (Hedge Funds) was eliminated since the returns were below initial expectations, and Private Credit was introduced as a new asset class with a focus on distributed cash yield. Real Assets was increased modestly for the same reason.

The need for distributed cash yield remains a focus as the deficit between pension benefit payments and employee/employer contributions will continue to widen. As a result of the increased allocation to yield oriented assets in the 2020 cycle, investment income increased from \$290.61 million in FY 2020 to \$492.37 million in FY 2022. This increased the net cash flow including operating expenses and investment income from negative \$339.26 million in FY 2020 to negative \$156.67 million in FY 2022. These final cash flow deficits were funded recently by Private Equity net distributions. SERS has a seasoned Private Equity portfolio which generates distributions of capital plus gains through the exit of portfolio companies.

The decrease in return contribution due to Global Equity being reduced from 45% to 40% is compensated by the contribution to total return from increased allocation to Private Equity (2%) and Real Assets (3%) since Private Equity has an attractive return premium over Global Equity. Staff believes these changes will also improve cash flow if Private Equity distributions continue to outpace contributions and Real Estate generates the current level of income yield.

Since expected return on cash has increased significantly, the marginally higher allocation to cash at 3% is prudent to meet liquidity needs and is a reasonable trade off with the 1% reduction in Global Fixed Income.

The proposed changes in the recommended Asset Allocation increase the expected return by 2 basis points while the expected risk declines by 9 basis points relative to the current policy. The Sharpe Ratio (return above risk-free rate/risk) remains unchanged at 0.27.

Both the current portfolio and the recommended portfolio plot near the efficient frontier and are equally efficient in terms of the expected risk/return trade off.

Attachment A is a summary of the current and recommended policy based on Wilshire's Efficient Frontier Output from the Asset Liability Analysis.

ATTACHMENT A

Asset Class	Current Policy	Recommended Policy	Recommended Range
Global Equities	45.0%	40.0%	35-45%
Global Private Equities	12.0%	14.0%	11-17%
Total Growth Assets	57.0%	54.0%	
Global Fixed Income	19.0%	18.0%	13-23%
Cash	2.0%	3.0%	1-5%
Global Private Credit	5.0%	5.0%	3-7%
Total Yield-Oriented Assets	26.0%	26.0%	
Global Real Assets	17.0%	20.0%	17-22%
Total Inflation-Oriented Assets	17.0%	20.0%	
Opportunistic & Tactical	n/a	n/a	0-5%
Total Opportunistic & Tactical Assets	N/A	N/A	
Total Assets	100.0%	100.0%	
Leverage	N/A	N/A	0-10%
Total Notional Exposure (Including Leverage)	100.0%	100.0%	100-110%
Expected Return - 10 Years (%)	7.39	7.41	
Expected Return - 30 Years (%)	7.78	7.85	
Standard Deviation (SD) of Return (%)	12.7	12.61	
+ / (-) in Expected Return -10 Years (bps)		2	
+ / (-) in Expected Return -30 Years (bps)		7	
+ / (-) in SD of Return (bps)		(9)	
Sharpe Ratio	0.27	0.27	

Source: Wilshire Associates

ASSET ALLOCATION RECOMMENDATION

As discussed during the April 20, 2023, Board meeting, _____ moved and _____ seconded the motion to approve the revised Asset Allocation targets and ranges as indicated below, effective July 1, 2023.

Significant changes from the current policy are:

- 1) Decrease in Global Equity from 45% to 40%
- 2) Increase in Private Equity from 12% to 14%
- 3) Increase in Real Assets from 17% to 20%
- 4) Decrease in Global Fixed Income from 19% to 18%; and
- 5) Increase in Cash from 2% to 3%

ASSET CLASS	Current Policy	Recommended Policy	Recommended Range
Equity			
Global Equities	45.0%	40.0%	35-45%
Global Private Equities	12.0%	14.0%	11-17%
Income			
Global Fixed Income	19.0%	18.0%	13-23%
Global Private Credit	5.0%	5.0%	3-7%
Global Real Assets	17.0%	20.0%	17-22%
Cash	2.0%	3.0%	1-5%
Strategy			
Opportunistic & Tactical	n/a	n/a	0-5%
Total Assets	100%	100%	
Leverage	N/A	N/A	0-10%
Total Notional Exposure (Including Leverage)	100.0%	100.0%	100-110%

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

EXECUTIVE SESSION

_____ moved and _____ seconded the motion that the Board convene in Executive Session pursuant to R.C. 121.22 (G)(5) to discuss a matter required to be kept confidential by law.

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

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

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

Memo

To: Retirement Board
From: Chris Collins
cc: Richard Stensrud, Karen Roggenkamp
Date: April 7, 2023
Re: **Federal Legislative Report**

OVERVIEW

Trump Indicted

Former president Donald Trump surrendered to authorities Tuesday, April 4th ahead of a planned arraignment in court in lower Manhattan. Trump faces charges stemming from an investigation that has centered on hush money payments to adult-film star Stormy Daniels ahead of the 2016 election to conceal an alleged long-ago sexual encounter.

This investigation is just one that Trump faces. One of those investigations, led by an Atlanta-area district attorney, is looking into whether Trump and his allies broke the law when they sought to overturn his 2020 election loss in Georgia. He is also under criminal investigation for events surrounding January 6th and his handling of classified documents.

Regardless of whether the former president is ultimately charged in any of these other cases, the investigations and debate surrounding the proceedings speaks to Trump's overall effect on our politics.

Debt Ceiling

The intraparty friction is growing as Washington's debt crisis gets less theoretical and more urgent with each passing week.

President Biden and Speaker McCarthy have had no recent contact on the debt other than exchanges through the press, despite the nervous U.S. banking sector further rattling the situation. Democratic leaders say they'll accept only a clean debt limit bill, but emboldened House Republicans insist that would never pass their chamber.

Republican leaders won't yet describe precisely what they want in exchange for their votes to raise the nation's borrowing ceiling. Senate majority leader Chuck Schumer (D-NY) continues to insist that it is incumbent on Republicans to "show us your plan" before committing to any specific strategy.

A group of moderate Democrats have been meeting privately with GOP centrists since February in defiance of their leadership. Their talks remain in the early stages, and two lawmakers familiar with the discussions said they have not honed specific details yet.

One centrist Democrat, who along with others addressed the talks on condition of anonymity, observed that “you’ve got party leaders in both houses that don’t want us to talk to one another.”

Centrist Republicans involved in the discussions call them a recognition of what Biden and most Hill Democrats have denied, McCarthy’s GOP simply won’t accept a clean debt hike. And as two months have passed since McCarthy’s last sit down with Biden, moderate Rep. Don Bacon (R-NE) said he’s one of those working within the bipartisan Problem Solvers Caucus because “we’ve got to have a plan B.”

Speaker McCarthy and his team still want to draft their own package of deficit-reducing proposals, which his advisers say would mix ideas such as social program cuts with policies to increase U.S. energy production or tighten border security. Even so, the House GOP may not be able to unify behind such a plan.

While most lawmakers expect the standoff will drag into the summer, Biden allies have circulated recent remarks from centrist members like Sen. Mitt Romney (R-UT) expressing concern over the prospect of a debt ceiling crisis, hopeful that more Republicans are deciding it’s not worth the fight.

The White House has yet to weigh in formally on the ongoing centrist discussions about a backup approach. But there’s little doubt that it’s at odds with Biden’s preferred strategy. If anything, one adviser suggested, the likelihood that the moderates’ effort implodes or fails to win over either party’s leadership may only end up illustrating how far apart the two sides are.

ESG Rule Veto

President Biden issued his first veto in March after both the House and Senate voted to overturn the Biden Administration’s Department of Labor (DOL) rule intended to clarify how environmental, social, and governance (ESG) factors can play a role in investment decision-making by fiduciaries of plans governed by the Employee Retirement Income Security Act (ERISA).

The DOL’s so-called ESG Rule was issued in final form last November, with most of its provisions taking effect in January. It replaced two regulations issued in 2020 by the Trump Administration’s DOL, which required plan fiduciaries consider only “pecuniary” factors in investment decisions.

Using the Congressional Review Act, which permits Congress to repeal a final rule issued by a federal agency within 60 legislative days of its going into effect by a simple majority in both chambers, Congress voted to overturn the new Biden DOL’s ESG rule.

In the House, the joint resolution (H. J. Res. 30) was adopted by a party-line vote of 216–204, with only one Democrat voting for it. A similar joint resolution passed the Senate, 50-46, with two Democrats, Senators Joe Manchin (D-WV) and Jon Tester (D-MT), joining all Republican Senators in voting to repeal the new rule. Four Senators, including Mike Crapo (R-ID), Dianne Feinstein (D-CA), Jeff Merkley (D-OR) and John Fetterman (D-PA) did not vote.

Opponents of the rule have argued that it politicizes retirement investments and that the Biden administration is using it as a way to promote a liberal agenda.

Supporters of the rule argue that it is not a mandate, it allows, but does not require, the consideration of environmental, social and governance factors in investment selection.

More than 100 conservative leaders and groups supported the repeal effort in a letter to Congress.

As a response a “Statement of Administration Policy,” from the Executive Office of the President said:

“To be clear, the 2022 rule is not a mandate – it does not require any fiduciary to make investment decisions based solely on ESG factors. The rule simply makes sure that retirement plan fiduciaries must engage in a risk and return analysis of their investment decisions and recognizes that these factors can be relevant to that analysis. If DOL were to revert to the 2020 rule, the federal government would be interfering with the market in a manner that stands in the way of retirement plan fiduciaries’ ability to protect these hard-earned retirement savings and pensions and unnecessarily limit the options available to retirement plan participants and investors.”

Given that a two-thirds vote of both the House and the Senate would be necessary to override the President’s veto, it would appear the Congressional repeal effort will ultimately fail.

However, there are other actions underway that could ultimately block the DOL ESG rule. For example, in late January, a lawsuit (*Utah v. Walsh*) was filed in the Northern District of Texas by a coalition of attorneys general from 25 states, and three private plaintiffs alleging that the ESG Rule oversteps DOL authority and is arbitrary and capricious under the Administrative Procedure Act. Another lawsuit (*Braun v. Walsh*) was filed in late February in Wisconsin district court by two participants in ERISA-regulated retirement plans, arguing that the ESG Rule violates ERISA and exceeds the statutory authority of the Secretary of Labor.

As the firm of O’Melveny & Myers LLP, an American multinational law firm, points out, although the DOL’s final ESG Rule “certainly expands the ability of ERISA fiduciaries to consider ESG factors,” it neither favors ESG factors nor goes “as far as some commentators urged by, for example, including a ‘safe harbor’ for ESG investments.” Instead, in rescinding the 2020 Regulation, “the DOL simply eliminated any distinct treatment of ESG investments and restored discretion to fiduciaries to evaluate ESG factors alongside other factors in vetting investment alternatives.”

But the controversial political activity relating to ESG at the state legislative level is clearly influenced by Federal actions, both regulatory, as well as legislative. It is a complicated, and highly combustible situation, with implications not only for governmental plans and their fiduciaries, but also for those who provide them with important services.

Train Derailment Lawsuit

The federal government has filed a lawsuit against Norfolk Southern Corp. over February’s train derailment in East Palestine, Ohio, pointing out that the company’s operating costs on safety-related measures have dropped over the past four years.

The Justice Department filed the complaint on behalf of the EPA in the U.S. District Court for the Northern District of Ohio. It states that hazardous materials were emitted into the air and spilled onto the ground, contaminating local waterways and flowing miles downstream.

The government seeks to hold the company accountable for “unlawfully polluting the nation’s waterways” and to make sure it “pays the full cost of the environmental cleanup,” according to the complaint, which also names Norfolk Southern Railway Company as a defendant.

The government also seeks civil penalties of \$120,426 a day under two sections of the Clean Water Act. The head of Norfolk Southern Corp. earlier this month told lawmakers the company would fully restore environmental and economic conditions in the Ohio community.

The complaint states that compensation for the company’s executives is largely based on performance measures such as reducing expenses, and over the past four years, “annual reports show a stark contrast between the increases in operating income and the drop in railroad operating costs.”

A bipartisan group of House members from Ohio introduced a bill that would increase safety inspections and funding for first responders to address derailments, funded by increased fees on rail operators.

At a recent news conference, Rep. Bill Johnson (R-OH), who represents the area where the derailment occurred, said rail operators should face greater consequences when they put communities in danger.

“While trains carry many of the raw materials and goods that make modern life possible, locomotive derailments and accidents are far too common and put our communities at risk,” Johnson told reporters.

The bill would also increase the maximum fines rail operators can pay for safety violations to as much as \$1.7 million or a percentage of the violator’s annual operating income.

In the Senate, Sens. J.D. Vance, (R-OH), and Sherrod Brown, D-OH), introduced a bill that would increase safety standards for trains transporting hazardous materials as well as inspections.

Separately, the bill would fund research into new tank cars meant to more safely store hazardous chemicals. The bill also includes almost identical provisions as the House bill for increasing the maximum fines for safety violations.

RETIREMENT SECURITY

Social Security’s finances worsened over the past year according to government actuaries. The annual report from the trustees, released at the end of last month, show that lawmakers could have some tough decisions to make within the next decade.

The Social Security trustees report said that retirement benefits are expected to be paid in full until 2033, when they’d face a 23 percent cut if no policy changes are made. That’s one year earlier than in last year’s report. If combined with separate disability insurance funds, the combined exhaustion date of the retirement and disability programs moves up a year from last year’s projection, to 2034.

Even as experts agree that benefits will ultimately be cut if no action is taken, the nonpartisan Congressional Budget Office, using a slightly different methodology, says Social Security benefits can be paid in full through 2032, and Medicare through 2033, there’s little to no agreement in Washington on how to fix the problem.

WINDFALL ELIMINATION PROVISION (WEP) AND GOVERNMENT PENSION OFFSET (GPO)

Senators Sherrod Brown (D-OH) and Susan Collins (R-ME) have reintroduced bipartisan legislation (S. 597) that would repeal the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO) from the Social Security Act. Brown and Collins previously proposed this legislation in 2021 and 2019 without much success.

Past efforts to strike down the provisions have faced political pushback. However, there could be an opportunity to gain more support this year amid heightened talk about how to prop up Social Security as one of its trust funds faces depletion within the next decade.

Congressman Garret Graves (R-LA), sponsor of House WEP/GPO repeal legislation, H.R. 82, and ally of House Speaker Kevin McCarthy (R-CA), has already met with new Ways and Means Chairman Jason Smith (R-MO) to discuss the issue.

Chairman Smith has said that he is open to discussion, but he also noted that the Graves bill doesn't include a formula that would avoid hastening Social Security's funding shortfall. Another concern is the cost of repealing the provisions. The Congressional Budget Office has estimated that full repeal would cost \$88 billion over a decade for the WEP and \$107 billion for the GPO.

For his part, Graves said he is willing to compromise to reach some kind of agreement.

HEALTH CARE

Prescription Drug Price Negotiation

On Wednesday, March 15th, the Department of Health and Human Services (HHS), through the Centers for Medicare & Medicaid Services (CMS), issued initial guidance detailing the requirements and parameters on key elements of the new Medicare Drug Price Negotiation Program beginning in 2026. The Inflation Reduction Act (IRA) authorizes Medicare to directly negotiate drug prices for certain high-expenditure, single-source Medicare Part B or Part D drugs, meaning only those drugs for which there is no generic or biosimilar competition.

By September 1st, CMS will publish the first 10 Medicare Part D drugs selected for price negotiations starting in 2026. The initial guidance details how CMS intends to identify selected drugs, conduct the negotiation process, and establish requirements for manufacturers of selected drugs. The negotiation criteria include a variety of factors, such as annual revenue, sales volume, and research and development costs. CMS expects to issue revised guidance for the first year of negotiation in the Summer of 2023.

Medicare Solvency

As part of his FY2024 budget proposal, President Joe Biden released a plan to extend the solvency of the Medicare trust fund for 25 years by increasing taxes on those making more than \$400,000 from 3.8% to 5%, closing the so-called Medicare tax loophole, and expanding Medicare drug price negotiations. Senate Democrats initially considered the proposal to close loopholes in existing Medicare taxes as a part of the reconciliation package.

To make Medicare drug price negotiations more aggressive, the proposal calls for negotiating prices for more drugs sooner than originally planned. The plan also proposes extending the requirement that drug makers pay rebates when prices rise faster than inflation to commercial insurers and capping Part D cost-sharing on certain generic drugs at \$2 per prescription per month. The administration says the additional prescription drug reforms would save \$200 billion over 10 years, which it would transfer to the Medicare Hospital Insurance Trust Fund. The Congressional Budget Office's current estimation for the Medicare trust fund's insolvency date is 2033, while the latest Medicare trustees report projected 2028.

FEDERAL LEGISLATION BOARD REPORT
118th United States Congress
(Prepared by Chris Collins as of April 7, 2023)

H.R.82

SPONSOR: Rep. Graves, Garret (R-LA)

LAST ACTIONS: House - 01/09/2023 Referred to the House Committee on Ways and Means

CAPTION: Social Security Fairness Act of 2023

COMMENT: Repeals the GPO and WEP. 210 co-sponsors; seven Ohioans

S.597

SPONSOR: Sen. Brown, Sherrod [D-OH]

LAST ACTIONS: Senate - 03/01/2023 Read twice and referred to the Committee on Finance.

CAPTION: Social Security Fairness Act

COMMENT: Repeals the GPO and WEP. 37 co-sponsors

STATE LEGISLATION BOARD REPORT
(Prepared by Chris Collins as of April 7, 2023)

135th General Assembly

SB6 ESG POLICIES-STATE ENTITIES (Schuring, K) - Regarding environmental, social, and corporate governance policies with respect to the state retirement systems, Bureau of Workers' Compensation, and state institutions of higher education.

Current Status: 03/28/2023 Senate Finance, (Fifth Hearing)

HB4 LEGISLATIVE INTENT-ECONOMIC BOYCOTTS (Young, T., King, A.) To declare the General Assembly's intention to enact legislation regarding financial institutions and other businesses that conduct economic boycotts or discriminate against certain companies or customers based on certain factors.

Current Status: 02/16/2023 Referred to Financial Institutions Committee

HB33 FY24-25 OPERATING BUDGET (Edwards, J.) To make operating appropriations for the biennium beginning July 1, 2023, and ending June 30, 2025, to levy taxes, and to provide authorization and conditions for the operation of state programs.

Current Status: 03/30/2023 House Finance, (Sixth Hearing)

HB146 SERS BENEFIT CAP (Bird, A.) To establish a contribution based benefit cap in calculating a School Employees Retirement System member's retirement benefit.

Current Status: 04/04/2023 Introduced

Finance Headline News



- Budget Administration
 - FY24 draft budget will be presented in May
 - FY23 forecast is being fine tuned
 - SERS administrative expenses are expected to finish FY23 under budget
- The following detailed reports are attached for further analysis:
 - FY24 Draft Budget Report to ORSC
 - Administrative expense reports
 - Administrative expense summary for March 2023
 - Administrative expense detail for March 2023
 - Parameters report for March 2023
 - Financial highlights
 - As of February 2023

School Employees Retirement System of Ohio
Summary of administrative operation expenses during the period **March 1, 2023-March 31, 2023.**
Actuals
Mar-2023

Administrative Expense Report_Office Connect	Account	Amount
53100 - Salaries & Wages...	Salaries & Wages	1,147,546.53
53110 - Salaries & Wages - Overtime	Salaries & Wages- Overtime	4,506.82
53111 - Vacation Leave Expense	Vacation Leave Expense	117,245.56
53112 - Sick Leave Expense	Sick Leave Expense	42,109.12
53200 - Employer Contributions - PERS	Employer Contributions- PERS	171,565.42
53300 - Group Life	Group Life	9,376.98
53310 - Long Term Disability	Long Term Disability	3,326.70
53315 - Short Term Disability	Short Term Disability	2,562.39
53320 - Group Health Claims	Group Health Claims	117,560.06
53321 - Group Health - Admin Fees	Group Health- Admin Fees	14,803.88
53322 - Prescription Claims	Prescription Claims	107,586.63
53324 - Group Health - Stop Loss Admin	Group Health- Stop Loss Admin	34,924.26
53326 - Vision Claims	Vision Claims	2,543.40
53327 - Vision Admin Fees	Vision Admin Fees	121.68
53330 - Group Health - Employee Cost	Group Health- Employee Cost	(32,577.34)
53331 - Group Health - Wellness Incentive	Group Health- Wellness Incentive	3,655.00
53332 - Group Health - Tobacco Premiums	Group Health- Tobacco Premiums	(680.00)
53340 - Medicare Premium - Employer	Medicare Premium- Employer	17,088.23
53380 - Deferred Compensation Match	Deferred Compensation Match	4,800.00
54100 - Actuarial Services	Actuarial Services	55,802.50
54200 - Audit	Audit	425.00
54310 - Custodial Fees	Custodial Fees	96,109.39
54320 - Custodial Banking	Custodial Banking	47.88
54410 - Master Recordkeeper Fees	Master Recordkeeper Fees	62,065.43
54420 - Investment Advisory Fees	Investment Advisory Fees	43,869.86
54430 - Performance/Analytics Fee	Performance/ Analytics Fee	97,262.91
54520 - Medical Consultant	Medical Consultant	3,750.00
54610 - Special Counsel	Special Counsel	88,355.00
54620 - Technical	Technical	103,482.93
54630 - Other Professional Services	Other Professional Services	12,161.31
55100 - Postage	Postage	103,077.69
55200 - Telecommunications Services	Telecommunications Services	11,856.47
55300 - Member/Employer Education	Member/Employer Education	962.16
55400 - Printing Paper	Printing Paper	4,258.00
55420 - Communications & Publications	Communications & Publications	2,370.00
56020 - Hardware Maintenance	Hardware Maintenance	1,130.62
56030 - Software Maintenance	Software Maintenance	70,000.00

56035 - Software Subscriptions	Software Subscriptions	104,961.08
56040 - Hardware < \$5,000	Hardware < \$5,000	9,096.13
56110 - Equipment Repairs & Maintenance	Equipment Repairs & Maintenance	8,842.06
56130 - Office Supplies & Expenses	Office Supplies & Expenses	380.88
56160 - Records Storage	Records Storage	1,619.00
56210 - Seminars & Conferences	Seminars & Conferences	22,397.00
56310 - Travel & Transportation	Travel & Transportation	8,186.24
56410 - Subscriptions	Subscriptions	289.92
56420 - Memberships	Memberships	2,300.00
56610 - Operations Maintenance	Operations Maintenance	3,179.00
56630 - Interior Landscaping	Interior Landscaping	1,366.37
56640 - Vehicle Expense	Vehicle Expense	178.09
56620 - Staff Support	Staff Support	4,650.49
56621 - Recruiting Expense	Recruiting Expense	405.26
56710 - Board Member - School Board Reimb.	Board Member- School Board Reimb.	684.12
56900 - Reimbursement of Leased Svcs	Reimbursement of Leased Svcs.	(25,416.67)
	Total Administrative Expenses	2,668,171.44

School Employees Retirement System of Ohio
REVIEW OF ADMINISTRATIVE EXPENSES
23-Mar

Expense Account	Vendor	Amount
53100 - Salaries & Wages	ADP, LLC	1,147,546.53
	Subtotal	1,147,546.53
53110 - Salaries & Wages - Overtime	ADP, LLC	4,506.82
	Subtotal	4,506.82
53111 - Vacation Leave Expense	ADP, LLC	117,245.56
	Subtotal	117,245.56
53112 - Sick Leave Expense	ADP, LLC	42,109.12
	Subtotal	42,109.12
53200 - Employer Contributions - PERS	ADP, LLC Ohio Public Emp. Retirement System	172,096.95
	Subtotal	171,565.42 (531.53)
53300 - Group Life	American United Life Insurance Company	9,376.98
	Subtotal	9,376.98
53310 - Long Term Disability	American United Life Insurance Company	3,326.70
	Subtotal	3,326.70
53315 - Short Term Disability	American United Life Insurance Company	2,562.39
	Subtotal	2,562.39
53320 - Group Health Claims	Aetna Daily Wires - ESERS	117,560.06
	Subtotal	117,560.06
53321 - Group Health - Admin Fees	Aetna Admin - ESERS	14,803.88
	Subtotal	14,803.88
53322 - Prescription Claims	Express Scripts - ESERS SaveonSP, LLC	103,399.68
	Subtotal	107,586.63 4,186.95
53324 - Group Health - Stop Loss Admin	Aetna Admin - ESERS	34,924.26
	Subtotal	34,924.26
53326 - Vision Claims	VSP - (OH)	2,543.40
	Subtotal	2,543.40
53327 - Vision Admin Fees	VSP - (OH)	121.68
	Subtotal	121.68
53330 - Group Health - Employee Cost	Employee Premiums	(32,577.34)
	Subtotal	(32,577.34)
53331 - Group Health - Wellness Incentive	ADP, LLC	3,655.00
	Subtotal	3,655.00
53332 - Group Health - Tobacco Premiums	ADP, LLC	(680.00)
	Subtotal	(680.00)
53340 - Medicare Premium - Employer	ADP, LLC ADP, LLC	17,088.18
	Subtotal	17,088.23 0.05
53380 - Deferred Compensation Match	ADP, LLC	4,800.00
	Subtotal	4,800.00
54100 - Actuarial Services	Cavanaugh MacDonald Consulting, LLC	55,802.50
	Subtotal	55,802.50
54200 - Audit	Treasurer of State of Ohio	425.00
	Subtotal	425.00
54310 - Custodial Fees	BNY Mellon Asset Servicing	96,109.39
	Subtotal	96,109.39
54320 - Custodial Banking	Treasurer of State - Warrants	47.88
	Subtotal	47.88
54410 - Master Recordkeeper Fees	BNY Mellon Asset Servicing	62,065.43
	Subtotal	62,065.43
54420 - Investment Advisory Fees	Wilshire/Aksia	43,869.86
	Subtotal	43,869.86
54430 - Performance/Analytics Fee	BNY Mellon Asset Servicing Barra LLC Frank Russell Company Wilshire Advisors, LLC	34,401.66
	Subtotal	59,611.25 250.00 3,000.00

		Subtotal	97,262.91
54520 - Medical Consultant	Borchers, M.D., Glen G.		
		Subtotal	3,750.00
54610 - Special Counsel	Ice Miller LLP Seyfarth Shaw LLP Calfee Halter & Griswold LLP		37,110.00 51,065.00 180.00
		Subtotal	88,355.00
54620 - Technical	Sagitec Solutions, LLC LexisNexis Risk Data Management, Inc ComResource Velosio ForeFront Web Merative US L.P. Datatalk Telecom- part of Network Infrastructure Refresh project Reclas Improving Ohio, Inc.		75,132.75 1,611.84 7,475.00 490.00 148.50 29,500.00 (11,225.16) 350.00
		Subtotal	103,482.93
54630 - Other Professional Services	Wickert, Kimberly Vorys Advisors LLC Contoural, Inc. Impact Training and Development, Inc CBIZ Talent and Compensation Solutions VitalSmarts, LC		243.00 3,333.33 554.00 945.00 6,433.16 652.82
		Subtotal	12,161.31
55100 - Postage	Pitney Bowes Inc. United States Postal Service Columbus Courier & Freight LLC Postmaster Unishippers Association FedEx		2,107.98 100,000.00 277.35 290.00 369.41 32.95
		Subtotal	103,077.69
55200 - Telecommunications Services	Verizon Wireless XO Communications Nextel Communications AT&T LUMEN Spectrum Spectrum AWS Everstream Solutions LLC		481.07 1,815.37 55.51 40.10 3,826.83 2,021.46 2,240.13 1,376.00
		Subtotal	11,856.47
55300 - Member/Employer Education	Holman, Carlisa Vaughan, Cameron Talbert, Katie Richards, Michelle		132.71 86.73 72.70 670.02
		Subtotal	962.16
55400 - Printing Paper	Sterling Paper Company		4,258.00
		Subtotal	4,258.00
55420 - Communications & Publications	Bindery and Specialties, Inc.		2,370.00
		Subtotal	2,370.00
56020 - Hardware Maintenance	Vertiv Corporation- tax refund Royal Document Destruction		(122.38) 1,253.00
		Subtotal	1,130.62
56030 - Software Maintenance	Sagitec Solutions, LLC		70,000.00
		Subtotal	70,000.00
56035 - Software Subscriptions	Shi International Corp. ADP, LLC Liquid Web Inc Zoom DocuSign Expedient Dynamo Software, Inc. Amazon Web Services AdminDroid		69,730.83 3,625.18 324.09 556.81 4,392.00 5,937.40 19,313.58 245.19 836.00
		Subtotal	104,961.08
56040 - Hardware < \$5,000	Amazon.com Dell Marketing LP		1,300.13 7,796.00
		Subtotal	9,096.13
56110 - Equipment Repairs & Maintenance	Ricoh USA, Inc Digital Print Solutions Amazon.com Canon Financial Services, Inc LD Products Inc. US Bank Equipment Finance		594.88 3,121.48 135.00 2,191.27 393.93 2,405.50
		Subtotal	8,842.06
56130 - Office Supplies & Expenses	Amazon.com Metalcraft, Inc.		4.99 375.89
		Subtotal	380.88
56160 - Records Storage	Vital Records Holdings, LLC		1,619.00
		Subtotal	1,619.00
56210 - Seminars & Conferences	Institute of Internal Auditors Ohio State University CFA Institute		95.00 900.00 475.00

	Columbus Bar Association	130.00
	Conexus Financial Pty Ltd	1,897.00
	Improving Ohio, Inc.	18,900.00
	Subtotal	22,397.00
56310 - Travel & Transportation	Roggenkamp, Karen	669.14
	Kroger	109.71
	Rossler, James	471.46
	Haller, James	449.39
	Chipotle	300.00
	Phillips, Barbra	789.63
	Hills Market	19.96
	Giant Eagle	20.06
	Sam's Club	68.84
	Majeed, Farouki	90.78
	Masri, Judi	1,151.92
	Moss, Catherine	565.71
	Wilson, Daniel L.	317.20
	King, Matt	472.10
	Walmart	16.10
	Weglarz, Frank	548.40
	Viggiano, Dawn	1,198.70
	Collins, Chris	466.44
	Corporate Caterers	460.70
	Subtotal	8,186.24
56410 - Subscriptions	Wall Street Journal	77.98
	Constant Contact	125.00
	Shutterstock, Inc.	29.00
	Time	44.95
	Toledo Blade	12.99
	Subtotal	289.92
56420 - Memberships	Public Pension Financial Forum	1,000.00
	Ohio Ethics Commission	1,200.00
	Capital Square Review and Advisory Board	25.00
	Joint Legislative Ethics Committee	50.00
	Capitol Square Review/Adv. Board	25.00
	Subtotal	2,300.00
56610 - Operations Maintenance	Amtrec, LLC	1,666.00
	South Central Power Company	113.00
	Loth, Inc.	1,400.00
	Subtotal	3,179.00
56630 - Interior Landscaping	Ambius Inc. (05)	1,366.37
	Subtotal	1,366.37
56640 - Vehicle Expense	Moo Moo Car Wash	7.00
	Firestone Complete Auto Care	107.34
	BP Oil Company	63.75
	Subtotal	178.09
56620 - Staff Support	ADP, LLC	3,431.00
	Premier ProduceOne	257.95
	Amazon.com	141.61
	Culligan Bottled Water of Columbus	71.93
	Wellable LLC	465.40
	Aetna Behavioral Health, LLC	282.60
	Subtotal	4,650.49
56621 - Recruiting Expense	CFA Society of Columbus	100.00
	ADP Screening & Selection Services	44.52
	Indeed	260.74
	Subtotal	405.26
56710 - Board Member - School Board Reimb.	Ashland City School District	684.12
	Subtotal	684.12
56900 - Reimbursement of Leased Svcs	Reimbursement for Leased Services	(25,416.67)
	Subtotal	(25,416.67)
	Total SERS Administrative Expense	2,668,171.44

FY2023 Administrative Budget
 Board Expense to Budget Reporting
 Year-to-Date Through March 31, 2023

Major Category/Sub-Major Category	Line Item	Vendor	FY2023 Budget	Year to Date Expense	Budgeted Y/N?	Additional Information
PROFESSIONAL SERVICES						
ACTUARIAL ADVISORS			\$ 6,502,883.00	\$ 4,316,855.26		
	Actuarial	Cavanaugh Macdonald	\$ 421,008.00	\$ 305,562.00		
			272,508.00	222,311.50	Y	Actuarial Consultant
AUDITING			\$ 244,000.00	\$ 181,031.00		
	Auditing	RSM	184,000.00	152,444.00	Y	External Auditor
BANKING FEES			\$ 1,268,466.00	\$ 844,705.29	Y	
	Custodial Banking		1,073,544.00	749,811.18		
		Huntington	302,004.00	218,619.74	Y	Domestic Custodian
		BNYM	765,000.00	531,191.44	Y	International Custodian
	Administrative Banking	Huntington National Bank/ TOS	194,922.00	94,894.11	Y	Banking Services
INVESTMENT RELATED			\$ 2,664,622.00	\$ 1,882,610.93		
	Master Recordkeeper		1,116,000.00	731,276.32	Y	
	Investment Consulting & Advisory Services		650,000.00	404,263.69		
		Aksia	200,000.00	66,763.70	Y	Investment Consulting
		Wilshire	450,000.00	337,500.00	Y	Investment Consulting
	Performance Analytics Services		690,263.00	592,784.17		
		Barra-One Risk Mgmt Sys	238,445.00	238,445.00	Y	Investment Risk Analytics
		BNY Mellon GRS	412,800.00	311,114.94	Y	Investment Performance Analytics
TECHNICAL			\$ 1,859,787.00	\$ 1,069,196.04		
	Special Counsel		235,020.00	143,311.00	Y	
	Technical		1,202,316.00	646,022.00		
		Merative US L.P.	118,000.00	88,500.00	Y	Data Warehouse
		Sagitec	550,000.00	335,065.50	Y	SMART Development Resources
	Other Professional Services		422,451.00	279,863.04		
OTHER OPERATING EXPENSE			\$ 3,607,379.00	\$ 2,543,374.81		
COMPUTER SUPPORT SERVICES			\$ 2,343,770.00	\$ 1,607,557.20		
	Software Maintenance		1,004,851.00	749,673.91		
		Hyland	110,529.00	114,482.38	Y	ImageNow
		Dell	240,000.00	236,639.52	Y	Microsoft Enterprise Agreement
		Sagitec	420,000.00	280,000.00	Y	SMART Silver Support
	Software Subscriptions		1,183,234.00	761,433.69	Y	
		DRaaS	158,000.00	79,070.08	Y	Expedient
		Dynamo	128,000.00	148,114.00	Y	Dynamo Software, INC
		Carahsoft	124,688.00	109,855.20	Y	ServiceNow System
PROPERTY MANAGEMENT LIABILITY INSURANCE						
	Management Liability Insurance		518,000.00	519,591.00		
		Cyber Liability Insurance	118,000.00	105,264.25	Y	ARC Excess & Surplus, LLC
		Crime Fiduciary D&O Insurance	400,000.00	414,326.75	Y	ARC Excess & Surplus, LLC

PROJECT ITEMS

Major Category/Sub-Major Category	Line Item	Project	FY2023 Budget	YTD Expense	Budgeted Y/N?	Additional Information
PROFESSIONAL SERVICES						
TECHNICAL						
		CBBC Programming	150,000.00	39,382.20	Y	CBBC programming

SERS

UNBUDGETED PROJECT ITEMS

Major Category/Sub-Major Category	Line Item	Project	FY2023 Budget	YTD Expense	Budgeted Y/N?	Expense Reallocation
Technical	Technical	Agile Coaching- Improving.com	\$ -	\$ 5,950.00	N	Technical
	Seminars and Conferences	Agile Coaching- Improving.com	\$ -	\$ 18,900.00	N	Seminars & Conferences

OSERS BROAD STREET, LLC

UNBUDGETED PROJECT ITEMS

Major Category	Line Item	Project	FY2023 Budget	YTD Expense	Budgeted Y/N?
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SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

FINANCIAL HIGHLIGHTS

As of February 28, 2023 and 2022

(unaudited)

SERS (All Funds)	2/28/23 YTD	2/28/22 YTD	Comparative Difference	% Difference
<u>ADDITIONS</u>				
Employer Contributions	\$397,703,668	\$373,114,244	\$24,589,424	7%
Member Contributions	259,406,815	243,693,839	15,712,976	6
Health Care Premiums, Subsidies & Other Income	123,006,362	75,068,668	47,937,694	64
Total Investment Income, Net	387,557,170	104,216,691	283,340,479	272
TOTAL ADDITIONS	1,167,674,015	796,093,442	371,580,573	47
<u>DEDUCTIONS</u>				
Retirement, Disability, Survivor & Death Benefits	911,360,295	883,489,767	27,870,528	3
Health Care Expenses	139,174,048	100,167,460	39,006,588	39
Refunds & Transfers	62,934,203	54,313,018	8,621,185	16
Administrative Expenses (excluding Investments)	20,034,621	19,502,767	531,854	3
TOTAL DEDUCTIONS	1,133,503,167	1,057,473,012	76,030,155	7
Changes in Net Position	34,170,848	(261,379,570)	295,550,418	113
Net Position - Beginning	17,574,319,449	18,440,611,356	(866,291,907)	(5)
SERS Net Position - Ending	\$17,608,490,297	\$18,179,231,786	(\$570,741,489)	(3%)

HEALTH CARE FUND

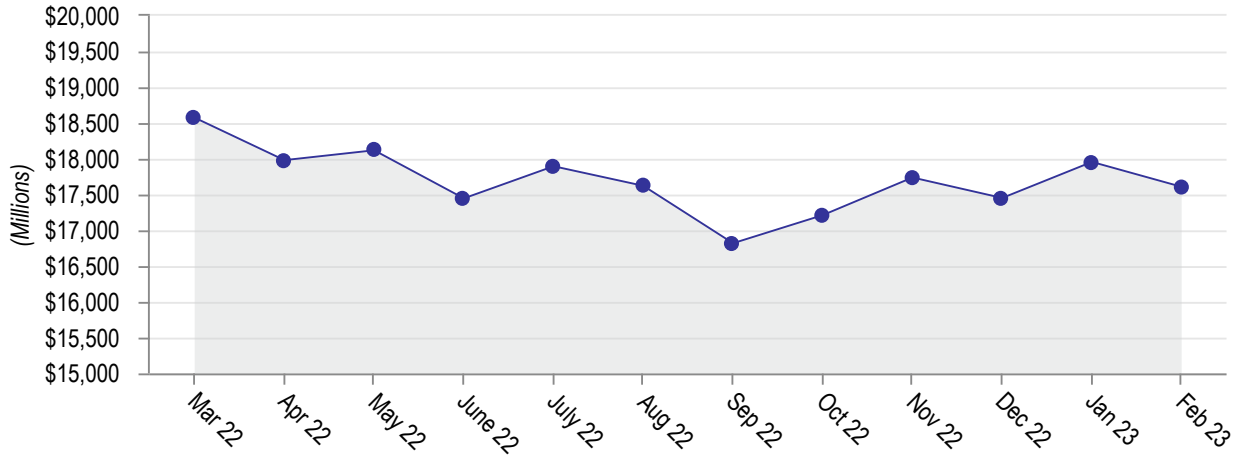
HEALTH CARE ADDITIONS

Employer Contributions	\$35,208,248	\$32,800,000	\$2,408,248	7%
Health Care Premiums	40,731,004	42,108,986	(1,377,982)	(3)
Medicare Subsidies & Other Income	82,275,358	32,959,682	49,315,676	150
Total Investment Income, Net	11,464,712	3,536,899	7,927,813	224
TOTAL HEALTH CARE ADDITIONS	169,679,322	111,405,567	58,273,755	52
TOTAL HEALTH CARE DEDUCTIONS	140,875,319	102,222,948	38,652,371	38
Changes in Net Position	28,804,003	9,182,619	19,621,384	214
Net Position - Beginning	611,574,409	600,330,188	11,244,221	2
SERS Health Care Fund Net Position - Ending	\$640,378,412	\$609,512,807	\$30,865,605	5%

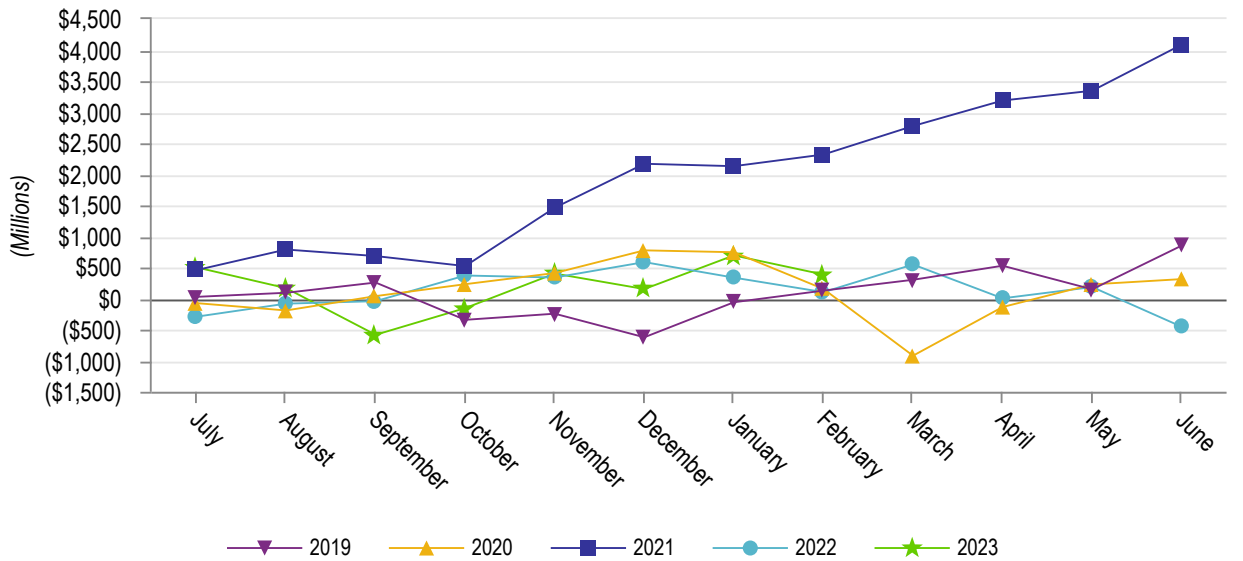
ADMINISTRATIVE EXPENSES

	2/28/23 YTD	Fiscal Year Annual Budget	% of Annual Budget
Personnel	\$16,354,308	\$24,392,195	67%
Professional Services	3,746,795	6,502,883	58
Communications	626,034	1,011,873	62
Other Operating Expenses	2,302,856	3,607,379	64
TOTAL ADMINISTRATIVE EXPENSES	\$23,029,993	\$35,514,330	65%

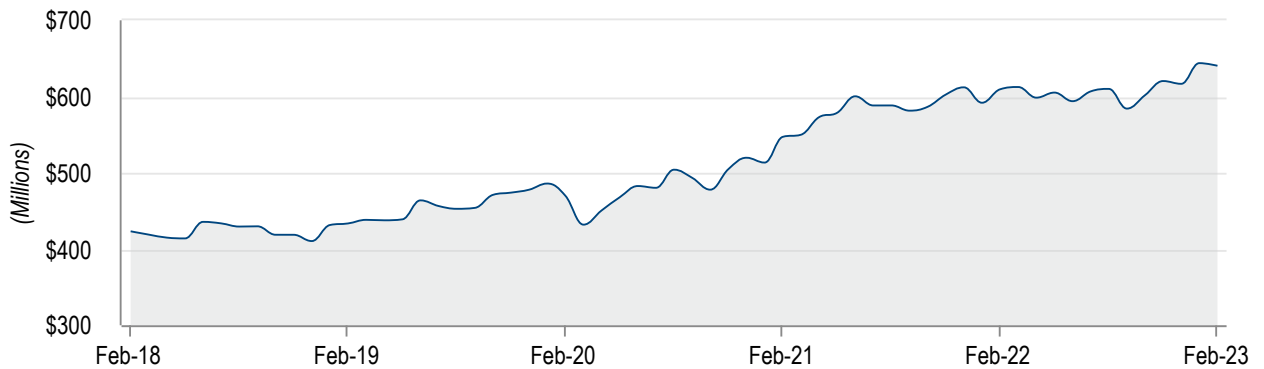
Total SERS Fund Balance for Previous 12 Months



Investment Income (includes realized and unrealized gains & losses)



Health Care Fund Balance Trend



Memo

To: Retirement Board
From: Richard Stensrud
cc: Marni Hall
Date: April 7, 2023
Re: FY2024 Draft Budget Presentation- ORSC Format

At the April Board meeting, Marni Hall will present the FY2024 Draft Budget information in the standard format required by the Ohio Retirement Study Council (ORSC). We are currently in the process of finalizing the budget for FY2024, therefore, the expanded budget document will be presented and discussed in greater detail at the May Board meeting. We are not seeking approval for this draft presentation.

The ORSC required documents include FY2023 and FY2024 operating, capital, staff training and travel budget comparisons, investment expenses obtained from the ACFR, and a ten-year categorization of Board expenses and membership statistics.

I look forward to reviewing this document with you and answering any questions that may arise.



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746
614-222-5853 • Toll-Free 800-878-5853 • www.ohsers.org

RICHARD STENSRUD
Executive Director

KAREN D. ROGGENKAMP
Deputy Executive Director

April 24, 2023

Bethany Rhodes, Director/General Counsel
Ohio Retirement Study Council
30 East Broad Street, 2nd Floor
Columbus, OH 43215

Dear Ms. Rhodes:

In accordance with Section 3309.041 of the Ohio Revised Code, enclosed please find SERS' proposed FY2024 operating budget presented in the ORSC's required format. SERS budgeting practices are aligned with our Mission, Vision, and Values, while continuously evaluating the long-range needs of our membership. For FY2024, SERS' total operating budget increased by 3.1% (\$37,632,467 million to \$38,801,700 million). The significant drivers of this change are a budgeted 4.5% merit increase and salary adjustments based on CBIZ recommendations to align with current market conditions along with decreases in professional services, telecommunication services and net building occupancy and an increase in software subscriptions as the organization moves technology needs to a cloud-based environment.

Personnel category increase of 4.5% is attributed to an additional full-time employee; salary adjustments and a performance-based merit increase of 4.5% as recommended by CBIZ. This was offset by a slight decrease of health care expenses based on actuarial rates derived from actual plan claims and health care cost trends supplied by our actuary.

Professional Services category decrease of 1.6% includes ongoing operational resources such as actuarial services, banking costs, technical services associated with operational needs and member and health care support, and lower investment related expenses due to a reduction in master recordkeeper fees and contracted services with investment manager. The net decrease is mainly due to the completion of an actuarial audit in FY2023 offset by increased costs for technology support and enterprise risk mitigation.

Communications Expense category is relatively flat with a slight increase of 0.4% due to an increase in postage cost and paper supplies that includes costs of two board elections which is offset by the savings from the decommissioning of the business continuity site and other telecommunication costs as well as savings from the expansion of virtual member meetings and conferences.

Other Operating Expense increase of 12.8% is a result of increased costs of software licenses that includes expanding existing subscription for an operational due diligence automation tool and an account reconciliation tool, cyclical equipment upgrades and support, and cyber security tools to protect hardware, systems, and data on SERS networks. SERS completed the transition of Disaster Recovery as a Service with cloud storage for daily data backups and business continuity services as well as planned completion of unified communications and contact center as a cloud service. This service model type becomes an on-going software subscription cost. SERS continues to see higher insurance policy rates and expects this to continue in FY2024. The increase

RETIREMENT BOARD

JEFFREY DELEONE <i>Chair, Appointed-Member</i>	FRANK A. WEGLARZ <i>Vice-Chair, Retiree-Member</i>	HUGH GARSIDE, JR <i>Employee-Member</i>	JAMES H. HALLER <i>Employee-Member</i>	
MATTHEW A. KING <i>Employee-Member</i>	CATHERINE P. MOSS <i>Retiree-Member</i>	BARBRA M. PHILLIPS <i>Employee-Member</i>	JAMES A. ROSSLER, JR <i>Appointed Member</i>	DANIEL L. WILSON <i>Appointed Member</i>



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746
614-222-5853 • Toll-Free 800-878-5853 • www.ohsers.org

RICHARD STENSURD
Executive Director

KAREN D. ROGGENKAMP
Deputy Executive Director

in training is for organizational wide project management training that focuses on developing flexibility, adaptability, and collaboration among staff.

There are no planned Capital expenses in FY2024.

SERS will be in the second year of the Technology Enhancement Project Budget. This five-year plan will improve digital, mobile, and electronic service delivery for employers and members, add pension administration enhancements, and expand business tools. Planned for FY2024 includes replacement of the general ledger and accounting system from an on-premise solution to a cloud-based Software as a Service solution, continued network and server infrastructure improvements, expanded security, and enhancements to SERS Member and Retiree Tracking System.

Net Building Occupancy Expense budget is decreased by 18.5% due to an increase in tenant rental income from FY2023. Tenant income from leases and parking help offset overall building expenses. SERS is aggressively marketing the vacant space, expanding the amenities, adjusting parking garage rates, and reviewing building expenses to potentially mitigate some of the increase. Leasehold improvements and remodeling expenses have been scaled back but the budget includes expenses for continued work on floor lighting control panel upgrades.

I look forward to reviewing the draft budget with you and answering any questions that you have. Please feel free to contact me at 614-222-5801.

Sincerely,

Richard Stensrud
Executive Director

RETIREMENT BOARD

JEFFREY DELEONE
Chair, Appointed-Member

FRANK A. WEGLARZ
Vice-Chair, Retiree-Member

HUGH GARSIDE, JR
Employee-Member

JAMES H. HALLER
Employee-Member

MATTHEW A. KING
Employee-Member

CATHERINE P. MOSS
Retiree-Member

BARBRA M. PHILLIPS
Employee-Member

JAMES A. ROSSLER, JR
Appointed Member

DANIEL L. WILSON
Appointed Member

School Employees Retirement System
2024 ORSC Budget Presentation

FY2023 to FY2024 Operating Budget and Increase (Decrease)

Budget category	2024 Budget	2023 Budget	2023 Estimated Actual	2022-2023 Increase (Decrease)	Percent Change (2023 to 2024)
Personnel	\$ 25,499,232	\$ 24,392,195	\$ 23,500,586	\$ 1,107,037	4.5
Salaries and Wages	\$ 18,877,639	\$ 17,783,788	\$ 17,857,222	\$ 1,093,851	6.2
PERS Contributions	\$ 2,530,310	\$ 2,389,275	\$ 2,371,205	\$ 141,035	5.9
Health Insurance	\$ 4,091,283	\$ 4,219,132	\$ 3,272,159	\$ (127,849)	-3.0
Miscellaneous Expenses	\$ -	\$ -	\$ -	\$ -	0
Professional Services	\$ 6,396,305	\$ 6,502,883	\$ 5,773,965	\$ (106,578)	-1.6
Actuarial	\$ 292,500	\$ 421,008	\$ 382,439	\$ (128,508)	-30.5
Audit	\$ 234,000	\$ 244,000	\$ 190,971	\$ (10,000)	-4.1
Custodial Banking Fees	\$ 1,068,000	\$ 1,073,544	\$ 1,016,562	\$ (5,544)	-0.5
Master Recordkeeper	\$ 1,056,000	\$ 1,116,000	\$ 1,010,276	\$ (60,000)	-5.4
Investment Consulting	\$ 1,409,349	\$ 1,548,622	\$ 1,423,511	\$ (139,273)	-9.0
Other Consulting	\$ 2,141,516	\$ 1,904,787	\$ 1,574,097	\$ 236,729	12.4
Banking Expenses	\$ 194,940	\$ 194,922	\$ 176,109	\$ 18	0.0
Communications Expense	\$ 1,015,710	\$ 1,011,873	\$ 1,018,294	\$ 3,837	0.4
Printing and Postage	\$ 807,752	\$ 729,669	\$ 754,064	\$ 78,083	10.7
Telecommunications	\$ 196,208	\$ 264,184	\$ 253,774	\$ (67,976)	-25.7
Member/Employer Education	\$ 11,750	\$ 18,020	\$ 10,456	\$ (6,270)	-34.8
Other Operating Expenses	\$ 4,412,442	\$ 3,912,379	\$ 3,681,508	\$ 500,063	12.8
Conferences and Education	\$ 272,086	\$ 230,451	\$ 149,956	\$ 41,635	18.1
Travel	\$ 228,602	\$ 209,234	\$ 163,321	\$ 19,368	9.3
Computer Technology	\$ 2,737,127	\$ 2,343,770	\$ 2,268,250	\$ 393,357	16.8
Other Operating	\$ 1,126,227	\$ 1,076,924	\$ 1,051,594	\$ 49,303	4.6
Ohio Retirement Study Council	\$ 48,400	\$ 52,000	\$ 48,387	\$ (3,600)	-6.9
Net Building Expense	\$ 1,477,961	\$ 1,813,137	\$ 1,390,873	\$ (335,176)	-18.5
Total Operating Budget	\$ 38,801,650	\$ 37,632,467	\$ 35,365,226	\$ 1,169,183	3.1
Full-Time Equivalent (FTE) Associates	183	182			

School Employees Retirement System
2024 ORSC Budget Presentation

FY2023 to FY2024 Capital Budget

	2024 Budget (includes carryover from previous years)	2023 Budget	2023 Estimate
Total Capital Budget	\$ -	\$ 54,109	\$ 54,109
Computer Hardware > \$5,000	\$ -	\$ 54,109	\$ 54,109
Computer Software > \$25,000	\$ -	\$ -	\$ -

Technology Infrastructure Project

	FY23 to FY27	FY23 Budget	FY23 Estimate	FY24 Budget
Total Project Budget	\$ 8,283,054	\$ 2,615,100	\$ 1,398,492	\$ 2,985,291

Investment Expenses

	FY 2022 Actual	FY 2021 Actual	Percent Change (2021 to 2022)
Total Investment Assets	\$ 17,227,747,213	\$ 18,147,988,143	-5.071%
Total Internally Managed Assets	458,638,560	611,279,230	-24.971%
Total Externally Managed Assets	16,769,108,653	17,536,708,913	-4.377%
Total Investment Expenses	\$ 112,661,530	\$ 101,460,922	11.039%
Total Internal Investment Expenses	4,110,643	3,171,580	29.609%
Total External Investment Expenses	103,130,407	93,244,536	10.602%
Investment Consulting	2,689,015	2,714,244	-0.930%
Brokerage/Commissions-Internal		-	0.00%
Brokerage/Commissions-External	1,636,879	1,449,238	12.948%
Custodian Fees	1,094,586	881,324	24.198%

School Employees Retirement System
2024 ORSC Budget Presentation

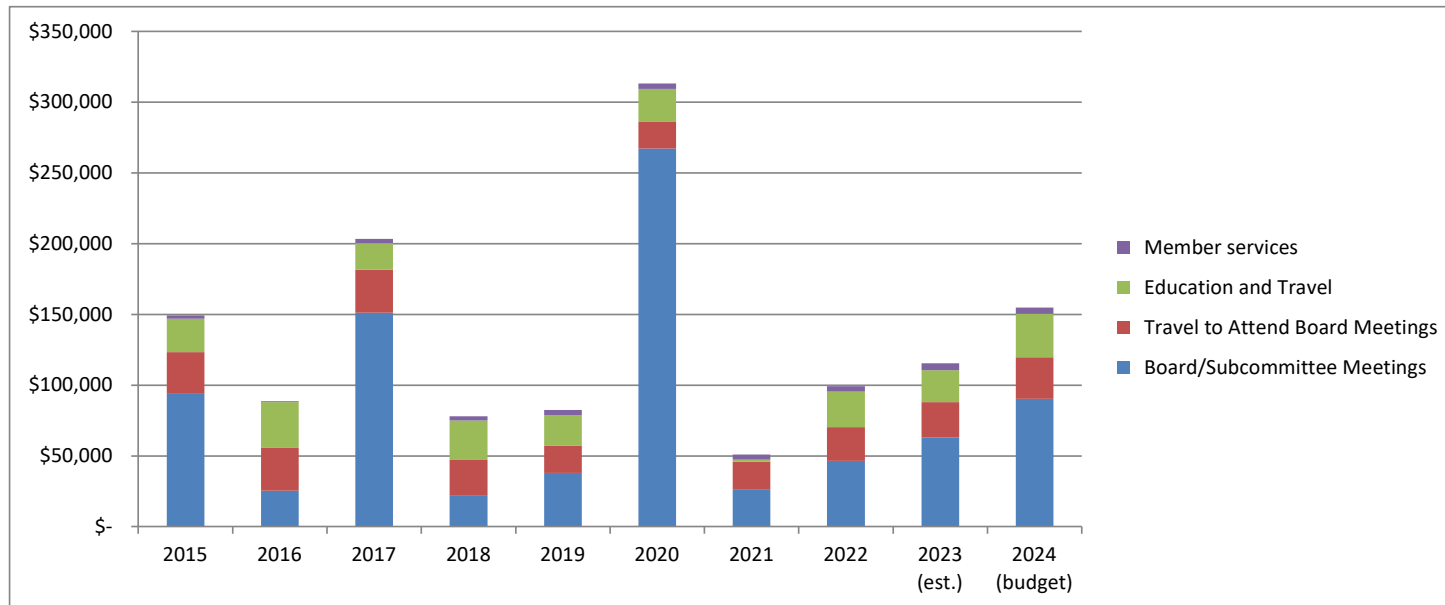
Total Investment Expenses as a % of Total Investment Assets	0.632%	0.559%	
Expenses as % of Internally Managed*	0.896%	0.519%	
Expenses as % of Externally Managed*	0.625%	0.540%	

*Excludes Investment Consulting and Custodian Fees

School Employees Retirement System
2024 ORSC Budget Presentation

Fiscal Year Board Member Expenses

	2015	2016	2017	2018	2019	2020	2021	2022	2023 (est.)	2024 (budget)
Total Board Expenses	\$ 149,339	\$ 88,590	\$ 203,406	\$ 78,112	\$ 82,534	\$ 313,113	\$ 50,974	\$ 99,198	\$ 115,366	\$ 154,786
Board/Subcommittee Meetings	\$ 94,442	\$ 25,459	\$ 151,328	\$ 21,861	\$ 38,065	\$ 267,297	\$ 26,168	\$ 46,437	\$ 63,017	\$ 90,288
Travel to Attend Board Meetings	\$ 28,863	\$ 30,279	\$ 30,363	\$ 25,183	\$ 19,244	\$ 19,021	\$ 19,784	\$ 23,893	\$ 24,903	\$ 29,508
Education and Travel	\$ 23,573	\$ 32,192	\$ 18,675	\$ 28,083	\$ 21,533	\$ 23,093	\$ 1,500	\$ 25,149	\$ 22,728	\$ 30,650
Member services	\$ 2,461	\$ 660	\$ 3,040	\$ 2,985	\$ 3,692	\$ 3,702	\$ 3,522	\$ 3,719	\$ 4,718	\$ 4,340



Board Expenses include the cost of the Internal Auditor search in FY2015 and FY2020 as well as an Executive Director search in FY2017.

SERS Board hired a consultant to facilitate an evaluation of SERS plan design and to help strengthen the future sustainability and adaptability of the System. The expenses associated with the Pension and Health Care Sustainability initiative occur beginning in FY2019 and are on-going

Beginning FY2023, Board expenses include software to support Board meetings.

Increase in FY2024 includes training for a newly elected board member as well as a renewal of Board Smart, a training tool for all board members.

School Employees Retirement System
2024 ORSC Budget Presentation
Staff Training and Travel (Budget to Budget)

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Executive				
Conferences, Seminars & Travel	\$ 35,204	\$ 35,016	\$ 188	0.5
In-House Training	\$ -	\$ -	\$ -	
#FTE	10	10	0	0
Expense per FTE	\$ 3,520	\$ 3,502	\$ 19	

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Investments				
Conferences, Seminars & Travel	\$ 85,000	\$ 69,000	\$ 16,000	23.2
In-House Training	\$ -	\$ -	\$ -	
#FTE	13	12	1	
Expense per FTE	\$ 6,538	\$ 5,750	\$ 788	

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Legal & Communication				
Conferences, Seminars & Travel	\$ 14,820	\$ 15,670	\$ (850)	-5.4
In-House Training	\$ -	\$ -	\$ -	
#FTE	16	16		
Expense per FTE	\$ 926	\$ 979	\$ (53)	

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Finance *				
Conferences, Seminars & Travel	\$ 50,524	\$ 45,516	\$ 5,008	11.0
In-House Training	\$ -	\$ -	\$ -	
#FTE	25.5	25.5		
Expense per FTE	\$ 1,981	\$ 1,785	\$ 196	

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Information Technology				
Conferences, Seminars & Travel	\$ 175,446	\$ 139,946	\$ 35,500	25.4
In-House Training	\$ -	\$ -	\$ -	
#FTE	38	38		
Expense per FTE	\$ 4,617	\$ 3,683	\$ 934	

School Employees Retirement System
2024 ORSC Budget Presentation

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Member Services				
Conferences, Seminars & Travel	\$ 5,016	\$ 5,016	\$ -	0
In-House Training	\$ -	\$ -		
#FTE	51.5	51.5		
Expense per FTE	\$ 97	\$ 97	\$ -	

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Health Care				
Conferences, Seminars & Travel	\$ 16,512	\$ 16,656	\$ (144)	-0.9
In-House Training	\$ -			
#FTE	15	15		
Expense per FTE	\$ 1,101	\$ 1,110	\$ (10)	

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Administrative Services				
Conferences, Seminars & Travel	\$ 10,012	\$ 7,512	\$ 2,500	33.3
In-House Training	\$ -			
#FTE	10	10		
Expense per FTE	\$ 1,001	\$ 751	\$ 250	

	2024	2023	Increase (Decrease)	% Increase (Decrease)
Human Resources **				
Conferences, Seminars & Travel	\$ 4,500	\$ 4,500	\$ -	0
In-House Training	\$ 17,896	\$ 15,895	\$ 2,001	12.6
#FTE	4	4		
Expense per FTE	\$ 5,599	\$ 5,099	\$ 500	

* Travel costs for Investment and Finance include costs attributed to due diligence visits.

** The Human Resources In-House Training is system-wide employee training across all departments.

School Employees Retirement System
2024 ORSC Budget Presentation

Supplementary Statistical Information

	2019	2020	2021	2022	2023
Active Members	159,363	156,579	146,646	155,063	NA
Inactive Members	265,785	265,068	284,631	282,998	NA
Benefit Recipient (Age, Dis., Survivor)	67,767	67,864	68,518	68,481	NA
Re-employed Retirees	13,257	12,987	12,203	12,670	NA
Total Membership	506,172	502,498	511,998	519,212	NA
Members Per FTE	2,797	2,776	2,893	2,869	NA

Memo

To: Retirement Board
From: Richard Stensrud
Cc: Karen Roggenkamp
Date: April 14, 2023
Re: SERS Strategic Plan FY2020-FY2024

At the April Board Meeting Deputy Executive Director Karen Roggenkamp and I will provide the Board with a Strategic Plan Update report. To that end, attached you will find:

- A copy of the Strategic Plan, which notes how it was developed as well as the Strategies and Actions associated with the six Goals in the Plan.
 - Pension Fund Sustainability
 - Healthcare Sustainability
 - Service Delivery
 - Operations
 - Culture
 - Communications and Stakeholder Engagement
- A detailed report of the progress on each of the Goals through FY2020-FY2023, in date sequence.
- A PowerPoint presentation reviewing key highlights from each of the Goals, the impact of the COVID-19 pandemic, next steps as we move into the final year of the current 5-year Plan, and our planned refresh in FY2024.

In addition to presenting this information to you, Karen and I will be happy to answer any questions you might have. We also look forward to your feedback and input.

Going forward, it is anticipated that a Strategic Plan update and discussion will take place annually.



STRATEGIC PLAN

FY2020 - 2024

SCHOOL EMPLOYEES
RETIREMENT SYSTEM
OF OHIO



JULY 1 - JUNE 30



INTRODUCTION

The SERS Strategic Planning Project

In 2018, the School Employees Retirement System of Ohio (SERS) initiated the development of a five-year strategic plan to guide the organization's work. Technological and organizational changes inspired the organization's leadership to embark upon a strategic planning process that included a broad number of stakeholders. RAMA Consulting (RAMA), a performance management consulting firm in Columbus, Ohio with expertise in evaluation and assessment, strategic planning, leadership development, and cultural competence, was engaged to facilitate the strategic planning process for SERS' FY2020 – 2024 plan. A highly participative process was designed that included collecting and analyzing survey data, facilitating key informant focus groups, and producing a preliminary report and final strategic plan.

Planning Process Overview

The process was designed to develop a realistic and action-oriented plan for the organization's sustainability and growth over the next five years. The process is summarized below:

LEARNING PHASE



PLANNING PHASE



DOCUMENTATION PHASE



Beyond the primary focus of pension fund sustainability and provision of health care benefits, the organization sought to consider ways in which it could strengthen its infrastructure, service delivery, and culture after the implementation of the new pension administration system (SMART). To aid SERS in crafting its strategic vision, the Board, Leadership Team, Staff, and Advocacy Partners participated in a number of interviews, surveys, workshops, and focus groups to define its goals for the next five years and develop actionable strategies to strengthen infrastructure and service delivery in order to increase efficiency and sustainability. Key milestones of the strategic planning process include:

- **Kick-off Meeting with SERS Leadership:** September 2018
- **Environmental Scan:** September 2018
- **Leadership Team Engagement (interviews and workshops):** Late October 2018 - April 2019
- **Board Engagement (interviews):** November - Early December 2018
- **Staff Engagement (survey and focus groups):** November 2018, February 2019
- **Stakeholder Engagement (survey and focus group):** December 2018 - Early January 2019
- **Preliminary Report:** January 2019
- **Submission and Review of Strategic Plan Framework:** April - May 2019
- **Draft Strategic Plan:** May 2019
- **Final Strategic Plan:** June 2019

***NOTE: The timelines listed in this document reflect the first 18 – 24 months of the strategic plan's duration.**

Throughout the plan's implementation, the organization will revisit and revise actions, timelines, and responsibilities associated with each strategic goal to ensure continued progress. The items contained in this document have been thoughtfully planned and considered to allow the organization to evolve its approach and progress toward the goals identified in the plan.

MISSION

To provide our membership with valuable lifetime pension benefit programs and services.

VISION

Through the continuous pursuit of excellence and innovative solutions, we will partner with our stakeholders so that our membership will understand and achieve security in retirement.

VALUES

We believe these deeply ingrained principles guide all of our actions and enable SERS to fulfill its mission:

FOCUS • ACCOUNTABILITY • COMMUNICATION • COLLABORATION • INNOVATION

CORE BELIEFS

We are here to serve.
We are open and honest.
We are professional.
We are dedicated.
We are enthusiastic.
We are high performers.
We are valuable partners.
We are member advocates.
We are innovators.
We are SERS.

GOAL #1: PENSION FUND SUSTAINABILITY

Our pension fund is designed to be sustainable and adaptive to meet the needs of our members, employers, and retirees.

GOAL #2: HEALTH CARE SUSTAINABILITY

Our approach to health care focuses on program sustainability and access to quality care.

GOAL #3: SERVICE DELIVERY

Our service delivery is responsive and shaped by the needs of those we serve.

GOAL #4: OPERATIONS

Our systems and processes foster organization-wide efficiency, agility, and accountability.

GOAL #5: CULTURE

Our culture promotes a high-performing team driven by mission and continuous improvement.

GOAL #6: COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

Our communications and stakeholder engagement promotes awareness, transparency, accountability, and trust.

GOAL #1

PENSION FUND SUSTAINABILITY

Our pension fund is designed to be sustainable and adaptive to meet the needs of our members, employers, and retirees.

Strategy 1.0 Assist the Board in identifying plan design features that are sustainable, meet the recruiting and retention goals of employers, and provide value to members and retirees.

Action 1.1: Establish metrics for data collection from members and employers that help better inform the plan design and communicate the value of the plan.

Action 1.2: Conduct periodic comparative analyses of pension and benefit plan designs and provide information to the Board inclusive of comparative analysis findings, actuarial studies, and membership demographics.

Action 1.3: Work with the Board to develop a common definition of “sustainability” that will aid in planning efforts.

Action 1.4: Evaluate any proposed plan changes to ensure regulatory compliance.

Success Indicators

- Board prioritization of sustainability recommendations
- Implementation plan for Board-endorsed recommendations
- New data collection metrics
- Comparative analyses of plan designs
- Prepare and provide a report to the Board on comparative analysis findings, actuarial studies, and membership demographics
- Board-endorsed “sustainability” definition
- Evaluation of proposed plan changes

Lead: Executive Director

Target Timeline: Q4 2020

Strategy 2.0 Support the development and execution of sustainability action plans to implement measures identified by the Board.

Action 2.1: Enhance strategies for stakeholder engagement and outreach aligned with Board priorities.

Action 2.2: Expand efforts towards a proactive governmental relations strategy with considerations of legislative and constituent buy-in and support for plan design features.

Action 2.3: Create a framework for implementation of changes considered and/or approved by the Board to develop and communicate timeframes and resources.

Success Indicators

- Updated stakeholder engagement and outreach strategy
- Updated legislative strategy
- Implementation plan for Board-endorsed recommendations
- Board member engagement in plan design

Lead: Executive Director

Target Timeline: Q4 2021

GOAL #1

PENSION FUND SUSTAINABILITY

Our pension fund is designed to be sustainable and adaptive to meet the needs of our members, employers, and retirees.

Strategy 3.0 Support the Board's ongoing analysis of risks to sustainability and develop measures to mitigate those risks

Action 3.1: Determine a framework for evaluating risks to sustainability.

Action 3.2: Determine the most effective method of communicating risks to sustainability to support Board decision-making processes.

Action 3.3: Assist Board in evaluating potential risk mitigation measures.

Success Indicators

- Sustainability evaluation framework
- Communication plan for risk analysis
- Actuarial assumptions assessment

Lead: Executive Director

Target Timeline: Q4 2020

Strategy 4.0 Maintain an investment program that meets or exceeds investment objectives over the long-term.

Action 4.1: Maintain prudent actuarial assumptions.

Action 4.2: Conduct an asset/liability study to assess risks to long-term funding goals and assist the Board in setting an appropriate asset allocation strategy.

Action 4.3: Execute an investment strategy to deliver value-added returns over benchmarks through superior portfolio design and structure, investment selection, risk management, and cost-effectiveness.

Action 4.4: Develop and maintain a high caliber investment team with a strong performance orientation and risk management culture.

Success Indicators

- Actuarial assumptions assessment
- Asset liability study
- Investment strategy results
- Actuarial experience study

Leads: Executive Director
Chief Investment Officer

Target Timeline: Ongoing

GOAL #2

HEALTH CARE SUSTAINABILITY

Our approach to health care focuses on program sustainability and access to quality care.

Strategy 1.0 Support Board's development of health care options with consideration to funding availability and retiree needs.

Action 1.1: Conduct continuous research and cost/benefit analysis on innovations in health care that would make the Plan's benefit more cost-competitive and accessible.

Action 1.2: Support analysis of the proper scope of the sustainable health care program by facilitating the board's decision-making processes on key issues such as eligibility and subsidization.

Action 1.3: Communicate reasonable expectations of stakeholders regarding the health care benefit.

Success Indicators

- Cost/benefit analysis of health care options
- Health care stakeholder communication strategy
- Health care options for sustainability

Lead: Executive Director

Target Timeline: Q4 2020

Strategy 2.0 Maximize available health care resources through innovation and adaptability.

Action 2.1: Continuously analyze the health care landscape and regulatory environment to inform plan design to expand access, manage costs, and ensure the quality of the health care benefit.

Action 2.2: Continually engage stakeholders and other pension systems in developing solutions to maximize health care resources.

Action 2.3: Leverage vendor relationships to improve health care resources and programs.

Success Indicators

- Health care cost containment objectives
- Solvency levels of health care fund

Leads: Executive Director
Director of Health Care Services

Target Timeline: Ongoing

Strategy 3.0 Advocate for and support public policy health care solutions that support our mission.

Action 3.1: Develop and strengthen partnerships with other pension plans, national public sector advocates, and existing stakeholders to advocate for innovative health care solutions.

Action 3.2: Develop an advocacy plan to proactively educate decision makers on the ramifications of proposed health care policies.

Success Indicators

- System advocacy plan

Leads: Executive Director
Government Relations Officer

Target Timeline: Q4 2020

GOAL #3

SERVICE DELIVERY

Our service delivery is responsive and shaped by the needs of those we serve.

Strategy 1.0 Evolve our service delivery model to continually improve internal and external customer focus.

Action 1.1: Identify and employ best practices for engaging internal and external customers.

Action 1.2: Leverage existing and developing technologies to improve the customer experience.

Success Indicators

- Customer service best practices research
- Identification of customer experience technologies
- Implementation of appropriate technology and tools to enhance experience

Leads: Deputy Executive Director
Director of Member Services

Target Timeline: Q4 2021

Strategy 2.0 Improve the customer service experience through data and analytics.

Action 2.1: Improve existing data collection activities and metrics to allow SERS to evaluate the qualitative and quantitative value of the customer service experience.

Action 2.2: Identify process improvement opportunities for customer service functions to streamline services and improve efficiency.

Action 2.3: Customize services grounded in efficiency and value based on customer needs.

Action 2.4: Identify areas where operational efficiencies have been successfully achieved and enhance evaluation metrics monitored to ensure gains are maintained.

Success Indicators

- Customer service metrics dashboard/scorecard
- Customer service gap analysis
- Customer interaction analytics

Leads: Deputy Executive Director
Director of Member Services

Target Timeline: Q4 2020

GOAL #4

OPERATIONS

Our systems and processes foster organization-wide efficiency, agility, and accountability.

Strategy 1.0 Establish operational performance metrics across the organization.

Action 1.1: Identify key performance indicators to evaluate the effectiveness of the organization.

Action 1.2: Develop systems and protocols to promote collaboration across departments.

Action 1.3: Identify organization-wide process gaps with appropriate improvement strategies to streamline services and improve efficiency.

Success Indicators

- Organizational (operational) performance metrics
- Department level workplans
- Organizational processes gap analysis

Lead: Deputy Executive Director

Target Timeline: Q4 2020

Strategy 2.0 Develop and implement an agile and forward-looking IT vision and philosophy.

Action 2.1: Align IT resources with organizational strategic goals and strategies.

Action 2.2: Capitalize on SMART's capabilities to increase organizational efficiency and effectiveness.

Success Indicators

- Appropriate technology investment
- Prioritization of IT resources
- Success measures for SMART capabilities
- Resources vs. needs analysis

Leads: Deputy Executive Director & Chief Technology Officer

Target Timeline: Q4 2020

Strategy 3.0 Ensure our allocation of staff and resources align with the organization's strategic goals and priorities.

Action 3.1: Analyze existing staffing levels and revise organizational structure to meet current and future needs.

Action 3.2: Evaluate evolving business practices based on the post-SMART implementation environment.

Action 3.3: Implement strategies designed to improve organizational cost effectiveness.

Action 3.4: Facilitate budgeting process to support organizational strategic goals and objectives.

Success Indicators

- Budget analysis
- Staffing allocation plan
- Organizational processes gap analysis
- Technology capabilities

Leads: Deputy Executive Director & Chief Financial Officer

Target Timeline: Q4 2020/Ongoing

Strategy 4.0 Implement and maintain an appropriate organization risk management program.

Action 4.1: Define Risk Management program goals inclusive of the organization's risk tolerance.

Action 4.2: Define Internal Audit goals inclusive of the organization's risk tolerance.

Action 4.3: Conduct ongoing assessments to evaluate the effectiveness of established risk management program.

Success Indicators

- Establish governance through a risk oversight committee
- Determine organizational risk management goals
- Risk management program audit
- Internal audit reports

Leads: ERM Officer & Chief Audit Officer

Target Timeline: Q4 2020

GOAL #5

CULTURE

Our culture promotes a high-performing team driven by mission and continuous improvement.

Strategy 1.0 Establish a demonstrated culture of collaboration, shared accountability, and innovation.

- Action 1.1:** Regularly measure and evaluate key elements of the organizational culture and engagement.
- Action 1.2:** Identify processes and interdependencies across departmental lines to improve team agility, cohesion, and opportunities.
- Action 1.3:** Establish collaboration as a key organizational priority and cultural driver.
- Action 1.4:** Support work/life balance for employees at all levels.

Success Indicators

- Culture and engagement survey results
- Employee morale
- Identified process efficiencies and improved cohesion

Leads: Deputy Executive Director & Director of HR

Target Timeline: Q2 2021

Strategy 2.0 Fully realize the benefits of a diverse workforce and an inclusive environment.

- Action 2.1:** Establish and communicate organizational values related to diversity and inclusion.
- Action 2.2:** Attract a more diverse workforce by increasing community outreach.
- Action 2.3:** Create opportunities for employees to provide feedback and innovative ideas into organizational decision-making.

Success Indicators

- Organizational values established and communicated
- Community outreach plan
- Staff engagement in idea generation and decision-making

Lead: Director of HR

Target Timeline: Ongoing

Strategy 3.0 Foster the professional growth and development of our staff.

- Action 3.1:** Enhance staff development opportunities to better prepare staff for career advancement.
- Action 3.2:** Establish and implement a succession planning strategy to ensure business continuity.

Success Indicators

- Number of staff development activities
- Quality of staff development activities
- Menu of development opportunities
- Succession plan

Lead: Director of HR

Target Timeline: Q4 2020

Strategy 4.0 Attract and retain a high-quality workforce.

- Action 4.1:** Implement active recruiting strategies to attract additional qualified applicants.
- Action 4.2:** Maintain a competitive compensation and benefits package through routine monitoring and benchmarking.

Success Indicators

- Human resources recruitment plan
- Annual benefit package evaluation
- Compensation study

Lead: Director of HR

Target Timeline: Q4 2021

GOAL #6

COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

Our communications and stakeholder engagement promotes awareness, transparency, accountability, and trust.

Strategy 1.0 Maintain and enhance the understanding of SERS' value to our members, employers, and retirees.

Action 1.1: Evaluate the effectiveness of SERS communication plans and modify, as needed, based on existing and future stakeholder needs.

Action 1.2: Develop customized, proactive education and outreach strategies that are inclusive, transparent, and responsive to encourage engagement with SERS.

Success Indicators

- Communications and engagement plan
- Engagement metrics/statistics

Leads: General Counsel
Manager of Administrative & Communications

Target Timeline: Q4 2020

Strategy 2.0 Maintain and enhance SERS' credibility and relationships with our stakeholders to build understanding and support.

Action 2.1: Actively engage key legislative and stakeholder groups to build understanding and support for SERS' goals.

Success Indicators

- Number of engagement activities
- Communications and engagement plan

Leads: Executive Director
Government Relations Officer

Target Timeline: Q4 2020/Ongoing

Strategy 3.0 Utilize communication tools and tactics that promote alignment with organizational goals and objectives.

Action 3.1: Establish communications strategies to proactively address regulatory changes that impact SERS goals and objectives.

Action 3.2: Identify methods to enhance brand value perception among stakeholders.

Success Indicators

- Stakeholder assessment surveys
- Communications and engagement plan
- Advocacy plan

Leads: General Counsel
Government Relations Officer

Target Timeline: Q4 2020

ACKNOWLEDGEMENTS

SERS wishes to thank the following individuals for their support in the School Employees Retirement System FY2020 – 2024 Strategic Planning Project. Your participation has assisted us in better understanding the challenges before us and more effectively addressing these issues through this comprehensive strategic plan. SERS is also grateful for the cadre of stakeholders who helped shape this important document.

SERS BOARD OF TRUSTEES

Jeffrey T. DeLeone
Hugh W. Garside Jr.
James Haller
Catherine P. Moss
Barbra M. Phillips
James Rossler Jr.
Daniel L. Wilson
Vacant – Employee Member
Vacant – Retiree Member

As of 7/1/2019

SERS LEADERSHIP TEAM

Richard Stensrud
Executive Director

Farouki Majeed
Chief Investment Officer

Tracy Valentino
Chief Financial Officer

John Grumney
Director of Member Services

Christi Pepe
Director of Health Care Services

Joe Marotta
General Counsel

Jay Patel
Chief Technology Officer

Matt Sanders
Director of Administrative Services

Joe Bell
Chief Audit Officer

Michelle Miller
Director of HR

Nikki Whitacre
Manager of Administrative & Communications

Karen Roggenkamp
Deputy Executive Director

Nancy Turner
Asst. Director of Investments

Maria Robinson
Asst. Director of Finance

Denise Kirk
Asst. Director of Member Services

Penny Baker
Asst. Director of Health Care Services

Susan Russell
Associate General Counsel

Scott Murta
Asst. Director of IT

Mike McManaway
Asst. Director of Administrative Services

Julie Deisler
Enterprise Risk Management Officer

Chris Collins
Government Relations Officer

Sheila Thornton
Executive Administrative Officer

CONSULTING PARTNER





STRATEGIC PLAN PROGRESS TO DATE

FY2020-2024

Strategic Plan Goals	Significant Milestone Dates	Key Events/Decisions	Related Activities
All Goals	Q4 FY19	SERS Approves Strategic Plan.	
All Goals	Q1 FY20	Strategic Planning Council (SPC) established for Strategic Plan Implementation and Monitoring – SERS Staff.	<ul style="list-style-type: none"> ▪ SERS staff begins internal review of business team strengths, weaknesses, opportunities, and threats (SWOT) to organization and members. ▪ SERS staff starts a series of retirement peer operational and service retirement comparisons. Presentations from various firms on innovations underway for Retirement Systems.
Goal #1	Q1 FY20	SERS Board and Staff hold first session on Goal #1 Pension Sustainability.	<ul style="list-style-type: none"> ▪ Over the last 2+ years the Board has held Pension Sustainability sessions and addressed topics such as alternate benefit formulas, risks to the fund, retirement age/eligibility, FAS, vesting, disability program review, 120-day school year, benefit inflation, and the Medicare Part B reimbursement. The Board has committed to discussing pension sustainability on an annual basis, or as needed. ▪ Board continues to emphasize the importance of Investment performance. Reviewed and refined the Asset Allocation policy in FY20. Maintained adequate liquidity to fund pension payments. Continued review and updating of portfolio diversification. Reviewed cash-flow in light of SERS' active membership (gaps between contributions and payments). Investments and Wilshire plan to present an asset liability study to the Board in the near future. ▪ Working with Cavanaugh Macdonald, the Board completed an assessment and adoption of prudent actuarial assumptions. Reduced assumed investment rate of return. Lowered payroll growth, COLA and inflation assumptions effective in FY22.
Goal #2	Q1 FY20	SERS Board and Staff hold first session on Goal #2, HealthCare Sustainability, after morning discussion on Pension Sustainability.	<ul style="list-style-type: none"> ▪ Board reviewed both the Medicare and Non-Medicare Plans and asked staff to provide further recommendations.
Goal #2	Q2 FY20	SERS Board approved change requiring those in Non-Medicare plan to obtain Medicaid if eligible with estimate HealthCare plan savings of over \$500 million.	<ul style="list-style-type: none"> ▪ The Board approved a rule change to terminate Medicare Advantage Plan coverage for members who did not secure Medicare Part B coverage as required by Medicare for savings over \$1.0 million, June 2021. ▪ March 2022, Board approved Aetna contract for Medicare Advantage Plan effective January 2023. ▪ February 2022, Board approved Pharmacy Benefit Manager (PBM) contract for Non-Medicare and Medicare enrollees effective January 2023.

Goal #1: Pension Sustainability | Goal #2: HealthCare Sustainability | Goal #3: Service Delivery | Goal #4: Operation Efficiency | Goal #5: Culture | Goal #6: Communication and Shareholder Engagement

Strategic Plan Goals	Significant Milestone Dates	Key Events/Decisions	Related Activities
<p>Goal #3</p> <p>Goal #4</p> <p>Goal #6</p>	Q2 FY20	<p>COVID 19 Pandemic begins in US. SERS office was closed March 19, 2020 by Executive Order. Service delivery and operational plans were re-prioritized.</p>	<ul style="list-style-type: none"> ▪ SERS Business Continuity Plan immediately activated. Pandemic team was formed and continued to meet through 2020, 2021, and early 2022. ▪ Operational changes were implemented in pandemic response. SERS staff stayed connected via a Remote Desktop Application. Laptops and Voice Over Internet Protocol (VoIP) licenses were procured for Member Services Team to activate call center. Employer Services and Healthcare were added as equipment became available. ▪ Virtual counseling options were rolled out to members via Zoom, Teams, and teleconferencing. Member engagement and satisfaction as well operational metrics were collected, analyzed and shared with the Board. ▪ Modified work model began January 1, 2021 starting with Senior Leadership team on-site then expanded across the organization. Masks were required along with COVID exposure tracking. Hybrid model effective September 2021. Depending on job functions up to two days remote, no position is 100% remote ▪ Board Room and O'Keefe Technology upgrades made in 2020 and 2021 to hold hybrid meetings. Additional upgrades in Anderson and other conference rooms during 2022 and 2023. ▪ OSERS, LLC Building tenant occupancy experiences rental income impacts as tenant business models changed, including 100% remote.
<p>Goal #4</p>	Q2 FY20	<p>SERS created an enhanced Enterprise Risk Management Department (ERM) and named Chief Risk Officer.</p>	<ul style="list-style-type: none"> ▪ ERM expanded Information Security efforts to align to pandemic impacts. ▪ ERM focus expanded from policy and compliance to SERS operational integration and risk monitoring. ▪ ERM increased collaboration with Information Technology and better partnered with IT Infrastructure for Disaster Recovery Strategic Planning.
<p>Goal #4</p>	Q3 FY20	<p>SERS is 85 years young. The System has many paper records and now an accumulation of electronic records. Information Governance Project begins to enhance records management and practices.</p>	<ul style="list-style-type: none"> ▪ Assessment to transition and manage electronic storage completed. ▪ Records retention schedule updated and paper storage contract revised. ▪ Clean-up of shared electronic files started (e.g. emails, shared electronic files, temporary files). ▪ Alignment of information security needs and member information protection.

Strategic Plan Goals	Significant Milestone Dates	Key Events/Decisions	Related Activities
Goal #6	Q4 FY20	SERS Government Relations staff facilitated one-on-one meetings during the pandemic between Executive Director and leaders from SERO, OAPSE, OEA, AFSCME Council 8, OFT, and OSABO in an ongoing effort to answer questions and provide updates about the Sustainability Initiative and SERS' financial health.	
Goal #3 Goal #6	Q1 FY21	Increased frequency of "Retiring with SERS" webinar to once per month and sent targeted communication to members within five years of retirement.	
Goal #1	Q1 FY21	SERS Board votes to seek legislative approval to mitigate benefit inflation through using a Contribution Based Benefit Calculation (CBBC).	<ul style="list-style-type: none"> ▪ Senate Bill 347 for CBBC was introduced by Senators Hottinger and Schuring. ▪ SMART Agile team formed in July, 2022 for the CBBC project. ▪ During December 2022 year-end Legislative session, pension amendments introduced including CBBC. ▪ Legislative efforts on-going.
Goal #6	Q2 FY21	Roundtable Advocacy Meeting continues during pandemic.	<ul style="list-style-type: none"> ▪ Moved to virtual for 2021 and 2022. ▪ Change to hybrid January 2023.
Goal #6	Q2 FY21	Ohio Congresswoman Marcy Kaptur (D-Toledo) introduced stand-alone legislation (HR 4763) in October 2020 to extend Wraparound program authorization for five years.	<ul style="list-style-type: none"> ▪ SERS staff succeeded in getting bi-partisan co-sponsorship for the legislation among Ohio congressional delegation in advance of bill introduction.
Goal #3 Goal #4	Q2 FY21	SERS Board forms four person Technology Committee; Matt King Chair.	<ul style="list-style-type: none"> ▪ Committee approved Charter during initial meeting. ▪ Committee approved request to move to cloud based solutions for disaster recovery, September 2021. ▪ Disaster Recovery migration to Cloud (DRaaS) completed in June/July 2022. ▪ Technology Committee approves 5-year Technology Roadmap for \$8.3 million June, 2022. ▪ Key FY23 projects underway, Network and Wireless replacement, Telecommunication platform to Cloud, and SMART MVVM upgrade.
Goal #4 Goal #6	Q3 FY21	Digital Workplace rolled out to SERS business teams.	<ul style="list-style-type: none"> ▪ Microsoft 365, Teams, collaboration tools. ▪ Sharepoint upgrade and expanded Boulevard internal staff website.

Strategic Plan Goals	Significant Milestone Dates	Key Events/Decisions	Related Activities
Goal #5	Q4 FY21	Employee Engagement Survey Completed.	<ul style="list-style-type: none"> ▪ Culture Team enhanced. Supervisor Roundtable launched Q4 FY22. ▪ SERS Values updated. Renewed commitment to diversity and inclusion. Policies updated with gender neutral language. Participation in YWCA's Annual Stand Against Racism Challenge. ▪ Investment in Leadership Development Program started 2021. LinkedIn Recruiter purchased and usage grows in labor tight Columbus job market. ▪ SERS Seven Leadership Pillars and ONE SERS introduced August 2022 to enhance connection and cross department collaboration. ▪ Enhanced and relaunch of Individual Development Planning program Q1 FY21. ▪ Realignment to maintain culture in hybrid work model. Revised employee events, activities, employee recognition, and celebration of achievements. ▪ DiSC program re-introduced and all staff training completed Q2 FY23.
Goal #3 Goal #6	Q1 FY22	Moved to Virtual Retirement Conferences and sent targeted communication to members within one year of retirement.	<ul style="list-style-type: none"> ▪ Member Services saw increased member participation. ▪ Travel expenses decreased (two vehicles sold). ▪ Reduced logistical issues.
Goal #5	Q1 FY22	CBIZ Compensation Study completed.	<ul style="list-style-type: none"> ▪ FY23 Merit Recommendation implementation. ▪ Modest changes in salary and grades for some positions. ▪ On-going annual analysis and updates by CBIZ.
Goal #3 Goal #4 Goal #6	Q4 FY22	Rule change to require all benefits paid thru Bank electronic transfer.	<ul style="list-style-type: none"> ▪ Informational pay stubs mailings reduced from four mailings to semiannual. ▪ Refunds moved to electronic transfer. ▪ 99.9% of monthly pension benefits paid via ACH.
Goal #6	Q4 FY22	Began regular posting of Myths and Misconceptions about pension plans on the website, June 2022.	<ul style="list-style-type: none"> ▪ Allows targeted response to Ohio and national events.
Goal #6	Q1 FY23	Successfully worked with the Public Sector Health Care Roundtable to protect our prescription drug plan.	<ul style="list-style-type: none"> ▪ Amending the Inflation Reduction Act to include language for EGWP plans like SERS administrators.
Goal #3 Goal #4 Goal #6	Q1 FY23	Portal Registration Reimagine Project initiated to integrate additional security while improving user experience.	<ul style="list-style-type: none"> ▪ Additional electronic document upload capabilities being added to MSS portal. ▪ MVVM project to be completed in 1Q FY2024 to add multi device access for portals.
Goal #6	Q1 FY23	SERS Celebrates 85 Years.	<ul style="list-style-type: none"> ▪ Branding and Communications to all Stakeholders. ▪ Re-emphasis and refresh of SERS Culture messaging across organization.

Strategic Plan Goals	Significant Milestone Dates	Key Events/Decisions	Related Activities
Goal #3 Goal #6	Q2 FY23	Created half hour lunch sessions targeted to non-vested members emphasizing importance of SERS membership.	
Goal #2	Q2 FY23	Health Care Fund ended FY2022 with 38 years of funding, an all-time high.	<ul style="list-style-type: none"> Board held HC sustainability reviews of the Non-Medicare program and the impact of recently passed Inflation Reduction federal legislation that expanded Marketplace health insurance incentives.



STRATEGIC PLAN





Not Our Approach



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STRATEGIC PLAN

A strategic plan establishes a business direction through goals, strategies, and targets.

It promotes efficient decision making and a greater focus on overall momentum and direction.

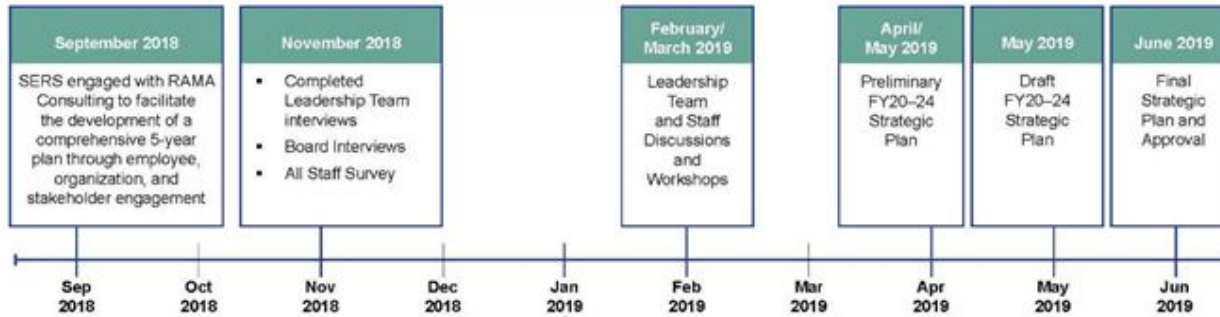
It is a living document that should be renewed and adjusted every five years.





STRATEGIC PLAN DEVELOPMENT MILESTONES

FY2020-2024



December 2018 – January 2019

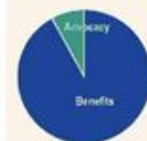
Stakeholder Engagement Survey of members, retirees, and employers

1. Which SERS advocacy partner group does your organization represent?

**some respondents represent multiple stakeholder groups*



2. How would you define the business of SERS? In other words, describe briefly in your own words what the organization does.



3. What are the top three challenges facing SERS in next 5 years?



4. What strategies or solutions would you suggest?

Health Care: Negotiate rates, be visionary
Technology: Education and engagement
Financial Stability: Review, incremental change, streamline, COLA
Legislative strategy: Education

5. What are the top 2-3 priorities for SERS?

Health Care
Governance
Legislative Strategy
Pension Fund Sustainability (COLA, Health Care, Communication, Maintain current level of benefits, Fund management, Employer contributions, Outreach, Technology)

6. How would your members rate their overall level of satisfaction with communications received from SERS?



7. How would you rate overall satisfaction with the services received from SERS?





Working Toward the Strategic Plan

- We worked with RAMA Consulting to determine key challenges for the next five years.
- The top five items evolved into six goals with strategies and action items.

GOAL #1: Fund Sustainability Our pension fund is designed to be sustainable and adaptive to meet the needs of our members, employers, and retirees.	GOAL #2: Healthcare Sustainability Our approach to healthcare focuses on program sustainability and access to quality care.
GOAL #3: Service Delivery Our service delivery is responsive and shaped by the needs of those we serve.	GOAL #4: Operations Our systems and processes foster organization-wide efficiency, agility, and accountability.
GOAL #5: Culture Our culture promotes a high-performing team driven by mission and continuous improvement.	GOAL #6: Communications and Engagement Our communications and stakeholder engagement promotes awareness, transparency, accountability, and trust.



STRATEGIC PLAN

2023 Progress Report

- *Considerable progress to date*
- *Solutions, actions, and results crossed multiple goals and multiple years*





PENSION/HEALTH CARE SUSTAINABILITY

Goals 1 & 2

- The Board's Pension Sustainability sessions addressed topics such as alternate benefit formulas, risks to the fund, retirement age/eligibility, FAS, vesting, disability program review, 120-day school year, benefit inflation, actuarial assumption, and investment trends.
- SERS Board voted to seek legislation to prevent inflation of member benefits through a Contribution Based Benefit Calculation (CBBC). Legislative approval should occur by fiscal year end.
- The Board approved a rule change to terminate Medicare Advantage Plan coverage for members who did not secure Medicare Part B coverage as required by Medicare.
- Health Care Fund ended FY2022 with 38 years of funding, an all-time high.
- Board held health care sustainability reviews of the Non-Medicare program and the impact of recently passed Inflation Reduction federal legislation that expanded Marketplace health insurance incentives.



SERVICE, OPERATIONS, COMMUNICATIONS

Goals 3,4,6

The Pandemic

- SERS office closed on March 19, 2020 by Executive Order.
- Change happened at a faster rate and impact continues.
- Service delivery and operational plans were re-prioritized.
- Focus, flexibility, and responsive actions were required.
- Post SMART transition.

Response

- SERS Business Continuity Plan immediately activated. Pandemic team formed, meeting regularly through 2020, 2021, and early 2022.
- SERS staff stayed connected via Remote Desktop Application (RDS).
- Call center moved to voice mail, email, and cell phones. “Re-opened” in mid-May 2020 with a rotating schedule of in-person in addition to voice mail and email. Secured Voice Over Internet Protocol (VoIP) licenses for Member Services Team, Employer Services, and Health Care by September 2020 to ensure on-going business continuity.
- Virtual counseling for members started with teleconferencing, but quickly moved to Zoom and Teams.
- Senior Leadership Team returned onsite January 2021 then expanded across the organization with COVID adaptations.
- Board Room and O’Keefe Technology upgrades made in 2020 and 2021 to hold hybrid meetings. Additional upgrades in Anderson and other conference rooms during 2022 and 2023.
- Continued adaptation to COVID CDC and local guidelines.
- Building tenant occupancy experiences rental income impacts as tenant business models changed.



CULTURE

Goal 5

- Employee Engagement Survey completed, June 2021. Refresh June 2023.
- Supervisor Roundtable relaunched.
- SERS Values updated with renewed commitment to diversity and inclusion.
- Leadership Development Program and LinkedIn Recruiter.
- SERS Seven Leadership Pillars and ONE SERS introduced to enhance connection and cross department collaboration.
- Enhanced and relaunch of Individual Development Planning program Q1 FY2021.
- Realignment to maintain culture in hybrid work model. Revised employee events, activities, employee recognition, and celebration of achievements.
- DiSC program re-introduced.
- CBIZ Compensation Study completed with on-going annual analysis and updates by CBIZ.



CULTURE

Goal 5



MISSION
To provide our membership with valuable lifetime pension benefit programs and services

VISION
Through the continuous pursuit of innovative solutions, we will partner with our stakeholders so that our membership will understand and achieve security in retirement.

VALUES

- Focus on Service
- Be Accountable
- Support Collaboration
- Respect Differences and Practice Inclusion
- Remain Resourceful and Embrace Change

Individual Development Planning Guide

HRSD 1008 Rev. 02/21



OPERATIONS

Goal 4

- SERS enhanced Enterprise Risk Management Department (ERM) with expanded Information Security efforts to align to pandemic impacts.
- Disaster Recovery options pulled into Strategic Planning.
- Information Governance Project begins to clean up and migrate files to cloud storage and apply records retention schedule. Digital conversion from microfiche and tape in process (records from SERS inception).



**ENTERPRISE RISK
MANAGEMENT**



**INFORMATION
GOVERNANCE**



SERVICE, OPERATIONS

Goals 3 & 4

- SERS Board forms four-member Technology Committee.
- Disaster Recovery migration to Cloud (DRaaS) completed in June/July 2022.
- Technology Committee approves 5-year Technology Roadmap budget.
- Key FY2023 projects underway, including network and Wi-Fi replacement, SMART Model-View-View Model (MVVM) upgrade, telecom replacement.
- MVVM starts a series of planned and future user experience changes.





COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

Goal 6

- Staff met with our stakeholders regularly during the pandemic and continued the Roundtable Advocacy meetings. Virtual outreach improved participation.
- Began regular website posts of Myths and Misconceptions about pension plans.
- SERS Celebrates 85 Years with updated branding and communications to all stakeholders.





OPERATIONS, COMMUNICATION

Goals 4 & 6

- Digital Workplace rolled out to SERS business teams.
- Microsoft 365, Teams, collaboration tools. Significant shift for internal communications and business options.
- Extensive staff training and information sessions resulted in rapid adoption.
- SharePoint upgrade and expanded Boulevard internal staff website.





SERVICE, COMMUNICATIONS

Goals 4 & 6

- Increased frequency of “Retiring with SERS” webinar to once per month and sent targeted communication to members within five years of retirement.
- Moved to Virtual Retirement Conferences and targeted communications to members within one year of retirement.
- Created half-hour lunch sessions targeted to non-vested members emphasizing importance of SERS membership.
- Web site refresh planning.





SERVICE, OPERATIONS, COMMUNICATIONS

Goals 3,4,6

- Rule change to require all benefits paid through direct deposit.
- Informational pay stubs mailings reduced from four mailings to semiannual.
- Refunds moved to electronic transfer.
- Portal Registration Reimagine Project to integrate additional security while improving user experience.
- eDocuments functionality added to the Member portal (e.g. power of attorney, birth certificates, marriage license)
- Communication method changes in planning (correspondence preferences, email, text, annual statements, targeted member adaptation)



TO-DO LIST AND FUTURE PLANS

- There's more to do in this 5-year plan.
- This living and breathing document will be reviewed and renewed for the next five years. FY2025 - FY2030.



STRATEGIC PLAN REMAINING "TO DO" LIST

FY2020-2024

Goal #1 / Pension Sustainability and	
Goal #2 / Health Care Sustainability	
<ul style="list-style-type: none">• Risk Analysis Assessment review• Complete Non-Medicare plan changes with support of HealthScope• Implement the two-year enrollment cycle for Dental and Vision• CBBC legislative approval and implementation• Annual Board Pension and Health Care Sustainability review	
Goals #3 / Service Delivery and	
Goal #4 / Operational Efficiency	
<ul style="list-style-type: none">• Member and Employer Reporting enhancements (e.g., Portal improvements, call back assist, additional call center options, edocuments, electronic messaging, key metrics and dashboarding)• Finish Agile and project management SERS "right fit/sizing" - underway in FY23 and continues in FY24• Five-year Technology Roadmap implementation - FY23 projects and beyond• Continuous monitoring and adaptation of Risk Management to meet external and internal threats, increased vendor management and oversight	
Goal #5 / Culture	<ul style="list-style-type: none">• Employee Engagement Survey update• Continued labor monitoring and benchmarking - CBZ and Columbus area• Maintain and enhance culture - SERS Mission, Vision, Values, Core Beliefs as labor market evolves and new employees join SERS• Continued leadership development around SERS Seven Leadership Pillars and ONE SERS
Goal #6 / Communication and Stakeholder Engagement	<ul style="list-style-type: none">• Rapid response to external events• Tools and tactics adjustments as needed to maintain/enhance trust, transparency, awareness, and accountability

SERS Strategic Plan Development | FY2020 - 2024



Memo

To: Retirement Board
From: Joe Bell
Cc: Richard Stensrud, Karen Roggenkamp
Date: April 20, 2023
Re: Enterprise Risk Management Overview

The Enterprise Risk Management (ERM) function has been expanded and enhanced to create a professional, value-added function at SERS. ERM continues to evolve and mature and has established a solid foundation in managing SERS' risk tolerance and partnering with Internal Audit.

This presentation will focus on the people, processes, and governance established, while also discussing the Board's role in relation to ERM. The overview will include an introduction to ERM's Risk Register, key activities implemented, and future initiatives.



Enterprise Risk Management

April 20, 2023

Agenda



01

Importance of ERM

02

ERM Program

03

ERM Evolution

04

Risks and Risk Register

05

Implementations

Importance of ERM



ERM Program ensures risks are included in decision-making, aligns risk exposure with risk management, conducts rigorous risk measurement, and aligns with strategic planning.

ERM's holistic approach to risk management seeks to answer:

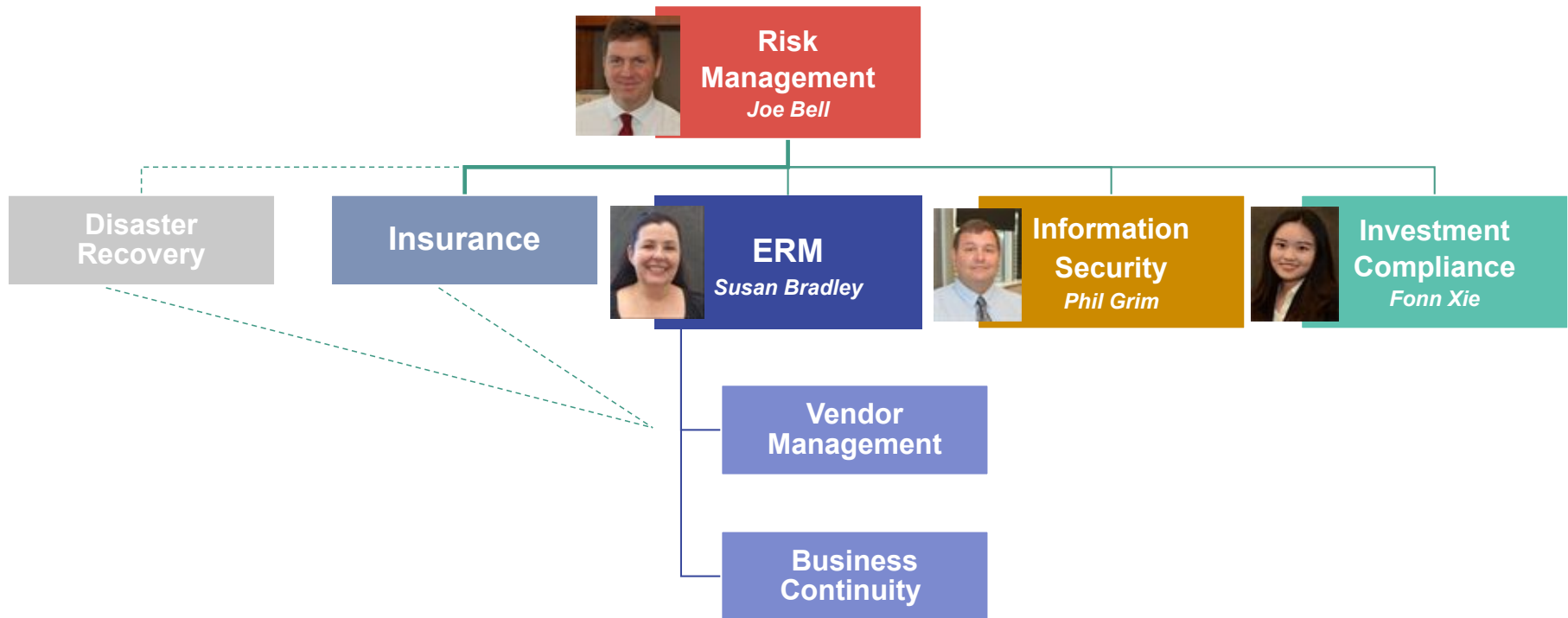
1. What are the major risks to SERS?
2. Who owns the risks?
3. How prepared are we to prevent or respond to major risks?
4. What can we do to reduce unacceptable exposures?
5. How do we provide situational awareness to the Board on risks to SERS?

The Board should ensure:

1. ERM has an effective program and governance structure in place.
2. Management's risk tolerance and mitigating controls align with Board expectations.
3. Oversight of ERM's exception-based reports and management's mitigating strategies.

ERM has an important role to assess and report the status of key risks to process owners, Executive Leadership, and the Board.

Risk Management Hierarchy



Risk Management includes enterprise processes with personnel having deep experience in security, risk, audit and compliance. ERM coordinates risk oversight with process owners.



I. ERM Program

ERM Program Goals



Enable Risk Informed Decision Making

- Consider threats and opportunities
- Impact of risks to our strategic objectives
- Likelihood of risks
- Develop risk appetite statements



Enhance Board Risk Oversight

- Assure we have an effective risk management program in place
- Aware of inherent risks in our objectives
- Understand and alignment of risk appetite statements



Create a Risk Aware Culture

- Understand risk is everyone's responsibility
- Demonstrate risk relationship to activities
- Operational benefits to effective risk management



Exploit Impact of Opportunities

- Take advantage of opportunities while assessing risk
- Monitor and manage



Lessen Impact of Adverse Events

- Monitor and manage potential risk
- Mitigate critical and high risks
- Conduct tabletops to practice plans

Standards & Frameworks



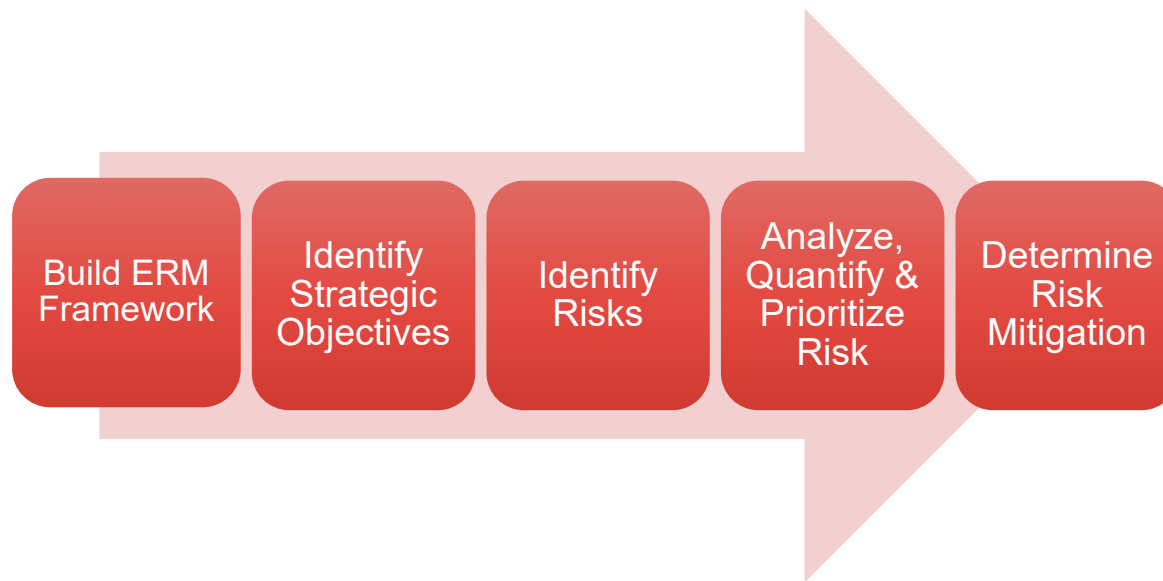
ERM adopted best practices from various frameworks:

- ISO (International Organization for Standardization) 31010
- NIST (National Institute of Standards and Technology) 800-30
- COBIT (Control Objectives for Information Technologies) 5
- COSO (Committee of Sponsoring Organizations)
- Industry Best Practices



Frameworks help align ERM's processes and professionalism to best practices.

Risk Approach and Cycle





II. ERM Evolution



ERM Key Events Timeline

Foundation

- Board support creating ERM
- ERM policy
- Risk register of top 15 risks
- Merge emergency response plans
- Tabletop tests
- Chief Risk Officer hired
- Info Security Officer hired

Pre-2020

People Process & Technology

- ERM Officer hired (July)
- Strategic plan
- Standards & best practice framework
- Created/updated policies
- Technology needs
- Business Impact Analysis (BIA) for critical processes

2020

Establish Central Enterprise Processes

- Third Party Risk Pgm, 3 tier risk-rating
- Incident Response (IR) Pgm
- Cloud migration w/ business
- Risk and vendor mgmt. tool
- Transfer insurance to ERM
- Peer group collaboration

2021

Focus on Value-Added Critical Risks

- Risk register with depts.
- Emergency Response Pgm
- Cloud migration tests, training, BCS decommission
- Rebid and renew insurance
- Investment Compliance streamlined
- Expand peer networking

2022

ERM has shown steady progress in reducing and managing key risks while creating a firm foundation for risk management monitoring and reporting.



Maturity Model Metric

RIMS RISK MATURITY MODEL® PILLARS

Raw Average: 2.34
Weighted Average: 2.34

Your Risk Management Profile



Pillar 1: Strategy Alignment

• Weight: 25% • Score: 2.05



Pillar 2: Culture and Accountability

• Weight: 30% • Score: 2.47



Pillar 3: Risk Management Capabilities

• Weight: 20% • Score: 2.60



Pillar 4: Risk Governance

• Weight: 13% • Score: 2.36



Pillar 5: Analytics

• Weight: 12% • Score: 2.15

RIMS Maturity Model helps benchmark risk management strategies, assess strengths and weaknesses, and develop next steps in the evolution of SERS' ERM program.

ERM Risk Maturity Model



Assessment Strengths

- Risk Management function, framework and policies
- Leader participation and employee contributions in collecting and assessing risk
- Extensive techniques and criteria to identify and assess enterprise risks
- Availability of risk data to decision makers
- Analytical capabilities of individuals assessing risk & technical competence of risk management leaders

Future Initiatives

- Quarterly risk update meetings with department process owners
- Define/refine risk appetite and tolerable risk limits for key risks
- Coordinate risk oversight (internal & external), obtain systemic performance data, validate risks/controls
- Create reporting model for leadership and Board
- Maintain existing processes (e.g. BIA reviews, tabletops, etc.), streamline, and add value

- ERM processes in varying stages of maturity.
- Self-assess annually to tailor SERS' improvement roadmap.
- Similar maturity at more experienced retirement systems.



III. Risks & Risk Register Intro

Risk Terms



Impact	Magnitude of loss from a threat exploiting a vulnerability
Likelihood	Probability of something happening
Inherent Risk	Exposure without considering management's actions (e.g. controls)
Controls	Process, policy, device, practice, and other actions to modify risk
Risk Appetite	Amount of risk an entity is willing to accept in pursuit of its objectives
Risk Tolerance	Acceptable level of risk variation an entity will allow in pursuit of its objectives
Residual Risk	Remaining risk after management has implemented a risk response

Risk Approach and Cycle



Business risks consider numerous factors and undergo a standard evaluation process.

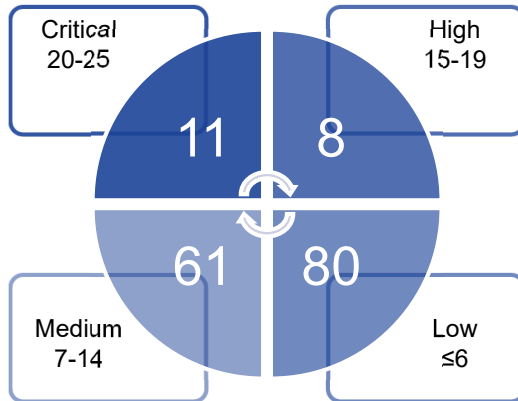


Risk Register & Reporting Sample

Risk Summary



Risk by Risk Score



Risk by Impact Score



Risk Levels

Plan	Impact	Likelihood	Assurance	Inherent Index	Residual Index
Audit	3.75	2.50		8.75	
Board of Directors	4.33	1.67		7.17	
Building & Tenant Services	3.00	2.00		7.00	
Communications	3.00	3.00		9.00	
Enterprise	3.20	3.20		10.24	
Executive	2.75	2.25		6.13	
Finance	2.75	2.25		6.25	
Healthcare	3.15	2.00	2.00	6.30	1.20
Human Resources	3.00	2.00		6.00	
Information Governance	4.15	2.45	3.00	14.00	12.00
Information Security	4.15	2.45	2.00	10.85	
Investments	2.63	2.61	2.00	7.22	1.20
Legal	3.00	2.00		6.00	
Member Services	2.63	2.80		6.20	
Risk Management	2.84	2.71	2.20	10.17	3.36

Risk registers document, track, and monitor potential risks and identify management's measures and actions to manage the risk to a tolerable level.



Risk Register – Top Risks Example

Risk	Risk Appetite	Risk Tolerance	Impact Score	Likelihood Score	Inherent Risk Score	Residual Risk Score	Control - Description
Business interruption due to a business continuity or disaster recovery event.	Failover time < 2 hrs	+/- 15 minutes failover time	5.00	5.00	25.00	10.00	3.06 Contingency Planning CP-10(6) - System Recovery and Reconstitution Component Protection 3.06 Contingency Planning CP-2 - Contingency Plan
Flooding in the building or server room could result in: - Denial of access to building - Building damage - Equipment damage - Loss of HVAC	Water shut-off time < 15 min	+/- 5 minutes	5.00	5.00	25.00	10.00	PE-10 - Emergency Shutoff - PE-15 - Water Damage Protection Insurance limits
IT business system failure would cause downtime, reputational impact, and may impact retirees' ability to receive benefits.	Uptime of 99.9%	99% Uptime	5.00	5.00	25.00	10.00	CP-2 - Contingency Plan CP-9 - System Backup CP-2(3) - Contingency Plan Resume Mission and Business Functions CP-6 - Alternate Storage Site
No data classification process. Cannot distinguish sensitive from non-sensitive data, thereby limiting additional controls.	10% data classified in FY 2024	+/- 5% data classified in FY 2024	4.00	5.00	20.00	10.00	
Supply chain goods could be impacted by a weather event, pandemic, and global events and shortages.	No more than X% of vendors in a single region	+/- X% of vendors in a single region	4.00	5.00	20.00	10.00	PM-30(1) - Supply Chain Risk Management Strategy
Opposition to public pension funds could result in legislation that would disrupt SERS' ability to administer its Defined Benefit plan or discontinue the use of pension funds.	No significant unplanned changes to pension fund	0 Tolerance	5.00	5.00	25.00	10.00	
SERS could be attacked by ransomware and have all its systems locked and/or have our data and sensitive information published or given to the public.	No Widespread Cyber Attack	0 Tolerance	5.00	4.00	20.00	10.00	SA-11(5) - Developer Testing and Evaluation Penetration Testing AT-2(1) - Literacy Training and Awareness Practical Exercises AC-3(1) - Access Enforcement Restricted Access to Privileged Functions PE-2 - Physical Access Authorizations RA-5 - Vulnerability Monitoring and Scanning
PBX hardware that supports telecommunication is old and end of life. There is no disaster recovery plan for it which impacts remote work capability.	Will be established once new system is in place	0 Tolerance	5.00	4.00	20.00	10.00	
Member Services team or other employees may receive a bomb threat or any other type of threat via a phone call, mail, or email.	0 Critical or Risk	0 Tolerance	5.00	4.00	20.00	10.00	PE-1 - Policy and Procedures on (one or more): Organization-level. PE-3 - Physical Access Control PE-2(1) - Physical Access Authorizations Access by Position or Role PE-6 - Monitoring Physical Access PE-7 - Visitor Control
Cyber attack (widespread systems affected)	No Widespread Cyber Attack	0 Tolerance	5.00	4.00	20.00	10.00	SA-11(5) - Developer Testing and Evaluation Penetration Testing AT-2(1) - Literacy Training and Awareness Practical Exercises RA-5 - Vulnerability Monitoring and Scanning
Loss of healthcare member data >500 records	No records lost	< 10 records lost	5.00	4.00	20.00	16.00	AC-3(1) - Access Enforcement Restricted Access to Privileged Functions AC-2 - Account Management AC-3(13) - Access Enforcement Attribute-based Access Control SA-9(1) - External System Services Risk Assessments and Organizational Approvals

DRAFT - Work In Process

Risk registers, appetites and tolerance limits are being developed with management.

Risk Example



Risk: Flooding in building could deny access, damage building/equipment, loss of HVAC & incur insurance claim

- Impact (5) x Likelihood (5) = Inherent Risk Score (25)
- Controls
 - 24/7/365 Security Walkthroughs every 2 hours
 - Multiple Water Shut-Off points
 - Training
 - Insurance
- Residual Risk 10

ERM will expand involvement with business process owners to enhance the monitoring, validation and reporting of enterprise risks.



IV. Implementations

Implementations

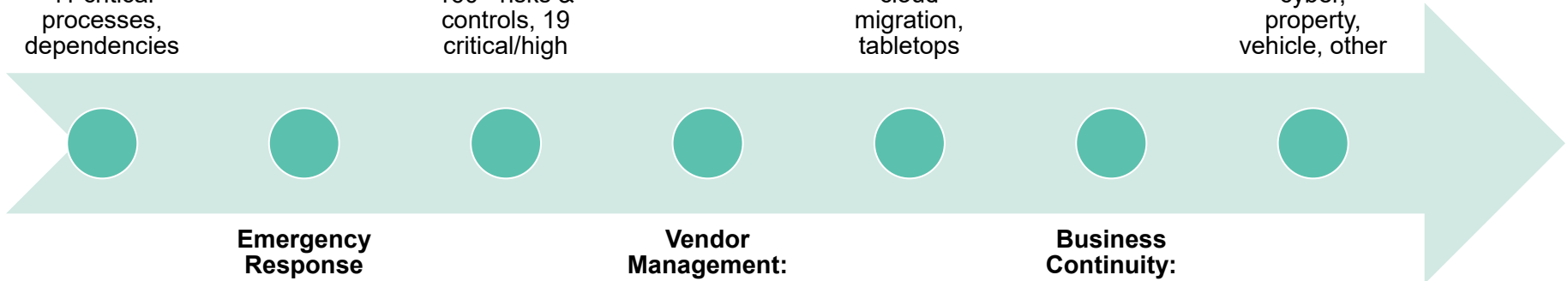


Business Impact Analysis (BIA):
11 critical processes, dependencies

Enterprise Risk Registers:
160+ risks & controls, 19 critical/high

Disaster Recovery:
partner with business on cloud migration, tabletops

Insurance:
director & officer, crime, fiduciary, cyber, property, vehicle, other



Emergency Response Program (ERP):
streamline, centralize plans (virtual)

Vendor Management:
148 vendors, 25 Tier 1, onboard, ongoing, offboard

Business Continuity:
incident response tabletops

Summary Points



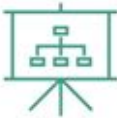
Governance:

Well-aligned with enterprise activities and strategic initiatives



Disaster Recovery:

Risk-based processes well-established, maintained



Framework:

Adopted best practice standards; continuous improvement



Risk Register:

Risks & controls identified, assessed; develop risk tolerance, risk appetite & monitor with process owners; evolve reporting



Personnel:

Experienced professionals provide value-add to SERS



Overall:

Steady progress reducing and managing key risks, while creating firm foundation to monitor and report risk



Vendor Management:

Risk-based processes well-established, maintained



Questions

FINAL FILING OF PROPOSED AMENDED ADMINISTRATIVE RULES

Legal Counsel discussed with the Retirement Board the following proposed new and amended administrative rules: 3309-1-04 Election of retirement board members, 3309-1-13 Obtaining optional or compulsory service credit, and 3309-1-64 Dental and vision coverage that have been reviewed by JCARR and are ready for final adoption by the Board.

_____ moved and _____ seconded that amended rules 3309-1-04, 3309-1-13 and 3309-1-64 be adopted.

3309-1-04 Election of retirement board members.

- (A) The school employees retirement board shall conduct elections in accordance with Chapter 3309. of the Revised Code and this rule.
- (B) Notifications
 - (1) At a regular meeting of the retirement board but no later than July in the fiscal year in which an election of members to the board is required, the retirement board shall establish an election time schedule.
 - (2) This schedule shall include, a statement of the requirements for nomination by petition, the date after which nominating petitions shall be available, the final date for receipt of completed nominating petitions, the final date for receipt of completed election ballots being the first Monday in March, and the date and place for the election count to be conducted under the supervision of judges as designated in paragraph (D) of this rule.
- (C) Nominations
 - (1) Candidates for board members shall be nominated by petition on forms provided by the school employees retirement system.
 - (2)
 - (a) Not later than the last business day of September in the fiscal year in which an election is held for an employee member, notice of election posters shall be sent to employers and petitions and required forms shall be available to members.
 - (b) Any member, except a member receiving a disability benefit pursuant to section 3309.40 or 3309.401 of the Revised Code, who is not otherwise ineligible under Chapter 3309. of the Revised Code, may be nominated for election as an employee member of the board by petitions that contain at least five hundred valid nominating signatures with not less than twenty signatures of members from each of at least ten different counties in Ohio. In order for a nominating signature to be valid, the member must be actively contributing to SERS and their SERS ID or last 4 digits of their social security number and the name of their school employer and the county in which the employer is located must be provided. The member's place of employment shall determine the county for such member.
 - (3)

- (a) Not later than the last business day of September in the fiscal year in which an election is held for a retirant member, a notice of election shall be sent to retirants at their home addresses of record and petitions and required forms shall be available to retirants.
- (b) Any retirant, who is not otherwise ineligible under Chapter 3309. of the Revised Code, may be nominated for election as a retirant member by petitions which contain at least one hundred fifty valid nominating signatures, with not less than ten signatures of retirants from each of at least five different counties in Ohio. In order for a nominating signature to be valid, the retirant's SERS ID or last four digits of their social security number, their home address and county must be provided. The retirant's place of residence shall determine the county of such retirant.

(4)

- (a) Petitions and completed required forms for a candidate must be received by the system by the petition filing date established by the retirement board pursuant to paragraph (B) of this rule to be valid.
- (b) Petition signatures and candidate eligibility shall be verified based on records of the retirement system and the requirements of Chapter 3309. of the Revised Code. Signatures that cannot be conclusively verified shall not be counted.
- (c) The names of qualified candidates shall be certified by a director of the retirement system and shall be subject to review and audit by the secretary of state. A qualified candidate is one who meets the requirements of Chapter 3309. of the Revised Code. In the event that there is a discrepancy between the certification by the officer of the retirement system and the results of the review and audit by the secretary of state, the determination of the secretary of state shall control and be final.
- (d) Based on the final certification, the names of qualified candidates shall be placed on the ballot for election. Each ballot shall also include a space for a write-in candidate.

(D) Voting

- (1) The retirement board may conduct an election by paper ballots or through electronic methods.
- (2)
 - (a) Voting materials for each voting member or retirant of the retirement system shall include a list of candidates, information on each candidate, voting instructions, and any other materials the retirement board deems necessary.
 - (b) Voting materials shall be sent to eligible members or retirants no later than the last business day in January in an election year at the address on file with the retirement system.
- (3)
 - (a) For any election requiring a vote by members, the retirement board shall distribute ballots for such election to all members whose accounts have had

contributions posted within the eighteen month period immediately preceding the month in which ballots are distributed; and

- (b) To members whose accounts have not had contributions posted within the eighteen month period immediately preceding the month in which ballots are scheduled to be distributed, upon the members written request for a ballot.
 - (4) The election count shall be monitored by a panel of judges consisting of representatives of the secretary of state and the attorney general. The representative of the secretary of state shall be the chief judge. If a representative from such offices is not available, a representative of the retirement system's independent auditor and/or the auditor of state may be substituted. If a representative of the secretary of state is not available, the chief judge, in order of precedence, shall be the representative of the attorney general, the representative of the auditor of state, or the representative of the retirement system's independent auditor.
 - (5) If the ballot count results in a tie vote, the election shall be determined by a coin toss conducted by the judges with "heads" being assigned to the candidate whose last name is first alphabetically and "tails" assigned to the other candidate.
 - (6) If a candidate is elected by a margin of less than one percent of the votes cast, a recount will automatically be conducted.
 - (7) The chief judge shall provide a certification of the election results signed by all judges. The election results shall be submitted to the retirement board for its approval at the first regular retirement board meeting that is not less than thirty-one calendar days after certification of the results of the election.
 - (8) Within thirty calendar days after the certification of the election count, an unsuccessful candidate may request a recount in writing to the retirement board together with a check payable to the retirement system for the costs of the recount in the amount of one hundred dollars; provided however, if the recount results in the requesting candidate winning the election, the cost shall be refunded.
- (E) Vacancies
- (1) When an election is held to fill the vacant term of an elected member of the board, the election shall be held pursuant to paragraph (E) of this rule.
 - (2) The retirement board by majority vote of the board shall declare the seat vacant and establish a board-meeting schedule to nominate, interview and select a successor member to fill the position.
 - (3) The retirement board shall provide notice of the vacancy and the procedure and forms required to be considered as a qualified candidate to fill the vacancy.
 - (a) Candidates shall qualify under the same eligibility requirements as the predecessor in office.
 - (b) The names of qualified candidates shall be certified by a director of the retirement system and shall be subject to review and audit by the secretary of state. In the event that there is a discrepancy between the certification by the officer of the retirement system and the results of the review and audit by the secretary of state, the determination of the secretary of state shall control and be final.

- (4) At a public board meeting, each board member may nominate one candidate to fill the vacancy.
 - (5) The board members shall interview the nominated candidates.
 - (6) A successor member shall be elected from the list of candidates by a majority vote of the retirement board in a public meeting as follows:
 - (a) Two successive votes shall occur in order for one candidate to receive a majority. If no candidate receives a majority, successive votes shall continue with the candidate receiving the least number of votes eliminated after each vote until one candidate receives a majority vote of the board or until only two candidates remain.
 - (b) In the event no candidate receives a majority vote and two candidates remain, one final vote shall occur. If neither candidate receives a majority vote, the winner shall be decided by a coin toss conducted by the election judge with "heads" assigned to the candidate whose last name is first in alphabetical order and "tails" to the other candidate.
 - (7) The election shall be monitored by a representative of the secretary of state, or if unavailable, by a representative of the attorney general, who shall serve as election judge and certify the results of the election.
 - (8) All documents regarding filling the vacancy, including resumes and forms required by the retirement system, shall be made available to any person upon request and payment of the cost of compiling, copying and mailing the documents.
- (F) An employee member of the board who retires while a member of the board shall be eligible to become a retirant member of the board when three years have elapsed from the member's effective date of retirement and the date of the scheduled election for the retirant member seat. An employee member of the board retires while a member of the board when the member served on the board in the month immediately preceding the member's effective date of retirement.

History: 4/10/14, 1/7/13, 4/3/09, 8/10/07, 12/2/04
 Promulgated Under: 111.15
 Statutory Authority: 3309.04
 Rule Amplifies: 3309.05, 3309.06, 3309.07, 3309.071, 3309.075, 3309.22
 Review Date: 1/27/2023

3309-1-13 Obtaining optional or compulsory service credit.

(A) Optional service credit

- (1) Except as provided by section 3309.012 of the Revised Code, a member of the school employees retirement system, public employees retirement system, or state teachers retirement system shall be eligible to purchase service credit for school employment on or before June 30, 1991 for any period during which contributing service was optional. Contributing service shall be deemed to be optional when contributions were not required by the school employees retirement system and no contributions or member record was received. In order to receive optional service credit, payments shall be made as provided in this paragraph.

(2)(a) For any period of optional service, the member shall pay to the school employees retirement system an amount equal to the employee's and employer's contributions for such period, plus interest at the rate to be set by the school employees retirement board from the end of each year compounded annually. Such amounts paid by the member shall be credited to the employees' savings fund.

(b) Optional service may be purchased in one month increments.

(c) When only a portion of a period of optional service is purchased, service shall be purchased in reverse chronological order from the most recent month to the oldest month.

(3) In lieu of the member paying the amounts described in this paragraph, the employer for which the optional service was performed may pay an amount equal to either the employee's and employer's, or only the employer's, contributions for such period, plus interest at the rate set by the retirement board from the end of each year compounded annually. If paid by the employer, such amounts shall be credited as follows:

(a) The amount and interest attributable to the employee's back contributions shall be credited to the employees' savings fund; and,

(b) The amount attributable to the employer's contributions shall be deposited in the employers' trust fund and the interest collected on such amount shall be credited to the guarantee fund.

If the employer pays only the amount equal to the employer's contributions and interest on that amount, the member shall pay the amount equal to the employee's contributions and interest on that amount.

(B) Compulsory service credit

(1) Except as provided in paragraph (B)(3) of this rule, to receive service credit for periods of compulsory service prior to June 30, 1991, for which the employer did not deduct and transmit contributions, the member shall pay the employee's share of the back contributions and the employer shall pay the employer's share of the back contributions. Payments for both the employee's and the employer's shares of back contributions shall include a charge for interest at the rate set by the retirement board from the end of each year, compounded annually.

(a) The employee's back contributions and interest shall be credited to the employees' savings fund, and in the event of death or withdrawal from service prior to retirement, shall be paid in the same manner as accumulated contributions pursuant to sections 3309.42 and 3309.44 of the Revised Code.

(b) The employer's share of back contributions shall be deposited in the employers' trust fund and the interest collected thereon shall be credited to the guarantee fund.

(2) Except as provided in paragraph (B)(3) of this rule, to receive service credit for periods of compulsory service after June 29, 1991, for which the employer did not deduct and transmit contributions, the employer shall pay both the employer's share and the employee's share of the back contributions. Payments for both the

employee's and the employer's shares of back contributions shall include a charge for interest at the rate set by the retirement board from the end of each year, compounded annually.

- (a) The employee's back contributions and interest shall be credited to the employees' savings fund, and in the event of death or withdrawal from service prior to retirement, shall be paid in the same manner as accumulated contributions pursuant to sections 3309.42 and 3309.44 of the Revised Code.
- (b) The employer's share of back contributions shall be deposited in the employers' trust fund and the interest collected thereon shall be credited to the guarantee fund.

(3) When a member has left service with an employer after attaining sixty-five and applies for retirement, the member shall receive service credit in accordance with section 3309.48 of the Revised Code for periods of compulsory service [prior to June 30, 1991](#), for which the employer did not deduct and transmit contributions.

- (C) The compensation and service of the member shall be certified by a fiscal officer of the school district who has knowledge of and access to the records of the district. A member cannot certify his own compensation or service.
- (D) The member's share of back contributions may be paid directly to the retirement system.
- (E) The employer's share of back contributions may be paid either by an official warrant or collection from the employer's share of the state school foundation fund.
- (F) Service credit for any period described in this rule shall be credited to the member's account on the date payment in full has been received by the retirement system for both the employee and employer shares of back contributions.

History: 12/22/19, 4/1/13, 5/9/03, 11/1/01, 7/30/01 (Emer), 2/11/00, 6/12/95, 2/1/92, 12/24/76
Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.23, 3309.34, 3309.47, 3309.48, 3309.49, 3309.51, 3309.56, 3309.57
Review Date: 1/27/2023

3309-1-64 ~~Supplemental health care~~Dental and vision coverage.

(A) Definitions

- (1) "Benefit recipient," "Member," "Age and service retirant," "Disability benefit recipient," and "Dependent" shall have the meanings set forth in paragraph (A) of rule 3309-1-35 of the Administrative Code.
- (2) ~~"Supplemental health care coverage" means any dental or vision plan offered by the school employees retirement system.~~
- (3) "Premium" means a monthly amount that may be required to be paid by a benefit recipient to continue enrollment ~~for the supplemental health care coverage~~ for the recipient or the recipient's eligible dependents.

(B) Eligibility

~~(1) A person is eligible for supplemental health care dental or vision coverage under this rule so long as the person meets the eligibility requirements in section 3309.69 of the Revised Code and paragraph (B)(1) of rule 3309-1-35 of the Administrative Code for the retirement system's health care coverage.~~

~~(2) Eligibility for supplemental health care coverage shall terminate when the person ceases to qualify as one of the persons listed in paragraph (B)(1) of rule 3309-1-35 of the Administrative Code. A person described in paragraph (B)(4) of rule 3309-1-35 of the Administrative Code shall remain eligible for supplemental health care coverage under this rule.~~

(C) Enrollment

(1) An eligible benefit recipient may only enroll in ~~one or more supplemental health care a dental or vision~~ plans as follows:

- (a) At the time the benefit recipient applies for an age and service retirement, disability benefit, or monthly benefit pursuant to section 3309.45 of the Revised Code;
- (b) At the time the benefit recipient reinstates previously waived or cancelled health care coverage as provided in paragraph (I) of rule 3309-1-35 of the Administrative Code;
- (c) Within thirty-one days after involuntary termination of another dental or vision plan; or,
- (d) During the retirement system's open enrollment period.

(2) An eligible dependent of an age and service retiree or disability benefit recipient may only enroll in ~~one or more supplemental health care a dental or vision~~ plans as follows:

- (a) At the time the age and service retiree or disability benefit recipient enrolls in the ~~supplemental health care~~ plan;
- (b) During the retirement system's open enrollment period so long as the age and service retiree or disability benefit recipient is also enrolled in the ~~supplemental health care~~ plan; or
- (c) Within thirty-one days after involuntary termination of another medical, dental, or vision plan, so long as the age and service retiree or disability benefit recipient is also enrolled in the ~~supplemental health care~~ plan.

(D) A person's ~~supplemental health care dental or vision~~ coverage shall be cancelled when:

- (1) The person's ~~eligibility for health care coverage terminates as provided ceases to qualify as one of the persons listed~~ in paragraph (B)(1)(2) of rule 3309-1-35 of the Administrative Code;
- (2) The ~~supplemental health care~~ coverage of a dependent is cancelled when the ~~supplemental health care~~ coverage of a benefit recipient is cancelled;
- (3) The person's ~~supplemental health care~~ coverage is cancelled for default as provided in paragraph (F) of this rule;
- (4) The person's benefit payments are suspended for failure to submit documentation required to establish continued benefit eligibility under division (B)(2)(b)(i) of section 3309.45 of the Revised Code, division (F) of section 3309.39 of the Revised Code,

~~or~~ division (D) of section 3309.41 of the Revised Code, or division (D) of section 3309.392 of the Revised Code; ~~or~~

(5) The benefit recipient elects to cancel the ~~supplemental health care~~ coverage ~~for the following calendar year~~ during the open enrollment period; ~~or~~

~~(6) The benefit recipient elects to cancel health care coverage under paragraph (D) of rule 3309-1-35 of the Administrative Code.~~

(E) Effective date of coverage

(1) When a benefit recipient elects to enroll in ~~supplemental health care dental or vision~~ coverage during an open enrollment period, the effective date of coverage shall be the first day of the calendar year following the open enrollment period.

(2) When a benefit recipient elects to enroll in ~~supplemental health care dental or vision~~ coverage upon receipt of a benefit, the effective date of coverage shall be as follows:

(a) For a disability benefit recipient or dependent of a disability benefit recipient, the ~~supplemental health care~~ coverage shall be effective on the first day of the month following approval of the benefit or the benefit effective date, whichever is later.

(b) For an age and service retiree or dependent of an age and service retiree, the ~~supplemental health care~~ coverage shall be effective on the first day of the month following the date that the retirement application is filed with the retirement system or the benefit effective date, whichever is later.

(c) For an eligible dependent of a deceased member, deceased disability benefit recipient, or deceased age and service retiree, the ~~supplemental health care~~ coverage shall be effective on the effective date of the benefit if the appropriate application is received within three months of the date of the member's or retiree's death, or the first day of the month following the date that the appropriate application is received if not received within three months of the date of the member's or retiree's death.

(F) Premiums

(1) Payment of premiums ~~for supplemental health care coverage~~ shall be by deduction from the benefit recipient's monthly benefit. If the full amount of the monthly premium cannot be deducted from the benefit recipient's monthly benefit, the benefit recipient shall be billed for the portion of the monthly premium due after any deduction from the monthly benefit.

(2) Premium payments billed to a benefit recipient shall be deemed in default after the unpaid premiums for coverage under this rule and health care coverage under rule 3309-1-35 of the Administrative Code reach a total cumulative amount of at least three months of billed premiums. The retirement system shall send written notice to the benefit recipient that payments are in default and that coverage will be cancelled on the first day of the month after the date of the notice unless payment for the total amount in default is received prior to the date specified in the notice. If coverage is cancelled due to a recipient's failure to pay premium amounts in default, the recipient shall remain liable for such amounts due for the period prior to cancellation of coverage. The benefit recipient shall be ineligible for reinstatement of coverage until payment for the total amount in default is received.

History: 6/5/20, 5/3/19, 1/1/14
Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.69
Review Date: 2/1/23

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barb Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeff DeLeone	_____	_____	_____

FILING OF PROPOSED REVISED AMENDED ADMINISTRATIVE RULE

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed revised amended rule: 3309-1-35 Health care.

_____ moved and _____ seconded that proposed revised amended rule 3309-1-35 be filed with JCARR as discussed.

3309-1-35 Health care.

(A) Definitions

As used in this rule:

- (1) "Benefit recipient" means an age and service retirant, disability benefit recipient, or a beneficiary as defined in section 3309.01 of the Revised Code, who is receiving monthly benefits due to the death of a member, age and service retirant or disability benefit recipient.
- (2) "Member" has the same meaning as in section 3309.01 of the Revised Code.
- (3) "Age and service retirant" means a former member who is receiving a retirement allowance pursuant to section 3309.34, 3309.35, 3309.36 or 3309.381 of the Revised Code. A former member with an effective retirement date after June 13, 1986 must have accrued ten years of service credit, exclusive of credit obtained after January 29, 1981 pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code.
- (4) "Disability benefit recipient" means a member who is receiving a benefit or allowance pursuant to section 3309.35, 3309.39, 3309.40 or 3309.401 of the Revised Code.
- (5) "Dependent" means an individual who is either of the following:
 - (a) A spouse of an age and service retirant, disability benefit recipient, or member,
 - (b) A biological, adopted or step-child of an age and service retirant, disability benefit recipient, member, deceased age and service retirant, deceased disability benefit recipient, or deceased member or other child in a parent-child relationship in which the age and service retirant, disability benefit recipient, member, deceased age and service retirant, deceased disability benefit recipient, or deceased member has or had custody of the child, so long as the child:
 - (i) Is under age twenty-six, or
 - (ii) Regardless of age is permanently and totally disabled, provided that the disability existed prior to the age and service retirant's, disability benefit recipient's, or member's death and prior to the child reaching age twenty-six. For purposes of this paragraph "permanently and totally disabled" means the individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be

expected to last for a continuous period of not less than twelve months.

- (6) "Health care coverage" means any of the following group plans offered by the system:
- (a) A medical and prescription drug plan;
 - (b) Limited wraparound coverage, which provides limited benefits that wrap around an individual health insurance plan; or
 - (c) An excepted benefit health reimbursement arrangement, which provides reimbursement of medical expenses incurred under an individual health insurance plan.
- (7) "Premium" means a monthly amount that may be required to be paid by a benefit recipient to continue enrollment for health care coverage for the recipient or the recipient's eligible dependents.
- (8) "Employer" and "public employer" have the same meaning as in section 3309.01 of the Revised Code.
- (9) "Marketplace counselor" means an individual licensed to determine eligibility for, and enroll individuals in, a marketplace plan.
- (10) "Marketplace plan" means an individual health plan available through either a state or federal health insurance marketplace.

(B) Eligibility

- (1) A person is eligible for health care coverage under the school employees retirement system's health care plan so long as the person qualifies as one of the following:
- (a) An age and service retiree or the retiree's dependent,
 - (b) A disability benefit recipient or the recipient's dependent,
 - (c) The dependent of a deceased member, deceased age and service retiree, or deceased disability benefit recipient, if the dependent is receiving a benefit pursuant to section 3309.45 or 3309.46 of the Revised Code,
 - (d) The dependent child of a deceased member, deceased disability benefit recipient, or deceased age and service retiree if the spouse is receiving a benefit pursuant to section 3309.45 or 3309.46 of the Revised Code and the spouse elects to be covered.
- (2) Eligibility for SERS health care coverage shall terminate when the person ceases to qualify as one of the persons listed in paragraph (B)(1) of this rule, except that a dependent described in paragraph (A)(5)(b)(i) of this rule shall cease to qualify on the first day of the calendar year following the dependent's twenty-sixth birthday.
- (3) Except for a dependent described in paragraph (A)(5)(b) of this rule, eligibility for SERS health care coverage shall terminate when the person is not enrolled in Medicare part B and on or after January 1, 2016 commences employment that provides access to a medical plan with prescription coverage through the employer,

or if employees of that employer in comparable positions have access to a medical plan available through the employer, provided the medical plan with prescription drug coverage available through the employer is equivalent to the medical plan with prescription coverage at the cost available to fulltime employees as defined by the employer. For purposes of this paragraph, employer means a public or private employer.

- (4) On or after January 1, 2021, eligibility for SERS health care coverage shall terminate when a person listed in paragraph (B)(1) of this rule becomes eligible for medicaid and is ineligible for medicare. For purposes of this rule, a benefit recipient and their dependent(s) shall be presumed to be eligible for medicaid if their gross monthly SERS benefit is less than the percentage of the federal poverty level used by the Ohio department of medicaid to determine medicaid eligibility under agency 5160 and division 5160:1 of the Administrative Code. Upon request, a benefit recipient presumed to be eligible for medicaid must provide SERS with satisfactory proof of ineligibility for medicaid in their state of residence within ninety days from the date of SERS' request.
- (5) Eligibility for SERS health care coverage shall terminate when a person eligible for medicare part B fails to:
 - (a) Enroll in medicare part B during the person's initial enrollment period or special enrollment period under 42 U.S.C. 1395p that includes a date on or after January 1, 2019. If the failure to enroll occurred on or after January 1, 2019 and prior to January 1, 2022, the person must enroll in medicare part B during the general enrollment period ending March 31, 2022; or
 - (b) Enroll in medicare part B during the general enrollment period available under 42 U.S.C. 1395p immediately following a loss of medicare part B coverage that began on or after January 1, 2019. If the loss of medicare part B coverage began on or after January 1, 2019 and prior to January 1, 2022, the person must enroll in medicare part B during the general enrollment period ending March 31, 2022.

(6) Eligibility for SERS health care coverage shall terminate when a benefit recipient who is not eligible for medicare, and whose initial SERS health care eligibility date or reinstatement to SERS health care coverage under paragraph (I) of this rule is on or after June 1, 2023, fails to complete counseling with a SERS approved marketplace counselor to review marketplace plan options.

(a) A benefit recipient whose initial SERS health care eligibility date is on or after June 1, 2023 shall complete counseling before the later of the following:

_____ (i) December 31 of the calendar year of initial health care eligibility; or

_____ (ii) Within three months of initial health care eligibility.

(b) A benefit recipient requesting reinstatement to SERS health care coverage under paragraph (I) of this rule on or after June 1, 2023 shall complete counseling before the later of the following:

(i) December 31 of the calendar year of the qualifying event entitling the benefit recipient to reinstatement; or

(ii) Within three months of the request for reinstatement.

(c) The benefit recipient shall provide the marketplace counselor with all information required to determine the cost of available marketplace plans. The marketplace counselor shall notify SERS when such counseling has been completed.

(d) A benefit recipient who fails to complete counseling in accordance with this rule shall be deemed to have waived SERS health care coverage until the individual becomes eligible for reinstatement as permitted under paragraph (l) of this rule.

(e) Counseling shall not be required if the marketplace counselor is unable to determine available marketplace plans based on the benefit recipient's address or other demographic information. The marketplace counselor will notify SERS when a marketplace plan cannot be determined based on the circumstances.

(C) Enrollment

- (1) Except as otherwise provided in this rule, an eligible benefit recipient may enroll in school employees retirement system's health care coverage only at the time the benefit recipient applies for an age and service retirement, disability benefit, or monthly benefits pursuant to section 3309.45 of the Revised Code.
- (2) An eligible spouse of an age and service retiree or disability benefit recipient may only be enrolled in the system's health care coverage at the following times:
 - (a) At the time the retiree or disability benefit recipient enrolls in school employees retirement system's health care coverage.
 - (b) Within thirty-one days of the eligible spouse's:
 - (i) Marriage to the retiree or disability benefit recipient; or
 - (ii) Involuntary termination of health care coverage under another plan, including a medicare advantage plan, or medicare part D plan.
 - (c) Within ninety days of becoming eligible for medicare.
- (3) An eligible dependent child of an age and service retiree, disability benefit recipient, or deceased member may be enrolled in the system's health care coverage at the following times:
 - (a) At the time the retiree, disability benefit recipient, or surviving spouse enrolls in school employees retirement system's health care coverage.
 - (b) Within thirty-one days of the eligible dependent child's:
 - (i) Birth, adoption, or custody order; or
 - (ii) Involuntary termination of health care coverage under another plan, including a medicare advantage plan, or medicare part D plan.
 - (c) Within ninety days of becoming eligible for medicare.

(D) Cancellation of health care coverage

(1) Health care coverage of a person shall be cancelled when:

- (a) The person's eligibility terminates as provided in paragraph (B)(2) of this rule;
- (b) The person's eligibility terminates as provided in paragraph (B)(3) of this rule;
- (c) The person's eligibility terminates as provided in paragraph (B)(4) of this rule;
- (d) The person's eligibility terminates as provided in paragraph (B)(5) of this rule;
- (e) The person's health care coverage is cancelled for default as provided in paragraph (F) of this rule;
- (f) The person's health care coverage is waived as provided in paragraph (G) of this rule;
- (g) The person's health care coverage is cancelled due to the person's enrollment in a medicare advantage plan or medicare part D plan as provided in paragraph (H) of this rule;
- (h) The health care coverage of a dependent is cancelled when the health care coverage of a benefit recipient is cancelled; or
- (i) The person's benefit payments are suspended for failure to submit documentation required to establish continued benefit eligibility under division (B)(2)(b)(i) of section 3309.45 of the Revised Code, division (F) of section 3309.39 of the Revised Code, division (D) of section 3309.41 of the Revised Code, or division (D) of section 3309.392 of the Revised Code.

(E) Effective date of coverage

- (1) Except as provided in paragraph (E)(2) of this rule, the~~The~~ effective date of health care coverage for persons eligible for health care coverage as set forth in paragraph (B) of this rule shall be as follows:
- (a) For a disability benefit recipient or dependent of a disability benefit recipient, health care coverage shall be effective on the first of the month following the determination and recommendation of disability to the retirement board or on the benefit effective date, whichever is later.
 - (b) For an age and service retiree or dependent of an age and service retiree, health care coverage shall be effective on the first of the month following the date that the retirement application is filed with the retirement system or on the benefit effective date, whichever is later.
 - (c) For an eligible dependent of a deceased member, deceased disability benefit recipient, or deceased age and service retiree, health care coverage shall be effective on the effective date of the benefit if the appropriate application is received within three months of the date of the member's or retiree's death, or the first of the month following the date that the appropriate application is received if not received within three months of the date of the member's or retiree's death.

(2) The effective date of coverage for a person described in paragraph (B)(6) of this rule shall be the later of the following:

(a) The date provided under paragraph (E)(1) of this rule; or

(b) The first of the month following completion of counseling.

A benefit recipient may elect to defer SERS health care coverage until their first available marketplace plan effective date.

(F) Premiums

- (1) Payment of premiums for health care coverage shall be by deduction from the benefit recipient's monthly benefit. If the full amount of the monthly premium cannot be deducted from the benefit recipient's monthly benefit, the benefit recipient shall be billed for the portion of the monthly premium due after any deduction from the monthly benefit.
- (2) Premium payments billed to a benefit recipient shall be deemed in default after the unpaid premiums for coverage under this rule and supplemental health care coverage under rule 3309-1-64 of the Administrative Code reach a total cumulative amount of at least three months of billed premiums. The retirement system shall send written notice to the benefit recipient that payments are in default and that coverage will be cancelled on the first day of the month after the date of the notice unless payment for the total amount in default is received prior to the date specified in the notice. If coverage is cancelled due to a recipient's failure to pay premium amounts in default, the recipient shall remain liable for such amounts due for the period prior to cancellation of coverage.
- (3) After cancellation for default, health care coverage can be reinstated as provided in paragraph (I) of this rule, or upon submission of an application for reinstatement supported by medical evidence acceptable to SERS that demonstrates that the default was caused by the benefit recipient's physical or mental incapacity. "Medical evidence" means documentation provided by a licensed physician of the existence of the mental or physical incapacity causing the default. Health care coverage reinstated after termination for default shall be effective on the first of the month following the date that the application for reinstatement is approved and payment for the total amount in default is received.
- (4) A person enrolled in SERS' health care plan cannot receive a premium subsidy unless that person is:
 - (a) A dependent child.
 - (b) An age and service retiree:
 - (i) An age and service retiree with an effective retirement date before August 1, 1989; or
 - (ii) An age and service retiree with an effective retirement date on or after August 1, 1989 and before August 1, 2008 who had earned fifteen years of service credit; or

(iii) An age and service retiree with an effective retirement date on or after August 1, 2008 who had earned twenty years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, and who;

(a) Was eligible to participate in the health care plan of his or her employer at the time of retirement or separation from SERS service; or

(b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding retirement or separation from SERS service.

(c) A disability benefit recipient:

(i) A disability benefit recipient with an effective benefit date before August 1, 2008; or

(ii) A disability benefit recipient with an effective benefit date on or after August 1, 2008 who:

(a) Was eligible to participate in the health care plan of his or her employer at the time of separation from SERS service; or

(b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding separation from SERS service.

(d) A spouse:

(i) A spouse or surviving spouse of an age and service retiree or disability benefit recipient with an effective retirement date or benefit date before August 1, 2008 who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code;

(ii) A spouse or surviving spouse of an age and service retiree or disability benefit recipient with an effective retirement date or benefit date on or after August 1, 2008 who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, and who:

(a) Was eligible to participate in the health care plan of his or her employer at the time of retirement or separation from SERS service; or

(b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding retirement or separation from SERS service.

(iii) A surviving spouse of a deceased member who had earned twenty-five years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, with an effective benefit date before August 1, 2008; or

(iv) A surviving spouse of a deceased member who had earned twenty-five

years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code, with an effective benefit date on or after August 1, 2008, and the member;

(a) Was eligible to participate in the health care plan of his or her employer at the time of death or separation from SERS service; or

(b) Was eligible to participate in the health care plan of his or her employer at least three of the last five years of service preceding the member's death or separation from SERS service.

(e) For purposes of determining eligibility for a subsidy under paragraph (F)(4) of this rule, when the last contributing service of an age and service retiree, disability benefit recipient, or member was as an employee as defined by division (B)(2) of section 3309.01 of the Revised Code, the health care plan participation requirement shall be if the individual would have been eligible for the public employer's health care plan if the individual were an employee as defined by division (B)(1) of section 3309.01 of the Revised Code.

(f) Any other individual covered under a SERS health care plan shall be eligible for a premium subsidy under the standard set forth for spouses.

(g) In all cases of doubt, the retirement board shall determine whether a person enrolled in a SERS health care plan is eligible for a premium subsidy, and its decision shall be final.

(G) Waiver

(1) A benefit recipient may waive health care coverage by completing and submitting a SERS waiver form to SERS.

(2) The health care coverage of a benefit recipient's dependent may be waived as follows:

(a) For non-medicare eligible dependents, the benefit recipient may waive their coverage by completing and submitting a signed written request to SERS on their behalf.

(b) For medicare eligible dependents, the dependent may waive their coverage by completing and submitting a signed written request to SERS.

(H) Medicare advantage or medicare part D

SERS shall cancel the health care coverage of a benefit recipient or dependent who enrolls in a medicare advantage or medicare part D plan that is not offered by the system.

(I) Reinstatement to SERS health care coverage

(1) An eligible benefit recipient, or dependent of a benefit recipient with health care coverage, whose coverage has been previously waived or cancelled may be reinstated to SERS health care coverage by filing a health care enrollment application as follows:

- (a) The application is received no later than ninety days after becoming eligible for medicare. Health care coverage shall be effective the later of the first day of the month after becoming medicare eligible or receipt of the enrollment application by the system;
 - (b) The application is received no later than thirty-one days after involuntary termination of coverage under medicaid. Health care coverage shall be effective the later of the first day of the month after termination of coverage or receipt of proof of termination and the enrollment application by the system; or
 - (c) The application is received no later than thirty-one days after involuntary termination of coverage under another plan, medicare advantage plan, or medicare part D plan with proof of such termination. Health care coverage shall be effective the later of the first day of the month after termination of the other plan or receipt of proof of termination and the enrollment application by the system.
- (2) An eligible person whose coverage was cancelled pursuant to paragraph (D)(1)(i) of this rule shall be reinstated to SERS health care plan when benefit payments are reinstated.
 - (3) An eligible person whose coverage was cancelled pursuant to paragraph (D)(1)(b) of this rule may be reinstated to SERS health care plan when they no longer have access to the medical plan of an employer by filing a health care enrollment application within thirty-one days of the employment ending.
 - (4) An eligible benefit recipient or dependent of a benefit recipient with health care coverage, whose coverage has been previously cancelled and who is enrolled in medicare parts A and B or medicare part B only on December 31, 2007 may be reinstated to SERS health care coverage by filing a healthcare enrollment application during the period of time beginning October 1, 2007 and ending November 30, 2007. Health care coverage shall be effective January 1, 2008.
 - (5) An eligible benefit recipient or dependent of a benefit recipient with health care coverage, whose coverage has been previously cancelled pursuant to paragraph (H) of this rule and who is enrolled in medicare parts A and B or medicare part B only on June 30, 2009 may be reinstated to SERS health care coverage by filing a health care enrollment application during the period of time beginning May 21, 2009 and ending July 15, 2009.
 - (6) An eligible benefit recipient who had an effective retirement or benefit date on or after August 1, 2008, who qualifies for a premium subsidy under paragraph (F)(4) of this rule, and whose coverage has previously been waived as provided in paragraph (G) of this rule, may be reinstated to school employees retirement system health care coverage by submitting a complete health care enrollment application on or before December 14, 2012. Health care coverage shall be effective January 1, 2013.
 - (7) An eligible benefit recipient for whom SERS is transferring funds to another Ohio retirement system in accordance with paragraph (G) of rule 3309-1-55 of the Administrative Code may be reinstated to SERS health care coverage by submitting a health care enrollment application during open enrollment periods for health care coverage starting January 1, 2015 or January 1, 2016.

(J) Medicare part B

- (1) A person who is enrolled in SERS' health care shall enroll in medicare part B at the person's first eligibility date for medicare part B. A person who fails to enroll in or maintain medicare part B coverage shall be ineligible for SERS health care coverage in accordance with paragraph (B)(5) of this rule.
- (2)
 - (a) The board shall determine the monthly amount paid to reimburse an eligible benefit recipient for medicare part B coverage. The amount paid shall be no less than forty-five dollars and fifty cents, except that the board shall make no payment that exceeds the amount paid by the recipient for the coverage.
 - (b) As used in paragraph (J) of this rule, an "eligible benefit recipient" means:
 - (i) An eligible person who was a benefit recipient and was eligible for medicare part B coverage before January 7, 2013, or
 - (ii) An eligible person who is a benefit recipient, is eligible for medicare part B coverage, and is enrolled in SERS' health care.
- (3) The effective date of the medicare part B reimbursement to be paid by the board shall be as follows:
 - (a) For eligible benefit recipients who were a benefit recipient and were eligible for medicare B coverage before January 7, 2013 the later of:
 - (i) January 1, 1977; or
 - (ii) The first of the month following the date that the school employees retirement system received satisfactory proof of coverage.
 - (b) For eligible benefit recipients not covered under paragraph (J)(3)(a) of this rule, the later of:
 - (i) The first month following the date that the school employees retirement system received satisfactory proof of coverage, or
 - (ii) The effective date of SERS health care.
- (4) The board shall not:
 - (a) Pay more than one monthly medicare part B reimbursement when a benefit recipient is receiving more than one monthly benefit from this system; nor
 - (b) Pay a medicare part B reimbursement to a benefit recipient who is eligible for reimbursement from any other source.

History: 9/30/21, 6/5/20, 1/2/20, 5/3/19, 10/13/16, 8/13/15, 12/4/14, 7/12/14, 1/1/14, 3/8/13, 1/7/13 (Emer.), 9/30/12, 8/14/11, 9/26/10, 7/1/10 (Emer.), 6/11/10, 8/10/09, 5/22/09 (Emer.), 1/8/09, 8/8/08,

12/24/07, 9/28/07 (Emer.), 3/1/07, 1/2/04, 6/13/03, 11/9/98,
8/10/98, 1/2/93, 7/20/89, 3/20/80, 1/1/77

Promulgated Under: 111.15
Statutory Authority: 3309.04
Rule Amplifies: 3309.69
Review Date: 2/1/24


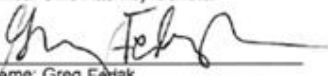
Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

BALLOT CERTIFICATION – EMPLOYEE MEMBER

The Executive Director submitted the following certification of the Judges on the canvass of the vote for the election of one employee member to the Retirement Board for the term beginning July 1, 2023:

March 7, 2023	
To the Retirement Board of the School Employees Retirement System of Ohio:	
This is to certify that we, as Judges, appointed by the Retirement Board of the School Employees Retirement System, met in the office of the Retirement System on March 7, 2023, for the election of one employee-member board member to the Retirement Board to serve for a term of four (4) years, beginning July 1, 2023.	
Aimee Russell	7,265
Becky Roe	2,581
Write-in	13
Blank/Invalid	37
Abstain	_____
Total	9876


Name: Samuel A. Poppers III Office: Ohio Attorney General

Name: Greg Fedak Office: Ohio Secretary of State

_____ moved and _____ seconded that the certification be accepted and made a matter of record and that Aimee Russell be declared an elected employee member of the Retirement Board for a term of four years beginning July 1, 2023.

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

**SERS
TECHNOLOGY
COMMITTEE
REPORT**

**SERS
COMPENSATION
COMMITTEE
REPORT**

EXECUTIVE SESSION

_____ moved and _____ seconded the motion that the Board convene in 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.

Upon roll call, the vote was as follows:

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

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

Only If Needed

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.

<u>ROLL CALL:</u>	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN</u>
Frank Weglarz	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Barbra Phillips	_____	_____	_____
James Rossler	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

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

CALENDAR DATES FOR SERS BOARD MEETINGS FOR 2023 **

AUDIT COMMITTEE MEETINGS

June 14, 2023 – 2:30 p.m. (Weds.)
September 20, 2023 - 2:30 p.m. (Weds.)
December 20, 2023 – 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

June 15, 2023 – 7:30 a.m. (Thurs.)
July 20, 2023 – 7:30 a.m. (Thurs.) * ***Special Meeting*** *
September 21, 2023 – 7:30 a.m. (Thurs.)
December 21, 2023 – 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

June 15, 2023 – 12:30 p.m. (Thurs.)
September 21, 2023 – 12:30 p.m. (Thurs.)
December 21, 2023 – 12:30 p.m. (Thurs.)

BOARD MEETINGS

April 20 – 21, 2023 - 8:30 a.m. (Thurs. and Fri.)
May 18 – 19, 2023 - 8:30 a.m. (Thurs. and Fri.)
June 15 – 16, 2023 - 8:30 a.m. (Thurs. and Fri.)
July 20 – 21, 2023 - 8:30 a.m. (Thurs. and Fri.)
September 21 – 22, 2023 - 8:30 a.m. (Thurs. and Fri.)
October 19 – 20, 2023 - 8:30 a.m. (Thurs. and Fri.)
November 16 – 17, 2023 - 8:30 a.m. (Thurs. and Fri.)
December 21 – 22, 2023 - 8:30 a.m. (Thurs. and Fri.)

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

CALENDAR DATES FOR SERS BOARD AND COMMITTEE MEETINGS FOR 2024 **

AUDIT COMMITTEE MEETINGS

March 20, 2024 – 2:30 p.m. (Weds.)
June 19, 2024 – 2:30 p.m. (Weds.)
September 18, 2024 - 2:30 p.m. (Weds.)
December 18, 2024 – 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

March 21, 2024 – 7:30 a.m. (Thurs.)
June 20, 2024 – 7:30 a.m. (Thurs.)
July 18, 2024 – 7:30 a.m. (Thurs.) * **Special Meeting** *
September 19, 2024 – 7:30 a.m. (Thurs.)
December 19, 2024 – 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

March 21, 2024 – 12:30 p.m. (Thurs.)
June 20, 2024 – 12:30 p.m. (Thurs.)
September 19, 2024 – 12:30 p.m. (Thurs.)
December 19, 2024 – 12:30 p.m. (Thurs.)

BOARD MEETINGS

February 15 - 16, 2024 - 8:30 a.m (Thurs. and Fri.)
March 21 - 22, 2024 – 8:30 a.m (Thurs. and Fri.)
April 18 – 19, 2024 - 8:30 a.m. (Thurs. and Fri.)
May 16 – 17, 2024 – 8:30 a.m (Thurs. and Fri.)
June 20 - 21, 2024 - 8:30 a.m (Thurs. and Fri.)
July 18 – 19, 2024 – 8:30 a.m. (Thurs. and Fri.)
September 19 – 20, 2024 – 8:30 a.m. (Thurs. and Fri.)
October 17 – 18, 2024 – 8:30 a.m. (Thurs. and Fri.)
November 21 – 22, 2024 – 8:30 a.m (Thurs. and Fri.)
December 19 – 20, 2024 – 8:30 a.m (Thurs. and Fri.)

**** Please note that these dates and times are tentative.**

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(R)

_____ moved that the SERS Retirement board adjourn to meet on for their next regularly scheduled meeting.

The meeting adjourned at _____ a.m./p.m.

Frank Weglarz – Vice Chair

Richard Stensrud, Secretary