

**SERS Retirement Board Agenda
July 15, 2021**

Click the link to join the Zoom meeting:

<https://ohsers.zoom.us/j/96779101859?pwd=OFIzTStnc29GY084N0pKb01mT2FiQT09>

Meeting ID: 967 7910 1859 **Password:** 392518

To join by phone, dial: (301) 715-8592 & enter the meeting ID: **967 7910 1859** and password: **392518**

PLEDGE OF ALLEGIANCE

1. Oath of Office (3)
2. Roll Call

CONSENT AGENDA (R)

3. Approval of the June 17, 2021, Retirement Board Meeting Minutes
4. Summary of Investment Transactions – **May 1, 2021 to May 31, 2021**
5. Retirement Report
 - Superannuation and Survivor Benefits
 - Special Cases
6. Disability Report
 - Approval of Disability Benefits
 - Disapproval of Disability Benefits
 - Termination of Disability Benefits – Any Occupation

INVESTMENT REPORT

7. Monthly Investment Report

EXECUTIVE DIRECTOR'S REPORT

8. Executive Director's Update
 - Delegate Selection of Compensation & Classification Study Vendor (R)
 - Filing of Proposed Amended Administrative Rule (R)
9. Review of Administrative Expenses

TECHNOLOGY COMMITTEE REPORT

10. Technology Committee Update

RETIREMENT REPORT

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

BOARD COMMUNICATION AND POLICY ISSUES

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

EXECUTIVE DIRECTOR'S REPORT (cont.)

14. Board Self-Assessment Discussion – Amy McDuffee, Mosaic Governance Advisors, LLC

Adjournment (R)

OATH OF OFFICE

OATH OF OFFICE OF JAMES HALLER
MEMBER OF THE RETIREMENT BOARD OF THE
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

STATE OF OHIO _____)
_____) ss:
COUNTY OF FRANKLIN)

I, JAMES HALLER, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Ohio; that I will not knowingly violate or willfully permit to be violated any of the provisions of law applicable to this Retirement System, and that I will diligently and honestly administer the affairs of the said office and duties as a member of the Retirement Board of the School Employees Retirement System of Ohio during the period for which I was appointed.

JAMES HALLER

SWORN TO and SUBSCRIBED before me this 15th day of July 2021.

Notary Public

ATTESTED BY:

Richard Stensrud, Executive Director

Barbra Phillips, Chairperson

OATH OF OFFICE

OATH OF OFFICE OF BARBRA PHILLIPS
MEMBER OF THE RETIREMENT BOARD OF THE
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

STATE OF OHIO _____)
_____) ss:
COUNTY OF FRANKLIN)

I, BARBRA PHILLIPS, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Ohio; that I will not knowingly violate or willfully permit to be violated any of the provisions of law applicable to this Retirement System, and that I will diligently and honestly administer the affairs of the said office and duties as a member of the Retirement Board of the School Employees Retirement System of Ohio during the period for which I was appointed.

BARBRA PHILLIPS

SWORN TO and SUBSCRIBED before me this 15th day of July 2021.

Notary Public

ATTESTED BY:

Richard Stensrud, Executive Director

Jeffrey DeLeone, Vice-Chairperson

OATH OF OFFICE

OATH OF OFFICE OF FRANK WEGLARZ
MEMBER OF THE RETIREMENT BOARD OF THE
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

STATE OF OHIO _____)
_____) ss:
COUNTY OF FRANKLIN)

I, FRANK WEGLARZ, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Ohio; that I will not knowingly violate or willfully permit to be violated any of the provisions of law applicable to this Retirement System, and that I will diligently and honestly administer the affairs of the said office and duties as a member of the Retirement Board of the School Employees Retirement System of Ohio during the period for which I was appointed.

FRANK WEGLARZ

SWORN TO and SUBSCRIBED before me this 15th day of July 2021.

Notary Public

ATTESTED BY:

Richard Stensrud, Executive Director

Barbra Phillips, Chairperson

FY2022 SERS Board Roll Call

Roll Call:

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

CONSENT AGENDA – JULY 15, 2021

1. Minutes of the **June 17, 2021** Retirement Board Meeting
2. Summary of Investment Transactions – **May 1, 2021 through May 31, 2021**
3. Retirement Report
 - a. Superannuation and Survivor Benefits
 - b. Special Cases
4. Disability Report
 - a. Approval of Disability Benefits
 - b. Disapproval of Disability Benefits
 - c. Termination of Disability Benefits – 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 **June 17, 2021** Retirement Board meeting
2. Summary of Investment Transactions – **May 1, 2021 through May 31, 2021**
3. Retirement Report
 - a. Superannuation and Survivor Benefits
 - b. Special Cases
4. Disability Report
 - a. Approval of Disability Benefits
 - b. Disapproval of Disability Benefits
 - c. Termination of Disability Benefits – Any Occupation

Upon roll call, the vote was as follows:

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

SERS Retirement Board Meeting Minutes

June 17, 2021

Pledge of Allegiance

The SERS Retirement Board meeting convened at 8:41 a.m. with the pledge of allegiance.

Roll Call

Following the Pledge of Allegiance, the roll call was as follows: Hugh Garside, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Barbra Phillips. Also attending virtually was Samuel Peppers, representative of the Ohio Attorney General's Office, Joanna Bewick and David Lindberg of Wilshire Associates, various members of the SERS staff, and members of the public. SERS also welcomed the first in-person guest since the pandemic began in March 2020.

Consent Agenda

The consent agenda for June 17, 2021, included:

- Minutes from the May 20, 2021 board meeting
- Summary of Investment Transactions for the period of April 1, 2021, through April 30, 2021
- Retirement Report – Superannuation and Survivor Benefits and Special Cases
- Disability Report – Approval of Disability Benefits, Disapproval of Disability Benefits, Termination of Disability Benefits – Any Occupation, and additions

Catherine Moss moved and James Haller seconded the motion to approve the Consent Agenda of the Retirement Board meeting held on Thursday, June 17, 2021. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

Investment Report

The Investment Report session convened at 8:43am.

Investment Committee Policy - Redline

Farouki Majeed, Chief Investment Officer, discussed the changes being made to the Investment Committee Policy, as certified by Executive Director and CIO.

Annual Investment Plan

Mr. Majeed reviewed the redline changes to the Annual Investment Plan (AIP) as discussed during the May Board meeting for the FY2022 AIP.

Barbra Phillips moved and Jeffrey DeLeone seconded the motion to approve the Annual Investment Plan for fiscal year ending June 30, 2022, which replaces the FY2021 Annual Investment Plan, originally approved on June 18, 2020. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. Abstain: Matthew King. The motion carried.

Monthly Investment Report

Mr. Majeed provided a summary of the Investment report for period ending April 30, 2021. The FYTD return as of April 30, 2021, was 23.57%. As of May 30, 2021, the Total Fund was \$17.45 billion with an FYTD return of 24.2%. Following discussion, the Board thanked Mr. Majeed for his presentation.

The Investment Report concluded at 9:39 a.m.

SERS Retirement Board Meeting Minutes

June 17, 2021

Executive Director's Report

COVID-19 Health Care Report

SERS Executive Director, Richard Stensrud, reported that to date, 2,995 COVID-19 cases have been reported in SERS' Medicare plan, with 266 deaths. Sixty-two cases have been reported since last month and four deaths. In the pre-Medicare plan, 1,500 vaccinations have been reported, representing approximately 39% of the participants in that plan.

Return to Office Plan Update

Mr. Stensrud reported all SERS' staff are now working in the building through a weekly rotation schedule beginning June 1 and June 7 (50% on-site alternating weeks). Starting July 6, SERS will complete the phased return to the office plan with all Staff working on-site. During July and August there will be a modest remote work program where most of the staff will have the option to work remotely one day per week as SERS assesses operating model variations and the technology capabilities and tools necessary to support those models. Mr. Stensrud stated the first goal is for the staff to reconnect and renew the culture and commitment to SERS' mission that has set SERS apart. Mr. Stensrud said he expects that going forward SERS will maintain a substantial onsite operation but will look to complement that with remote operations that help maintain operational continuity, enhance adaptability and expand customer service capability.

Advocacy Groups

Mr. Stensrud has been meeting with representatives of SERS key stakeholder groups to get feedback and answer questions about recent sustainability topics such as the CBBC (Compensation Based Benefit Cap). Mr. Stensrud and staff have also been meeting with new legislators and introducing them to SERS, discussing the status of the various benefit plans SERS provides, and noting what distinguishes SERS from other systems. Those discussions have been positive, and stakeholders appreciate being able to have these conversations about the issues the Board is working on.

Ohio Retirement Study Council

Mr. Stensrud reported the June ORSC meeting was cancelled. The next scheduled meeting is July 8th, or at the call of the chairman. Mr. Stensrud noted that the meetings are now live streamed so interested parties can attend remotely.

State Legislative Activity

Mr. Stensrud reported on efforts by SERS and the other statewide retirement systems to place an amendment in the state operating budget bill to allow SERS to establish a policy to allow retirement system board members to continue to attend board meetings using teleconference or video conference technology beyond the current expiration for such authority at the end of June.

The Senate version of the budget bill did not include this language, and in fact the Senate rolled back many of the temporary provisions in place since the pandemic started, including temporary language to extend authorization for public bodies to meet via electronic technology through the end of this year. The sense is that the Senate majority felt that with the reduced number of COVID-19 cases statewide that public entities need to return to the normal practices in place prior to the pandemic as of July 1st.

SERS Retirement Board Meeting Minutes

June 17, 2021

Although that does not affect the ability of SERS to continue to voluntarily broadcast Board meetings using Zoom, it does mean that Board members will need to be physically on site to be considered present and that members of the public will be able to attend the meetings in person again. Mr. Stensrud stated SERS continues to feel that having the additional flexibility to have board members attend meeting remotely on occasion could still be beneficial even post-pandemic. SERS staff will work with legislative leaders to try and address this issue in another bill in the future.

Federal Legislative Activity

Mr. Stensrud reported that discussions with staff from the offices of Reps. Marcy Kaptur (D-OH) and Tim Ryan (D-OH) possible steps to strengthen the HRA Excepted Benefit Plan and reinstate authority for the Limited Wraparound Plan. The hope is that the new administration will be more receptive to potential changes to the current \$1,800 per household reimbursement cap.

Mr. Stensrud also stated SERS has been working with other plan sponsors, industry organizations and providers to create a white paper to educate Congress on EGWP plans like the one at SERS as discussion continues around prescription drug reform for Medicare Part D. SERS also continues to work through the Public Sector HealthCare Roundtable to advocate for a solution to address the high cost of prescription drugs.

Joint Trustee Training

Mr. Stensrud reported that plans are being developed for a joint trustee investment education session the morning of August 25th. It is anticipated that the investment consultants for SERS, STRS, OPERS and RV Kuhn (on behalf of the ORSC) will present their outlook for the next 1, 3 and 5-year periods, provide observations on specific asset classes, and their views of the investment world in general in the coming years. The training will likely be via Zoom.

A second training session is being contemplated, most likely in late October or early November, to discuss actuarial issues. Actuaries from OPERS, OP&F and HPRS and PTA/KMS (on behalf of the ORSC), will present at that session. Additional details will be provided when they become available.

Board Self-Evaluation Program

Mr. Stensrud reported that work was underway by Mosaic Governance Advisors, the consultant engaged to assist the Board in developing a Board self-evaluation program, and that Mosaic would be presenting and discussing their report with the Board in July.

Operation Feed Update

Mr. Stensrud reported that notwithstanding the reduced onsite operations, staff once again participated in the annual food drive by the MidOhio Foodbank. Donations were accepted online from June 1-11, and they allowed donated food and basic needs items to be dropped off on the 7th floor. There was also a contest created for staff to enter a photograph or drawing for a \$5 donation. The online fundraiser is currently at @ \$1,100 and Mr. Stensrud thanked staff for their generosity.

Actuarial Consulting Services Update

Tracy Valentino, SERS Chief Financial Officer, provided an update on the selection of an actuary. Several Requests for Proposal were received and after extensive review, the SERS staff recommends continuing working with Cavanaugh Macdonald. Ms. Valentino answered questions from the board regarding cost, scope of work and services provided, and an actuarial audit. The ORSC requires an actuarial audit every 10 years, and it is scheduled to occur in 2023 or 2024. The board requested that the audit be moved up to confirm the actuaries are reasonable, prudent, and correct. Another firm will conduct the actuarial audit

SERS Retirement Board Meeting Minutes

June 17, 2021

on the work being performed by Cavanaugh Macdonald. After discussion, the board approved the recommendation to continue working with Cavanaugh Macdonald.

It was moved by Frank Weglarz and seconded by Jeffrey DeLeone to select Cavanaugh Macdonald to provide actuarial consulting services for SERS for a five-year term beginning on July 1, 2021, as discussed in the Board meeting on June 17, 2021, subject to documentation satisfactory to legal counsel. Be it further provided that the Executive Director is authorized to execute any documents necessary to finalize this selection. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

It was moved by Barbra Phillips and seconded by James Haller that SERS conduct an actuarial audit of its actuarial consultant no later than the end of Fiscal Year 2023. The Executive Director is authorized to issue an RFP for a vendor to conduct the actuarial audit. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

Administrative Rule

Dawn Viggiano, SERS Senior Staff Counsel, reported on the proposed administrative rule change. This amendment would add a provision to provide employer liability for any errors. The amendment allows the board to seek reimbursements for errors and the costs incurred due to the errors. This amendment aligns with the STERS administrative rule. The board suggested that the language in the amendment be updated to remove sole discretion by the board. The board agreed the decision to seek reimbursement should be explicit and not at the discretion of the board. SERS legal counsel updated the document and presented it later in the meeting.

Catherine Moss moved and Barbra Phillips seconded that the proposed amended rule 3309-1-18 be filed with JCARR as discussed. Item (K) was updated and states: An employer shall repay the retirement system for any amounts paid by the retirement system as a result of employer errors in reporting or certifying information to the retirement system. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

Administrative Budget

Tracy Valentino reviewed the Fiscal Year Budget Evaluation document with the board. This document shows budget-to-actual over the last 10 years. The budget increased an average of 2.3% per year and each year, the budget is consistently underspent. After a robust discussion, Ms. Valentino asked the board to approve the Fiscal Year 2022 SERS Administrative Budget as presented in the May 20, 2021, board meeting.

<u>Expense Classification</u>	<u>Budget</u>
<i>Personnel</i>	\$ 23,290,658
<i>Professional Services (including Investment-Related Consultants)</i>	6,829,361
<i>Communications</i>	952,450
<i>Other Operating Expenses</i>	<u>3,087,980</u>
<i>SERS Administrative Expenses</i>	\$ 34,160,449
<i>Administrative Capital</i>	<u>280,351</u>
Administrative Budget	\$ 34,440,800

SERS Retirement Board Meeting Minutes

June 17, 2021

Be it further provided that the Board has reviewed the estimated fees and expenses for operation of the investment program and authorizes the payment of actual fees to such service providers and in such amounts as is set by the contract with the individual service providers.

Catherine Moss moved and Frank Weglarz seconded that the above-mentioned budget of \$34,440,800 for the fiscal year beginning July 1, 2021, and ending June 30, 2022 be approved, with such approval effective June 30, 2021. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

Operating Transfer Resolution – Fiscal Year 2022

Barbra Phillips moved and Catherine Moss seconded that SERS transfer to OHSERS Holdings, LLC up to \$1,671,292 for payment of building operations and LLC expenses of OSERS Holdings for the fiscal year beginning July 1, 2021 and ending June 30, 2022. OSERS Holdings, LLC shall report quarterly to the SERS Board of Trustees on the expenditure of all funds and receipt of all revenues. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

Agreement for Vocational Evaluation Services

Holly Cox, Assistant Director – Outreach for Member Services, discussed with the board the recommendation to enter into an agreement for Vocational Consulting Services with the following vendors:

- Career Assessment Systems, Inc.
- CareWorks Managed Care Services, Inc.
- New Link Services, LLC
- Vocational Resource Center, Inc.
- Vocational Services Unlimited

The Assistant Director also recommended that the above Vocational Evaluators be compensated at a flat rate of \$650.00 per paper evaluation, and an hourly fee of \$85.00 per hour for an in-person evaluation, not to exceed \$1,000, effective July 1, 2021.

It was moved by Barbra Phillips and seconded by Jeffrey DeLeone to accept the Assistant Director's recommendations. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

Agreement For Vocational Expert Services

Holly Cox, Assistant Director - Outreach for Member Services, discussed with the Board the recommendation to enter an agreement for Vocational Consulting Services with Vocational Expert Kimberly Wickert. The Assistant Director also recommended the Vocational Expert be compensated at an hourly rate of \$90.00, effective July 1, 2021.

It was moved by Catherine Moss and seconded by James Haller to accept the Assistant Director's recommendations.

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

SERS Retirement Board Meeting Minutes

June 17, 2021

Medical Advisory Committee Fees

Holly Cox, Assistant Director – Outreach for Member Services, discussed with the Board the fee for the members of the Medical Advisory Committee to review disability benefit applications. The Assistant Director recommended the fee per case review be raised to \$200.00, effective July 1, 2021.

It was moved by Catherine Moss and seconded by James Haller to accept the Assistant Director's recommendation. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

Executive Director Compensation

At 11:11 a.m., Jeffrey DeLeone moved and Frank Weglarz 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. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

At 11:20 a.m., the board returned to open session.

The SERS Compensation Committee recommends that Executive Director Richard Stensrud receive a 2% merit increase in salary effective the first pay date in Fiscal Year 2022. James Haller moved to adopt the Committee's recommendation. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

Chief Audit Officer Compensation

It was recommended by the SERS Audit Committee that the Chief Audit Officer Jeff Davis receive a 2% merit increase in salary effective the first pay date in Fiscal Year 2022. Frank Weglarz moved to adopt the Committee's recommendation. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

Health Care Update

Christi Pepe, Director of Health Care Services, presented the 2022 Plan and Premium changes for Board approval.

No premium changes were recommended by staff for the Aetna Medicare Plan (PPO). The one Medicare change was the establishment of an Express Scripts Broad Performance Medicare Network. Express Scripts has determined that 98% of Medicare plan enrollees would not be affected by the network requirement. The estimated savings to the SERS' Health Care Fund are calculated to be \$3.3 million due to this change.

On the non-Medicare side, staff recommended increasing Aetna Choice POS II premiums and decreasing AultCare Plan PPO premiums. Benefits will remain the same.

For Wraparound HRA enrollees, staff recommended removing the individual service caps while keeping the overall \$1,800 per family limit of reimbursement.

Ms. Pepe continued by reviewing the 2022 dental and vision plan premiums. Both plans have slight premium decreases. Benefits remain the same for the dental plan; the vision plan's allowance for frames increased to \$200 from \$180.

SERS Retirement Board Meeting Minutes

June 17, 2021

The Board was asked to renew the SERS Premium Discount Program with a new qualifying income level at 150% of the federal poverty level. Due to the possible increase in applications, Ms. Pepe requested that current premium discount enrollees be automatically re-enrolled in the discount program for 2022.

Ms. Pepe initiated a discussion with the Board on requiring Medicare Part B enrollment at age 65 or when eligible. If Medicare is declined, one will not be eligible to participate in the SERS health care program.

Ms. Pepe also reported that SERS' annual cost for Part B eligible but not enrolled is \$2.56 million. For those eligible but not enrolled in Medicare Part A and Part B, SERS gets no federal reimbursement to offset these enrollees' costs.

The Board agreed with the staff recommendation that a change to the Administrative Rules be prepared for the next meeting. This change will make clear that if a member does not obtain Medicare B at the earliest opportunity, eligibility for health care coverage will terminate.

Jeffrey DeLeone moved and James Rossler seconded the motion to approve the 2022 Health Care Premium Discount Program (Safety Net). Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

James Haller moved and Catherine Moss seconded the motion to approve the 2022 Dental and Vision Premiums as described in appendix A of the board materials. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

Catherine Moss moved and James Haller seconded that the Health Care Premiums in Appendix A and the plan design changes in Appendix B be approved. The premiums and plan design changes are effective January 1, 2022. Upon roll call, the vote was as follows: Yea: Barbra Phillips, Jeffrey DeLeone, James Haller, Matthew King, Catherine Moss, James Rossler, Frank Weglarz, Daniel Wilson, and Hugh Garside. The motion carried.

Audit Committee Report

Tracy Valentino and Jeff Davis, SERS Chief Audit Officer, reported on the external audit performed by RSM. Initially the audit will be remote but will be on-site this fall.

Mr. Davis reported on other items such as the disaster recovery plan and the plan to move to a cloud-based data storage system have been discussed. The Audit Committee will work closely with the Technology Committee to come up with a recommendation for the full board. Charters were reviewed with no changes made. All Audit recommendations were addressed. Recently completed audits were reviewed and the auditor is independent with no conflicts of interest. Mr. Davis' FY22 performance goals were also discussed and approved.

The board thanked the Chief Audit Officer for his hard work and dedication.

Board Officer Election

The board selected officers for fiscal year FY22 (July 2021 to June 30, 2022).

Catherine Moss and Frank Weglarz nominated Barbra Phillips to serve as Chairperson. Hugh Garside, current Board Chair, declared Barbra Phillips Chairperson for the fiscal year 2022 (July 2021 to June 30, 2022).

Catherine Moss and Barbra Phillips nominated Jeffrey DeLeone to serve as Vice-Chairperson. Hugh Garside, current Board Chair, declared Jeffrey DeLeone Vice-Chairperson for the fiscal year 2022 (July 2021 to June 30, 2022).

SERS Retirement Board Meeting Minutes

June 17, 2021

Catherine Moss and Jeffrey DeLeone nominated Barbra Phillips to continue serving as Chair of the Audit Committee. Hugh Garside, current Board Chair, declared Barbra Phillips Chair of the Audit Committee for the fiscal year 2022 (July 2021 to June 30, 2022).

Frank Weglarz and Barbra Phillips nominated Daniel Wilson to continue serving as Chair of the Compensation Committee. Hugh Garside, current Board Chair, declared Daniel Wilson as Chair of the Compensation Committee for the fiscal year 2022 (July 2021 to June 30, 2022).

Board Communication and Policy Issues

CALENDAR DATES FOR SERS BOARD MEETINGS FOR 2021 - 2022

REMAINING CALENDAR DATES FOR 2021

AUDIT COMMITTEE MEETINGS

September 15, 2021 - 2:30 p.m. (Weds.)
December 15, 2021 - 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

July 27, 2021 – 9:00 a.m. (Tues.) (*Special Meeting*)
September 16, 2021 - 7:30 a.m. (Thurs.)
December 16, 2021 - 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

July 27, 2021 – 10:00 a.m. (Tues.) (*Special Meeting*)

BOARD MEETINGS

July 15 and 16, 2021 (Thurs. and Fri.)
September 16 and 17, 2021 (Thurs. and Fri.)
October 21 and 22, 2021 (Thurs. and Fri.)
November 18 and 19, 2021 (Thurs. and Fri.)
December 16 and 17, 2021 (Thurs. and Fri.)

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

SERS Retirement Board Meeting Minutes

June 17, 2021

CALENDAR DATES FOR SERS BOARD MEETINGS FOR 2022 **

AUDIT COMMITTEE MEETINGS

March 16, 2022 - 2:30 p.m. (Weds.)
June 15, 2022 - 2:30 p.m. (Weds.)
September 14, 2022 - 2:30 p.m. (Weds.)
December 14, 2022 - 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

March 17, 2022 - 7:30 a.m. (Thurs.)
June 16, 2022 - 7:30 a.m. (Thurs.)
September 15, 2022 - 7:30 a.m. (Thurs.)
December 15, 2022 - 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

TBD

BOARD MEETINGS

February 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)
March 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)
April 21-22, 2022 – 8:30 a.m. (Thurs. and Fri.)
May 19-20, 2022 – 8:30 a.m. (Thurs. and Fri.)
June 16-17, 2022 – 8:30 a.m. (Thurs. and Fri.)
July 21-22, 2022 – 8:30 a.m. (Thurs. and Fri.)
September 15-16, 2022 – 8:30 a.m. (Thurs. and Fri.)
October 20-21, 2022 – 8:30 a.m. (Thurs. and Fri.)
November 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)
December 15-16, 2022 – 8:30 a.m. (Thurs. and Fri.)

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

SERS Retirement Board Meeting Minutes

June 17, 2021

Continued or New Business

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

Recess

James Haller moved that the Board take a recess to reconvene Friday, June 18, 2021, at 8:30 a.m. to continue the board meeting & discuss Pension Sustainability.

The board recessed at 12:11 p.m.

Adjournment

The board reconvened at 8:31 a.m. on Friday, June 18, 2021, to discuss Pension Sustainability.

After robust board discussion, Hugh Garside moved to adjourn to meet on Thursday, July 15, 2021, for the SERS regularly scheduled board meeting. The meeting adjourned at 10:03 a.m.

Barbra Phillips, Chairperson

Richard Stensrud, Secretary

Board Meeting Agenda Item

SCHOOL EMPLOYEES RETIREMENT BOARD OF OHIO

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

The following is a summary of the investment transactions made during the period of **May 1, 2021 through May 31, 2021**. A detailed list of these transactions can be found in the Diligent Board book posted prior to the Retirement Board Meeting.

A. PURCHASES

Asset Class	Approximate Cost (in millions)
Global Equities	\$ 189.8
Fixed Income	366.8
Multi-Asset Strategies	0.2
Private Equity Capital Calls	41.0
Real Asset Capital Calls	1.3
Opportunistic & Tactical	3.8
Global Private Credit	23.5
Cash Equivalents	269.3

B. SALES

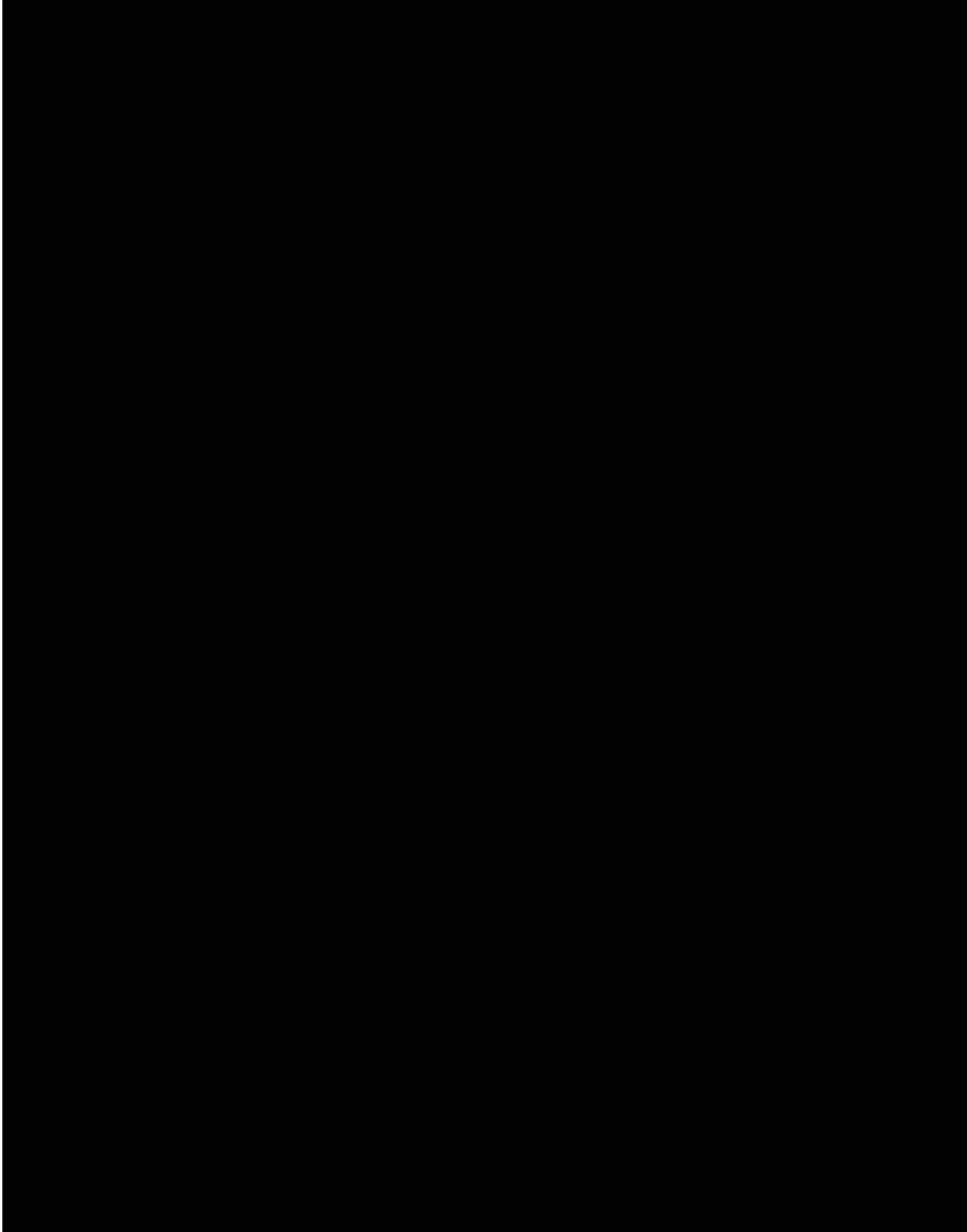
Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
Global Equities	\$258.2	\$ 53.4
Fixed Income	353.4	1.5
Multi-Asset Strategies	0.2	n/a
Private Equity distributions	43.2	n/a
Real Asset distributions	3.7	n/a
Opportunistic & Tactical	n/a	n/a
Global Private Credit	n/a	n/a
Cash Equivalents	224.3	n/a

APPROVAL OF SUPERANNUATION, SURVIVOR BENEFITS, AND TRANSFERS

IT WAS MOVED BY _____ AND SECONDED BY _____ THAT THE FOLLOWING **339** SUPERANNUATION RETIREMENTS, **25** SURVIVOR BENEFITS, AND **4** TRANSFERS BE APPROVED AND, FURTHER, THAT THE PERSONS LISTED BELOW BE GRANTED ALLOWANCES AND BENEFITS IN THE AMOUNTS SET FORTH AND EFFECTIVE AS OF THE DATES GIVEN IN THE REPORT.

A.SUPERANNUATIONS

NAME	WHERE PENSIONED	TRANSFERRED TO
------	-----------------	----------------





Ohio SERS Investment Report

Monthly Report to the Board

For the period ending: May 31, 2021

Prepared by Investment and IAD Staff

Farouki Majeed, Chief Investment Officer

Meeting Date: July 2021

Investment Agenda



- Monthly Investment Report (May 31, 2021)



Economic and Financial Market Outlook

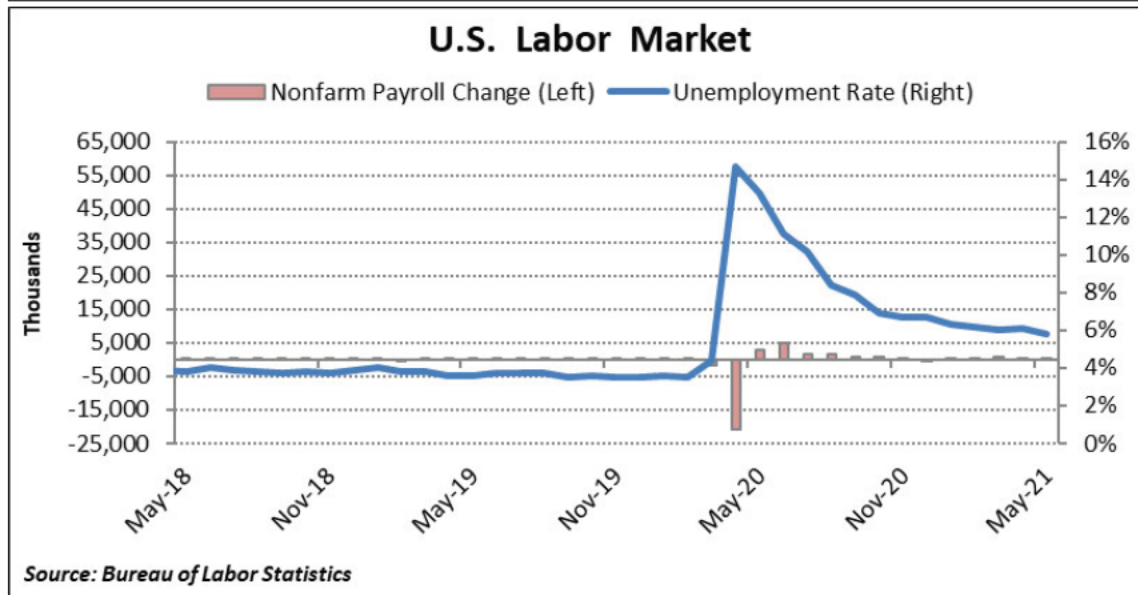
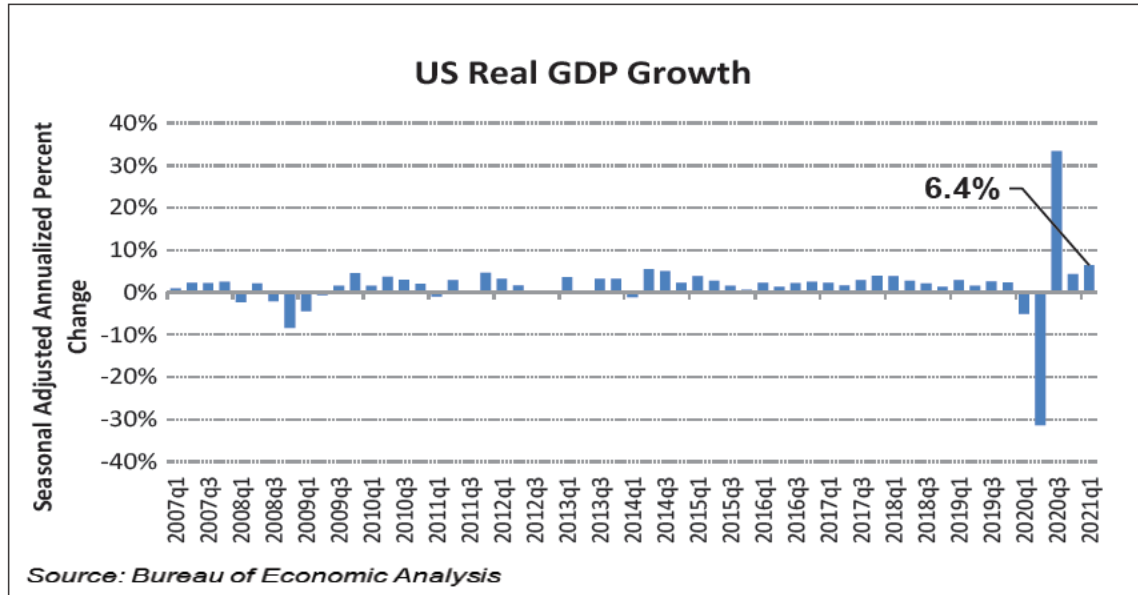
- US economy grew at a strong rate of 6.4% in Q1. The recovery is supported by stimulus and economy reopening following vaccination rollout. BlueChip Consensus forecasted a higher growth in Q2, at 9.6%. *(Source: Bureau of Economic Analysis and June Blue Chip Indicators)*
- US labor market recovery continues, but not as strongly as the broad economy. In May, 559,000 jobs were added, and the unemployment rate was 5.8%. *(Sources: Bureau of Labor Statistics and Department of Labor)*
- The US headline inflation increased to 5.0% in May, the highest level since June 2008. Factors such as supply constraints, labor shortage, and commodity price increases are major contributors to the inflation hike combined with demand increases as the economy opens up. The energy index increased 28.5% for the last 12 months. Other significant increases were noted in used car and truck 21%, and transportation services 11.2%. Core inflation, excluding food and energy, was 3.8%, increased from 3.0% in April. BlueChip Consensus projected a 3.3% headline inflation in 2021. *(Source: Bureau of Labor Statistics and June Blue Chip Indicators)*
- The 10-year Treasury nominal yield was down to 1.58%. As inflation increased, the 10-year real yield slipped to (3.42%), a record low level over several decades. *(Source: <https://www.treasury.gov>)*
- The housing price continued to rise. In April, the S&P Case-Shiller 20-City home price index posted an annual return of 14.9%, as the housing demand continued to outpace the supply.
- The Consumer Sentiment Index released by Thomson Reuters and University of Michigan declined to 82.9, a level slightly lower than the historical average. The US Economic Surprise index was down to 4.4. The Leading Economic Index (LEI) issued by the Conference Board continued its upward trend, reaching 114.5 in May 2021.
- The US manufacturing PMI was at a robust level of 61.2. The JPMorgan Global Manufacturing PMI improved significantly to a strong level of 58.4 in May. *(Source: Institute for Supply Management, Markit).*
- Equity markets were positive in May. While the US markets were modestly up 0.46%, the Non-US Developed markets and Emerging markets generated solid returns of 3.48% and 2.32%, respectively. The market valuation remained rich by major indicators, although retreated from the recent high.
- The US fixed income market, Bloomberg Barclay's US Aggregate Bond Index, was up 0.33% for May.

Notes: Acronym – PMI – Purchasing-Managers' Index



ECONOMY

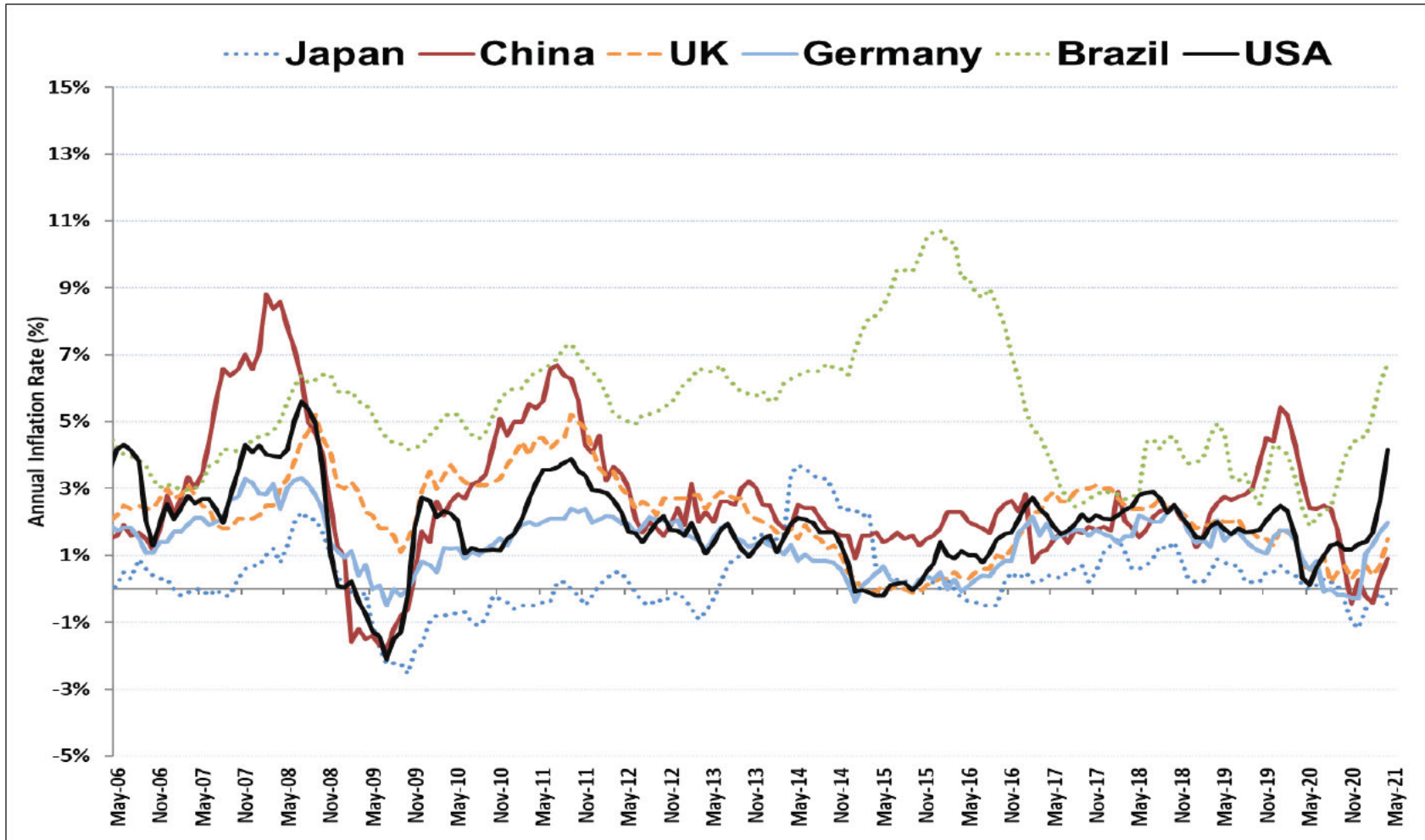
US Real GDP Growth and Labor Market





ECONOMY

Headline Inflation



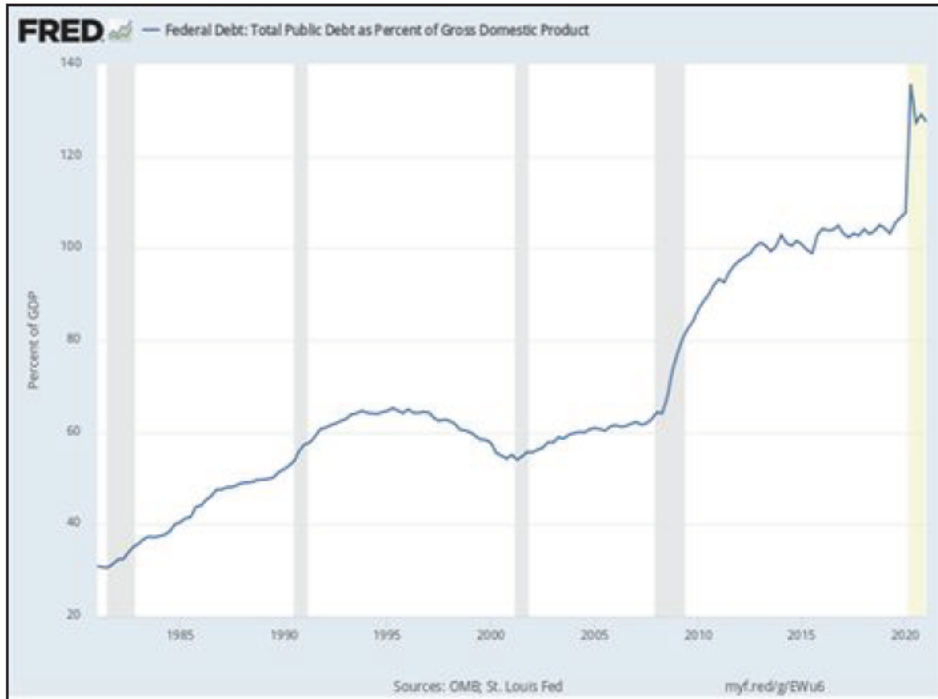
	Japan	China	UK	Germany	Brazil	USA
May-21	-0.1	1.6	2.1	2.6	8.1	5.0

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



ECONOMY

US Government Debt and Federal Reserve's Total Assets



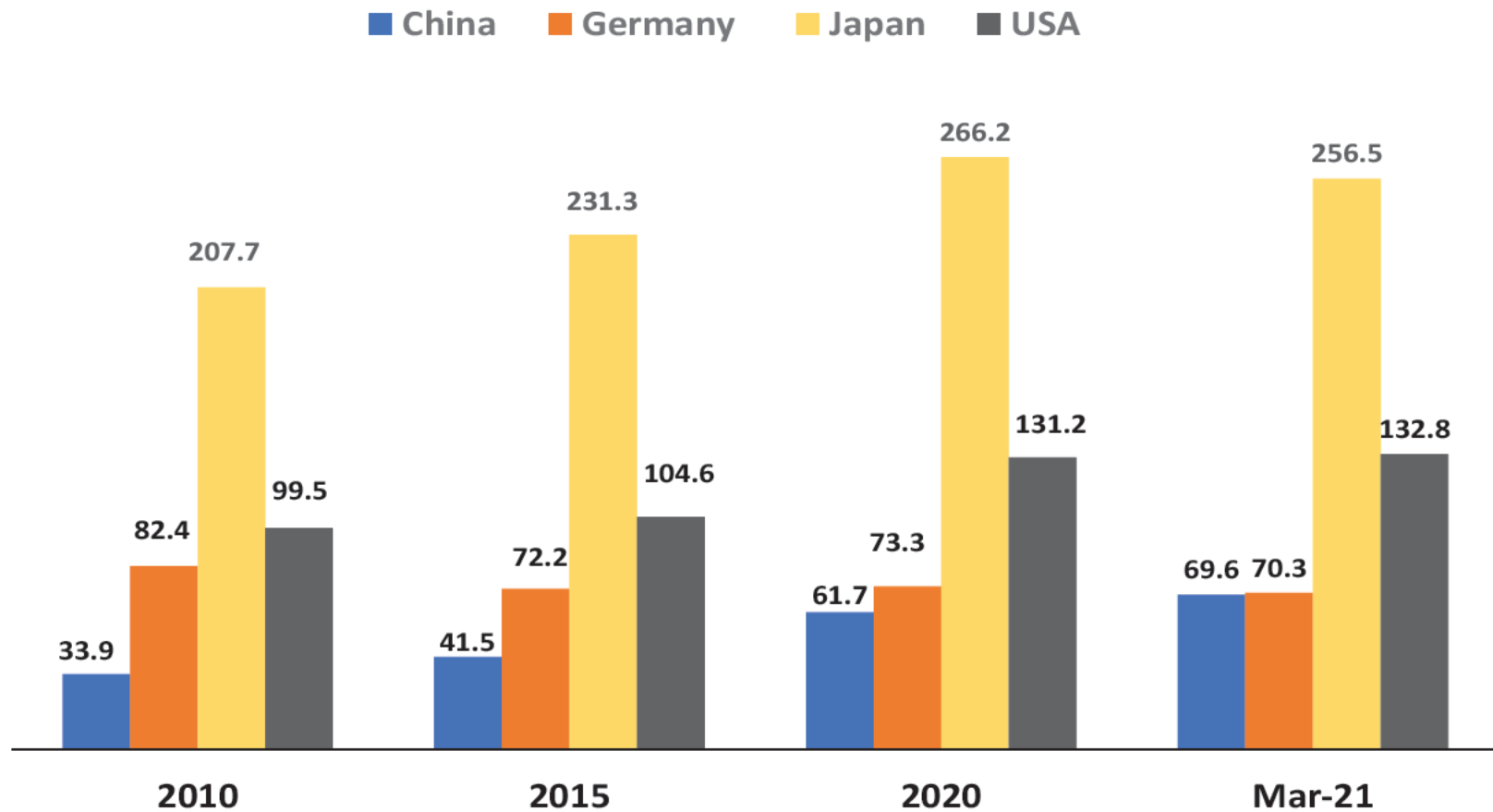
Source: <https://fred.stlouisfed.org>



ECONOMY

Government Debt

Government Gross Debt (Percent of GDP)

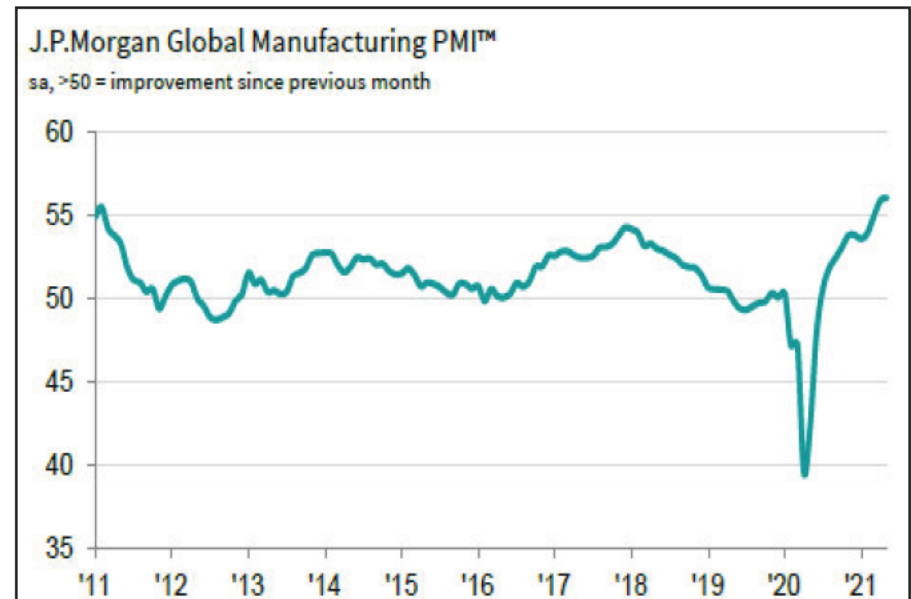


Source: www.imf.org, IMF data – April 2021



ECONOMY

US & Global Manufacturing Activities

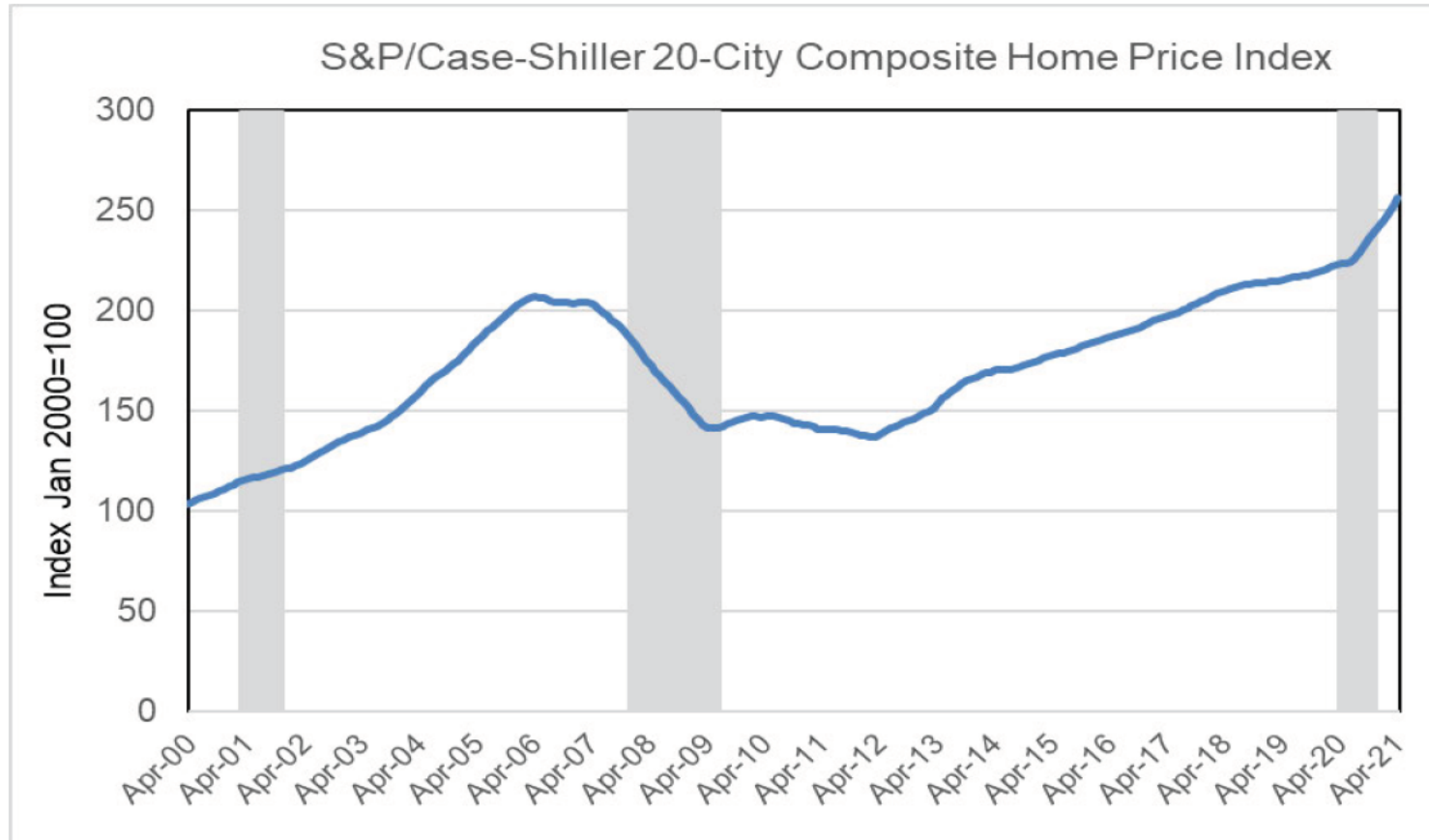


Source: Manufacturing ISM Report On Business & JPMorgan Global Manufacturing PMI™
Notes: Acronym – ISM – Institute of Supply Management; PMI – Purchasing Managers Index



ECONOMY

US Housing Market



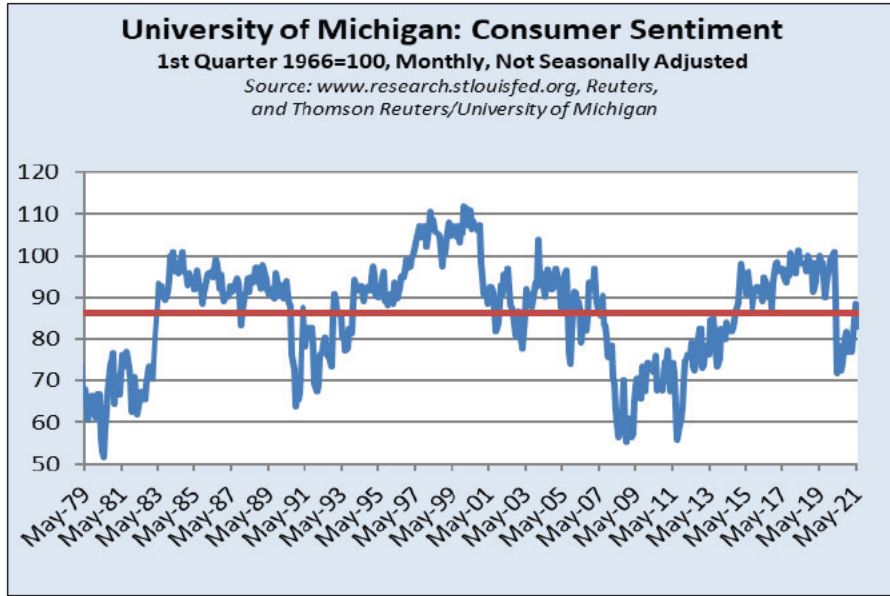
Date	S&P Case-Shiller 20-City Home Price Index January 2000 = 100, Seasonally Adjusted
Jul-16	188.79
Jul-17	200.07
Jul-18	212.06
Jul-19	216.09
Jul-20	225.65
Apr-21	256.46

Source: www.research.stlouisfed.org



ECONOMY

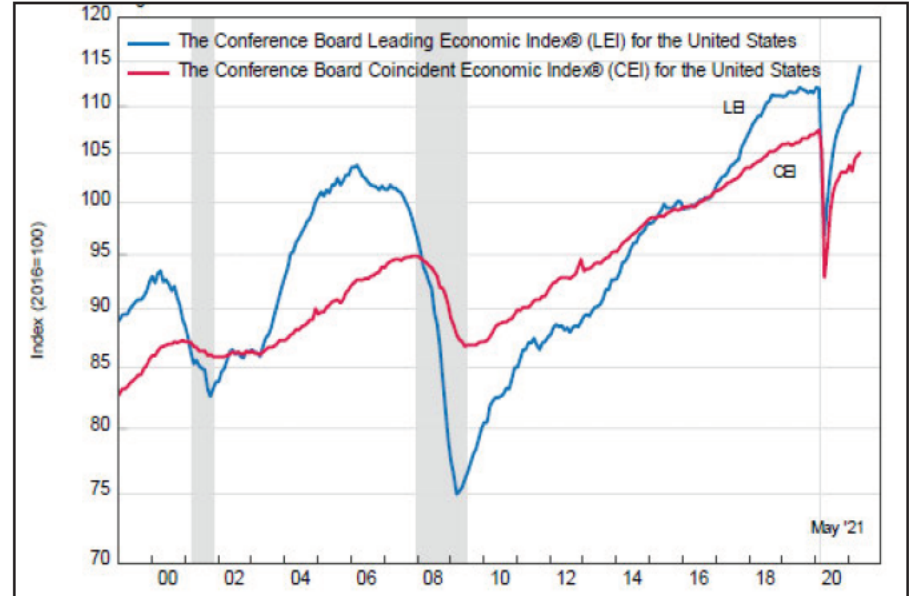
Consumer Sentiment



Index of Consumer Sentiment				
Apr-21	May-21	May-20	M-M Change	Y-Y Change
88.3	82.9	72.3	-6.1%	14.7%

Sources: Thomson Reuters / University of Michigan

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



Shaded areas represent US recessions

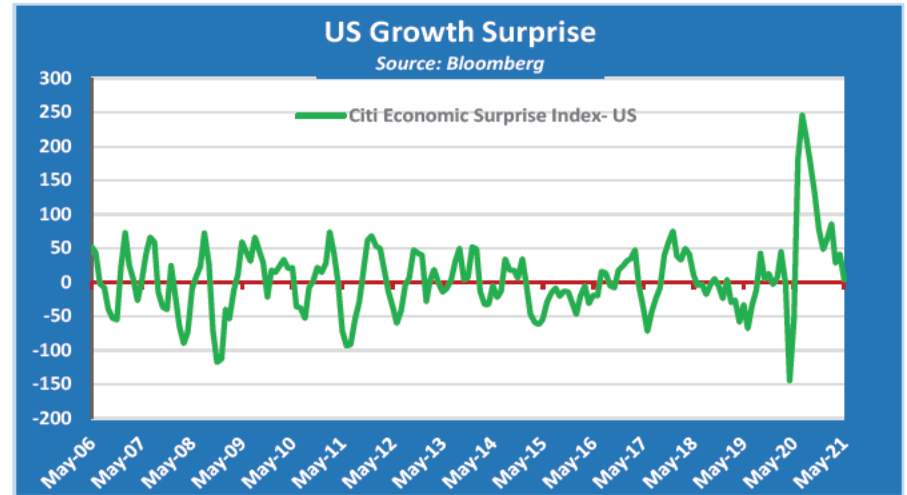
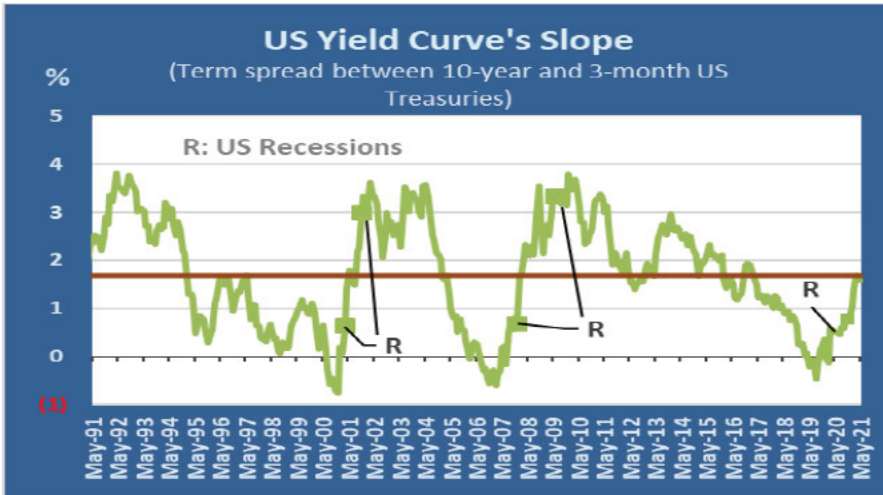
Index	Mar-21	Apr-21	May-21	Month -Month Percent Change	6-Month Percent Change
LEI	111.6 r	113.0 r	114.5 p	1.3	4.9
CEI	104.4 r	104.7 r	105.1 p	0.4	2.0

p Preliminary; r Revised; Indexes equal 100 in 2016

Sources: The Conference Board and advisorperspectives.com



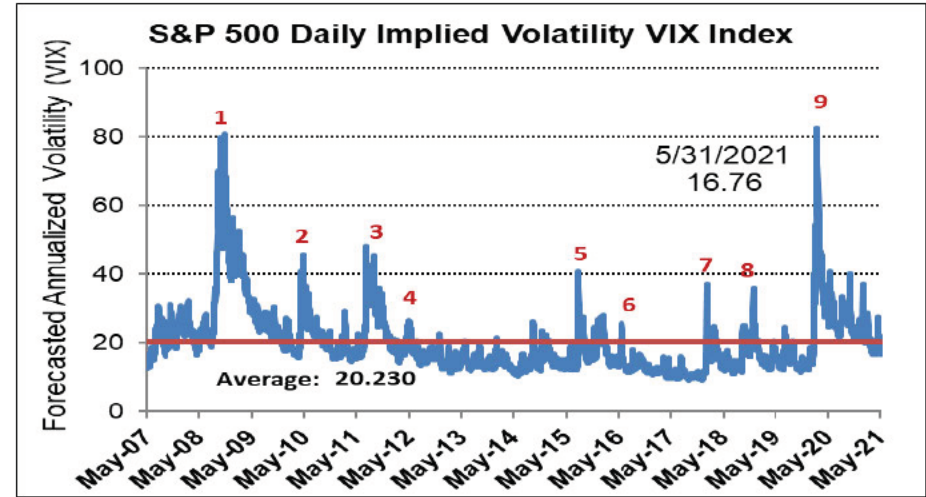
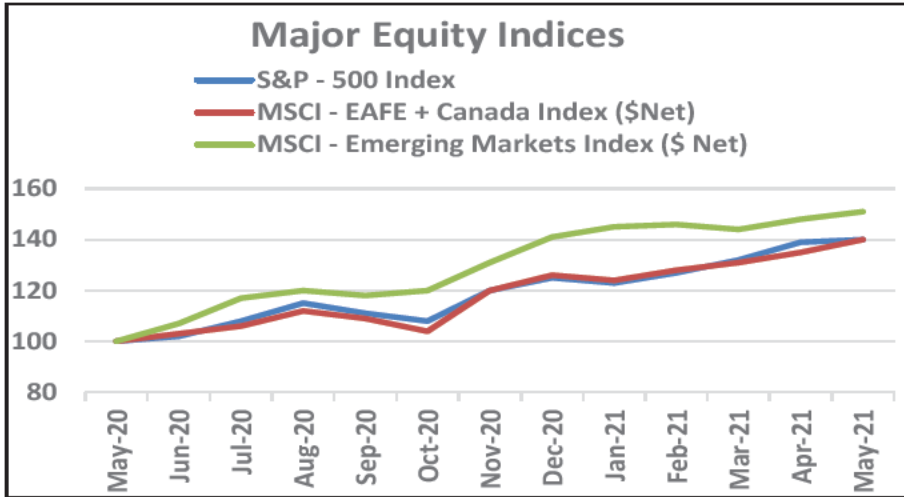
ECONOMY





MARKETS

Equity



	Return as of 5/31/2021	
	1 Year	FYTD
S&P 500	40.32	37.58
MSCI - EAFE + Canada Index (\$Net)	39.60	34.97
MSCI - Emerging Markets Index (\$Net)	51.00	40.66

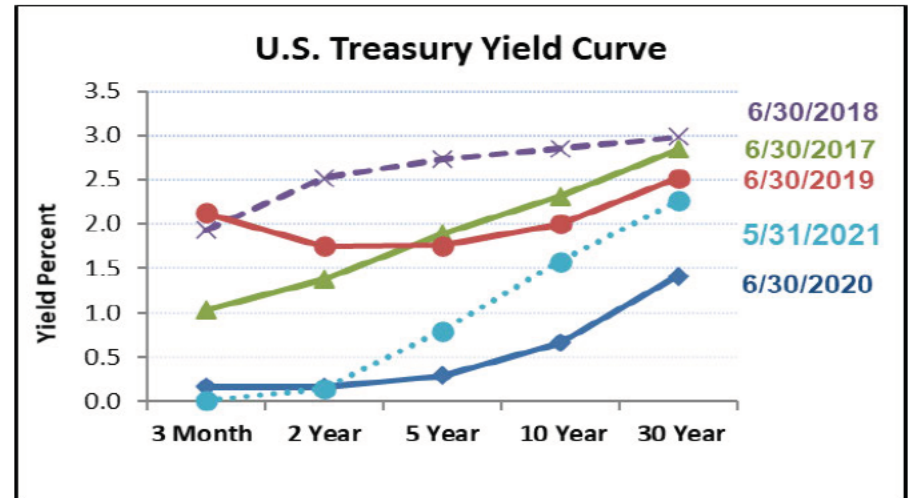
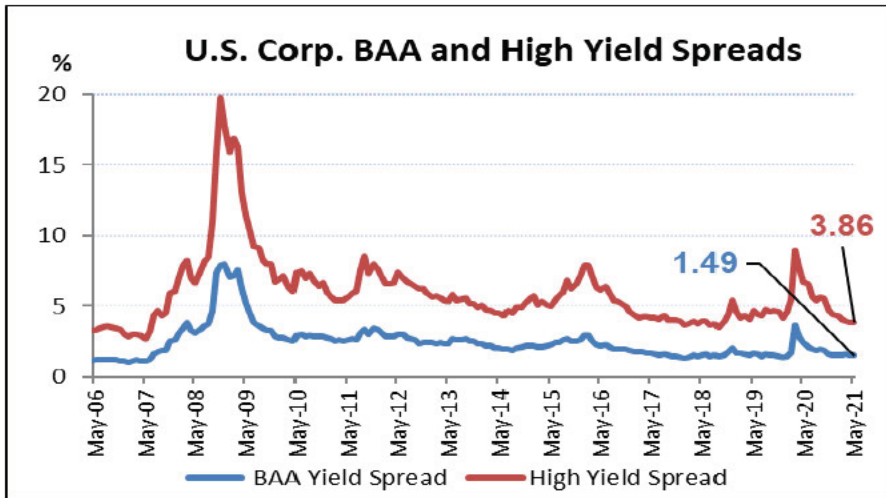
- 1 2008 (Nov.) Financial Crisis S&P 500: -48.8%
- 2 2010 (May) Flash crash; Europe/ Greece debt S&P 500: -16%
- 3 2011 (Aug.) US downgrade, Europe periphery S&P 500: -19.4%
- 4 2012 (June) Eurozone double dip S&P 500: -9.9%
- 5 2015 (Aug.) Global slowdown, China, Fed S&P 500: -12.4%
- 6 2016 (Feb.)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

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



MARKETS

Fixed Income

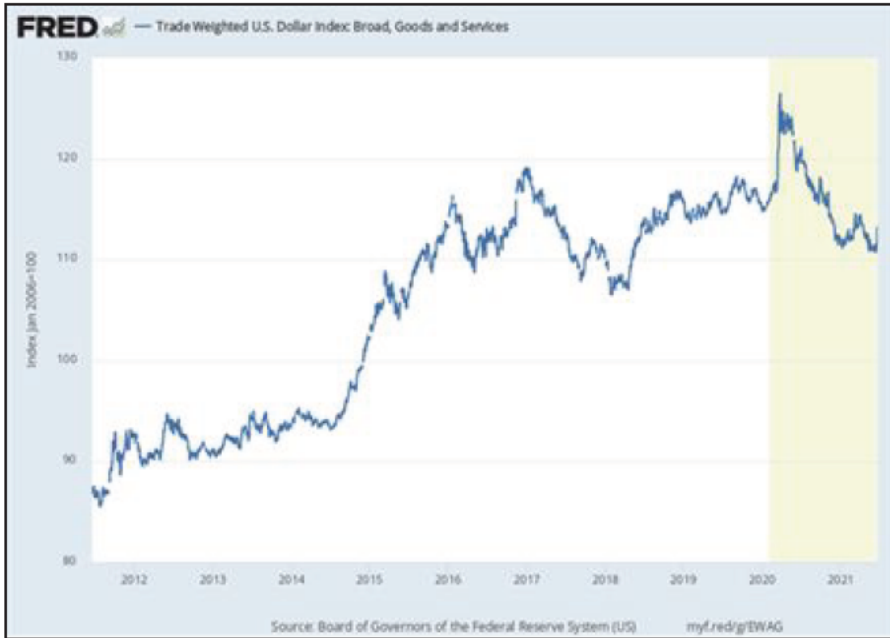


Sources: Wilshire Compass, ThomsonReuters, and Bloomberg



MARKETS

Foreign Exchange



Date	Trade Weighted Broad U.S. Dollar Index January 1997=100
June-16	112.15
June-17	111.97
June-18	113.27
June-19	114.56
June-20	120.86
May-21	111.03

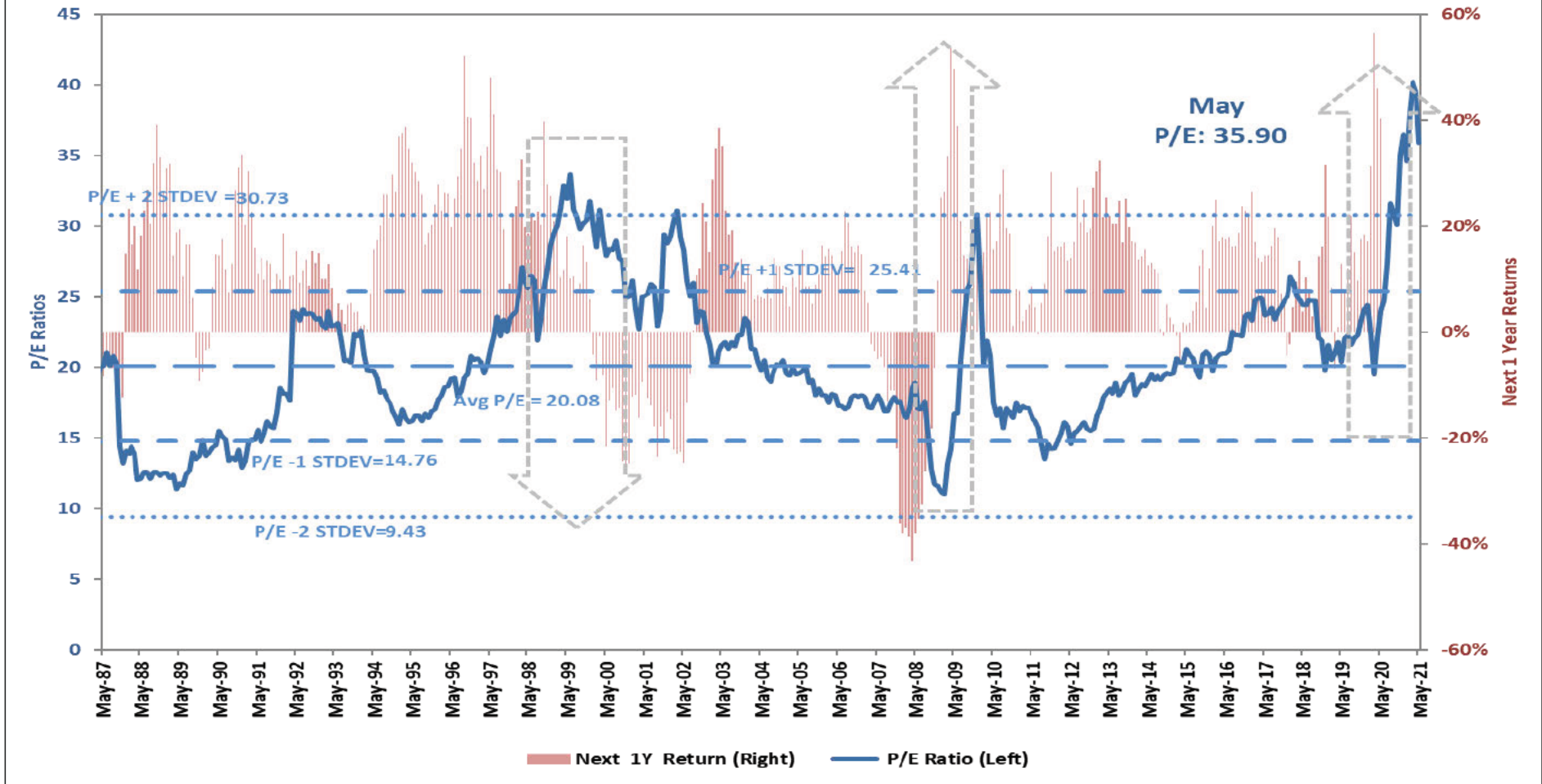
Date	U.S. / Euro Foreign Exchange Rate U.S. Dollars to One Euro
June-16	1.10
June-17	1.14
June-18	1.17
June-19	1.14
June-20	1.12
May-21	1.22

Source: www.research.stlouisfed.org



VALUATION **US Equity**

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



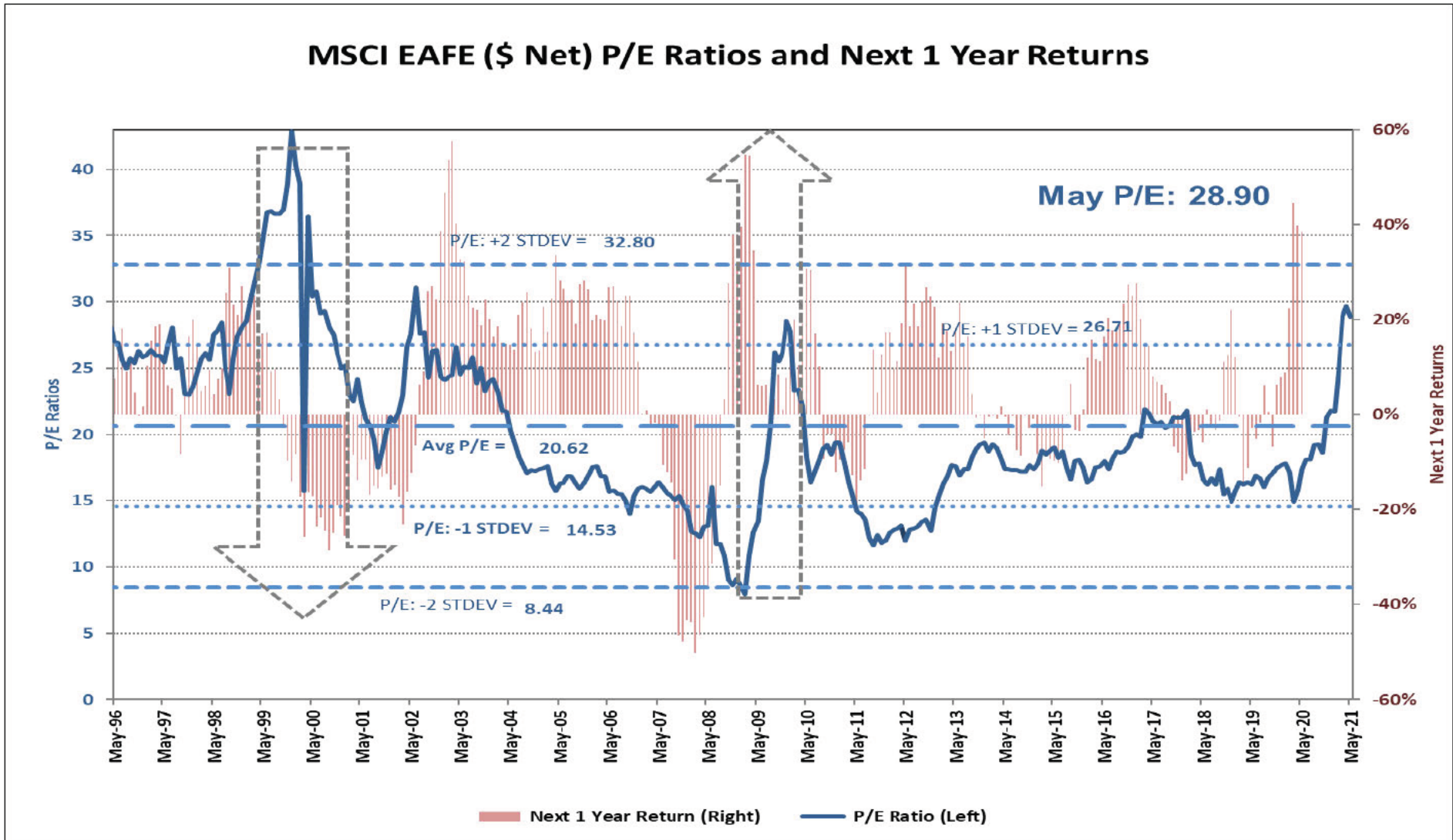
Source: Wilshire Compass



VALUATION

Non US Developed Market Equity

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

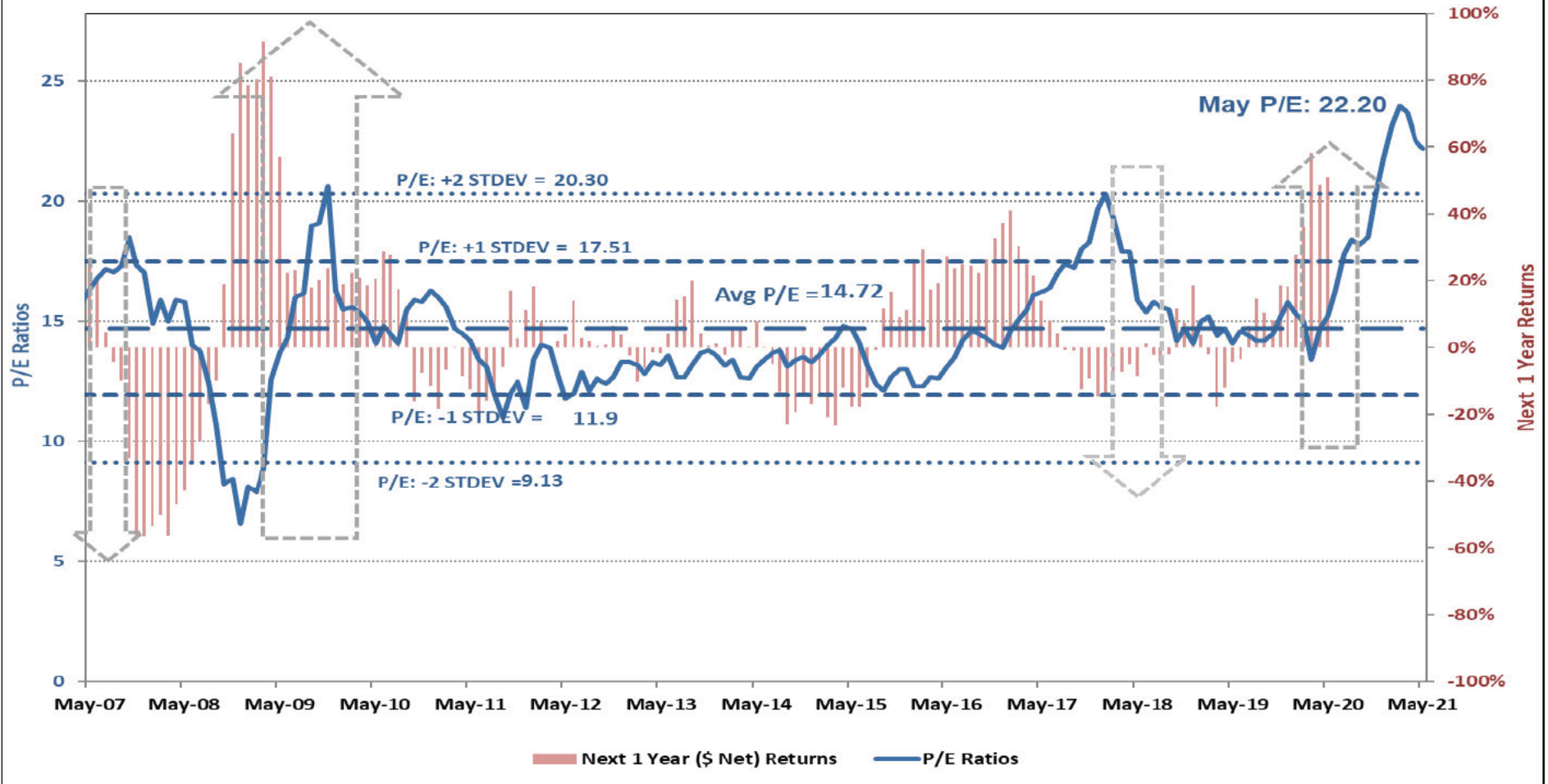


Source: Wilshire Compass



VALUATION Emerging Market Equity

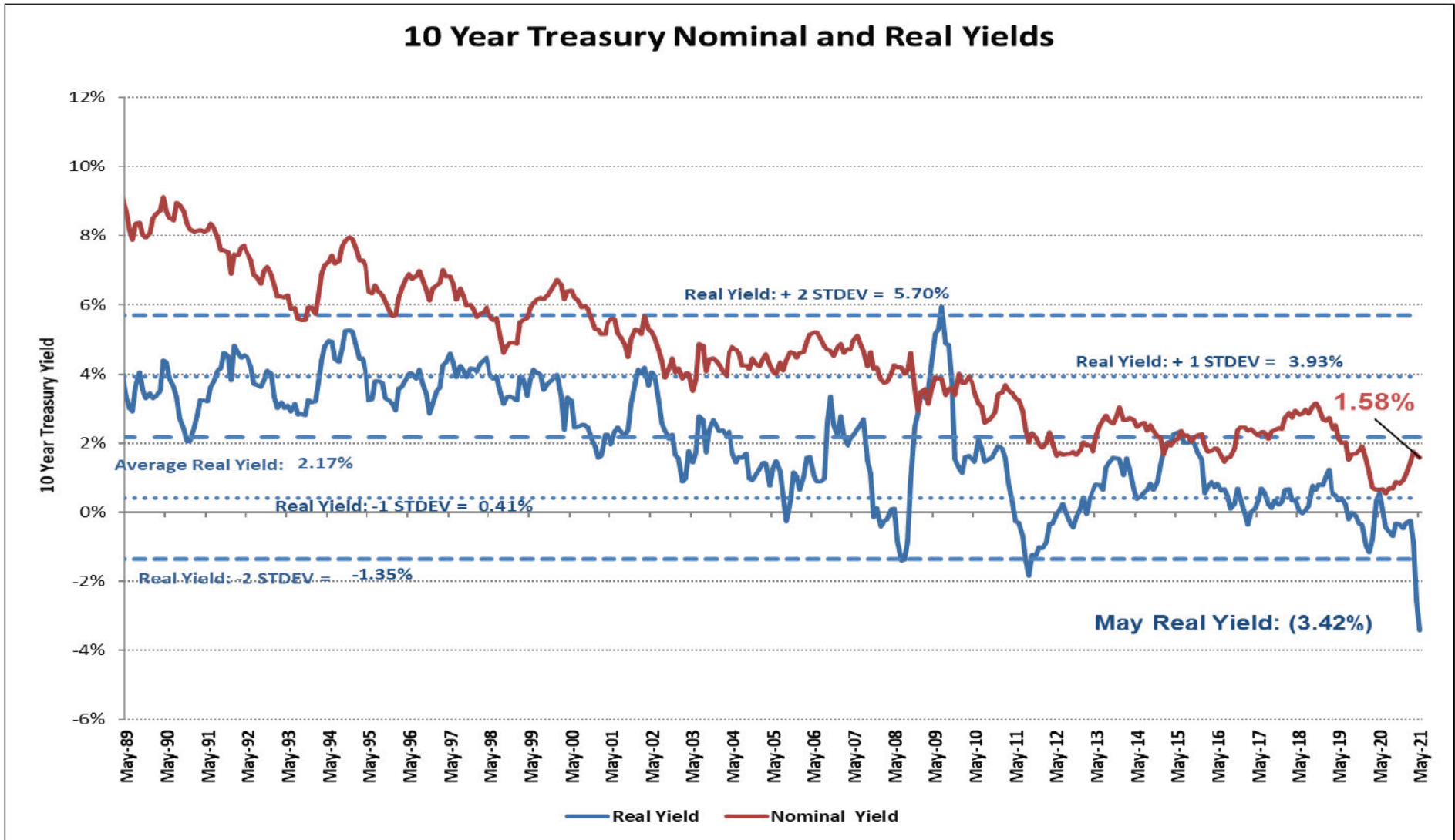
MSCI EM P/E Ratios and Next 1 Year (\$ Net) Returns



Source: Wilshire Compass



VALUATION **US Treasury Bonds**



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



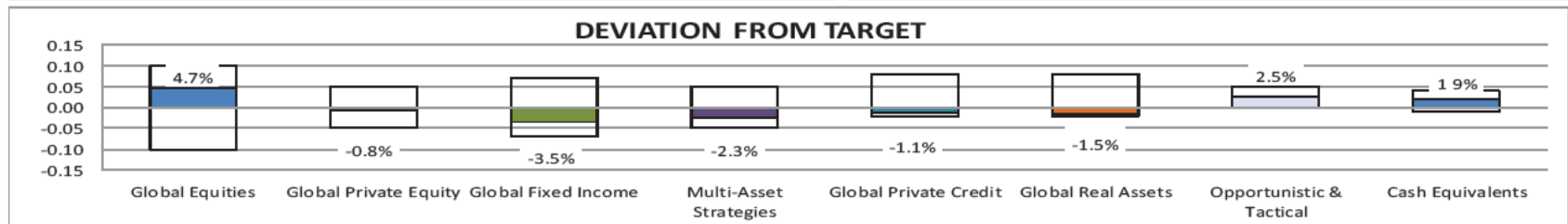
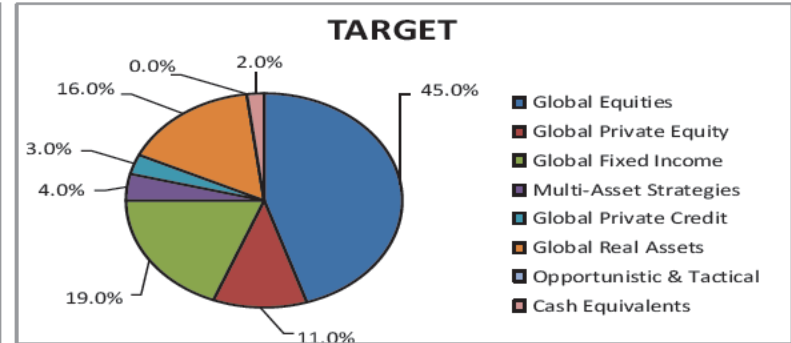
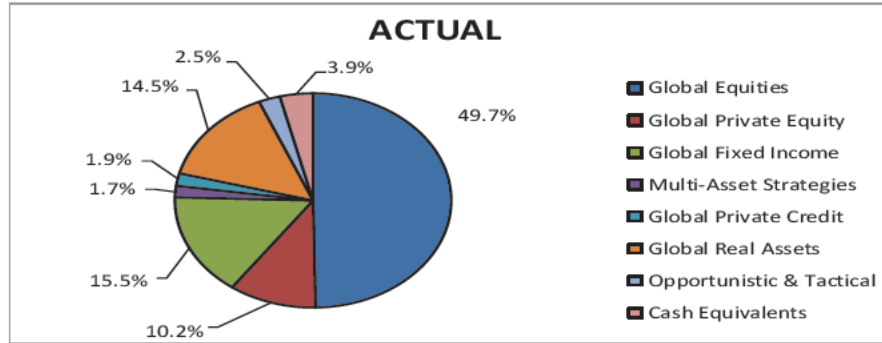
SERS' Investment Portfolios Review



Total Fund Asset Allocation

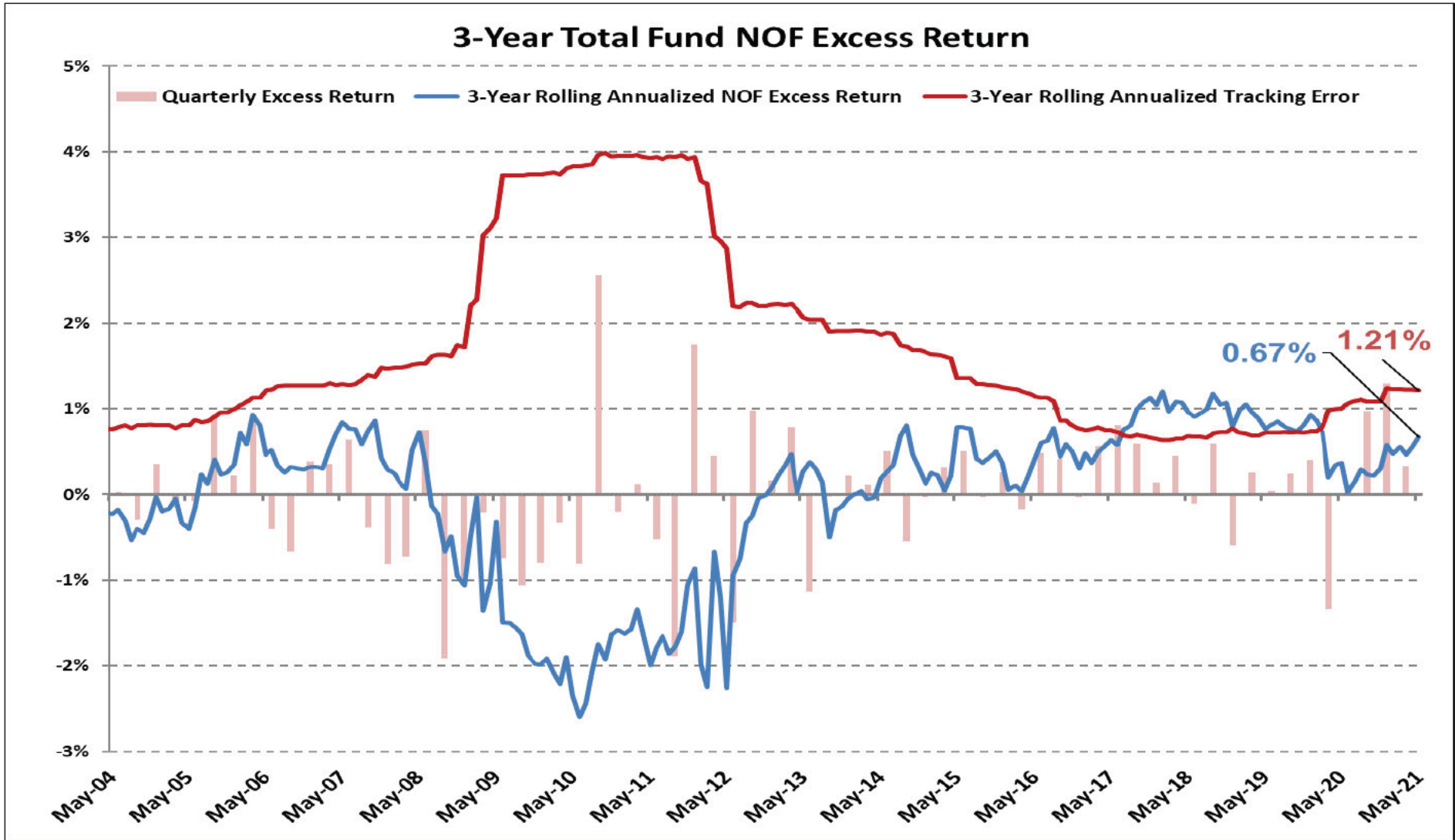
Asset Class	Market Value \$	Actual	Target	Range
Global Equities	8,680,119,465	49.7%	45.0%	35% - 55%
US Equity	4,513,223,709	25.9%	24.8%	19.25% - 30.25%
Non-US Equity Developed Market	3,165,959,365	18.1%	13.5%	10.50% - 16.50%
Non-US Equity Emerging Market	1,000,936,391	5.7%	6.8%	5.25% - 8.25%
Global Private Equity	1,787,748,521	10.2%	11.0%	8% - 16%
Global Fixed Income	2,708,952,584	15.5%	19.0%	12% - 26%
Multi-Asset Strategies	297,520,253	1.7%	4.0%	0% - 0%
Global Private Credit	331,532,647	1.9%	3.0%	3% - 7%
Global Real Assets	2,537,969,053	14.5%	16.0%	14% - 20%
Opportunistic & Tactical	438,319,707	2.5%	0.0%	0% - 5%
Cash Equivalents	673,630,727	3.9%	2.0%	0% - 5%
Short-Term	657,949,800	3.8%	2.0%	
Russell EA Overlay	-1,275,544	0.0%	0.0%	
Aegis - Alpha Overlay	5,071,929	0.0%	0.0%	
Direct Rebalance Overlay	0	0.0%	0.0%	
Currency Overlay	11,884,542	0.1%	0.0%	
Total Fund	17,455,792,958	100.0%	100.0%	

Source: BNY Mellon GRS



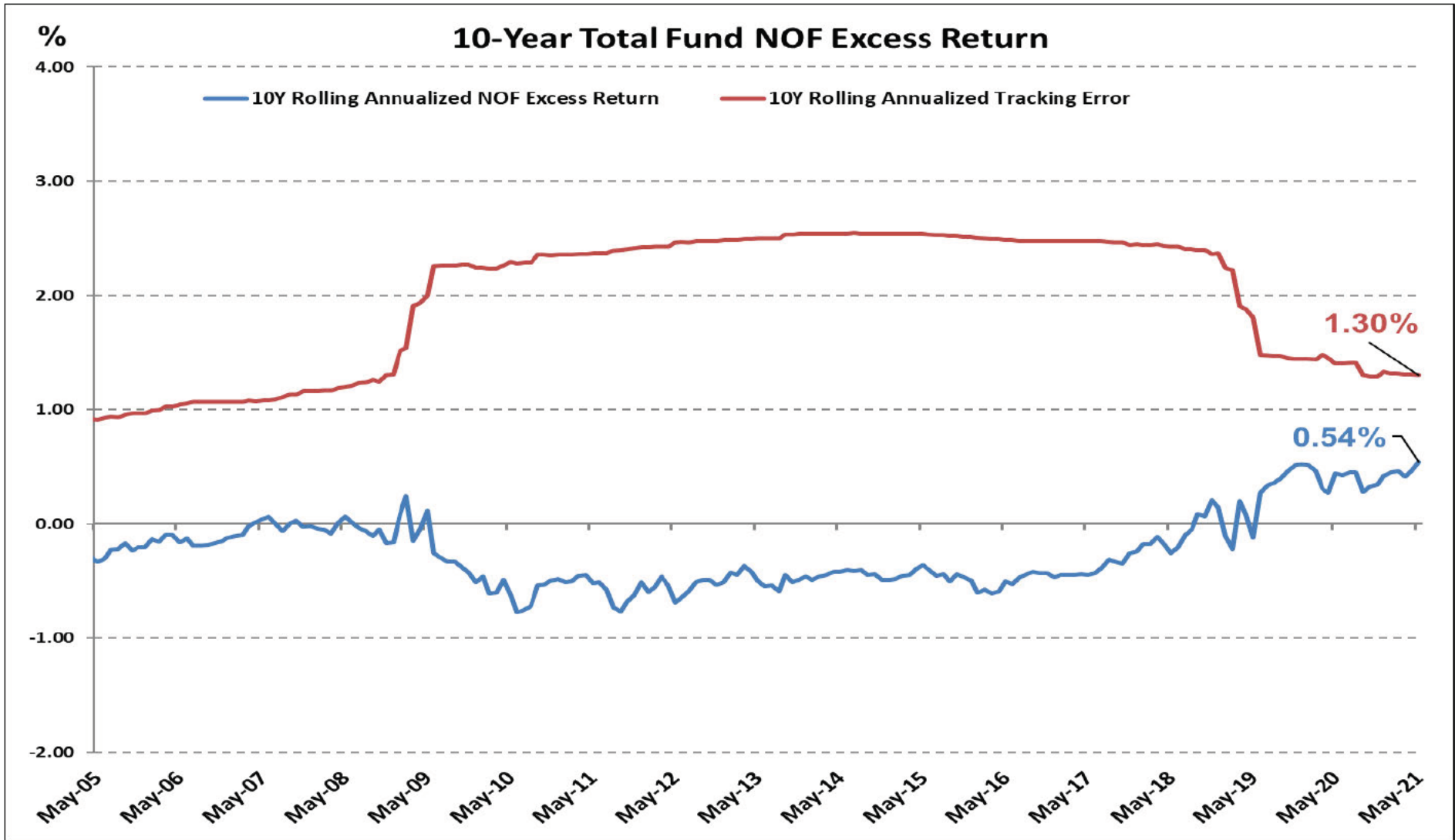


Total Fund Performance





Total Fund Performance

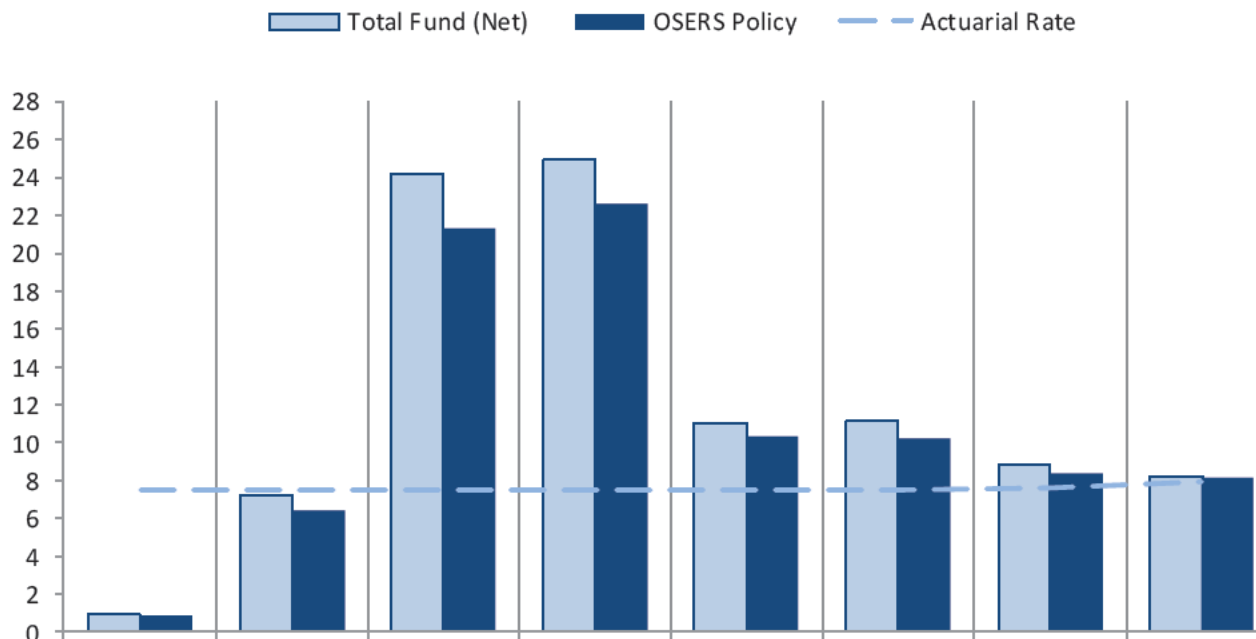




Total Fund Performance

Current Benchmark:

- 24.75% Russell 3000
- 13.50% MSCI World Ex US Index
(net dividends)
- 6.75% MSCI Emerging Markets Index
(net dividends)
- 11.00% Burgiss All Private Equity
benchmark (1q lag) (BAPE)
- 19.00% Bloomberg Barclays
Aggregate Bond
- 16.00% NCREIF Property (1q lag)
- 4.00% HFRI Fund of Funds
Composite plus 1%
- 3.00% LIBOR + 4.5%
- 2.00% Citigroup 30 Day US T-Bill



Actuarial Rate

(7.5% adopted 4/21/16)

	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD*
Total Fund (Gross)	0.93	7.39	24.72	25.51	11.62	11.80	9.57	8.62
Total Fund (Net)	0.91	7.19	24.20	24.93	10.98	11.12	8.87	8.10
OSERS Policy	0.82	6.45	21.33	22.63	10.31	10.22	8.33	8.18
Value Added (Net of Fee)	0.09	0.73	2.86	2.30	0.67	0.90	0.54	(0.08)

Source: BNY Mellon GRS

*ITD is Inception date 10/1/1994 (26 years and 8 months)



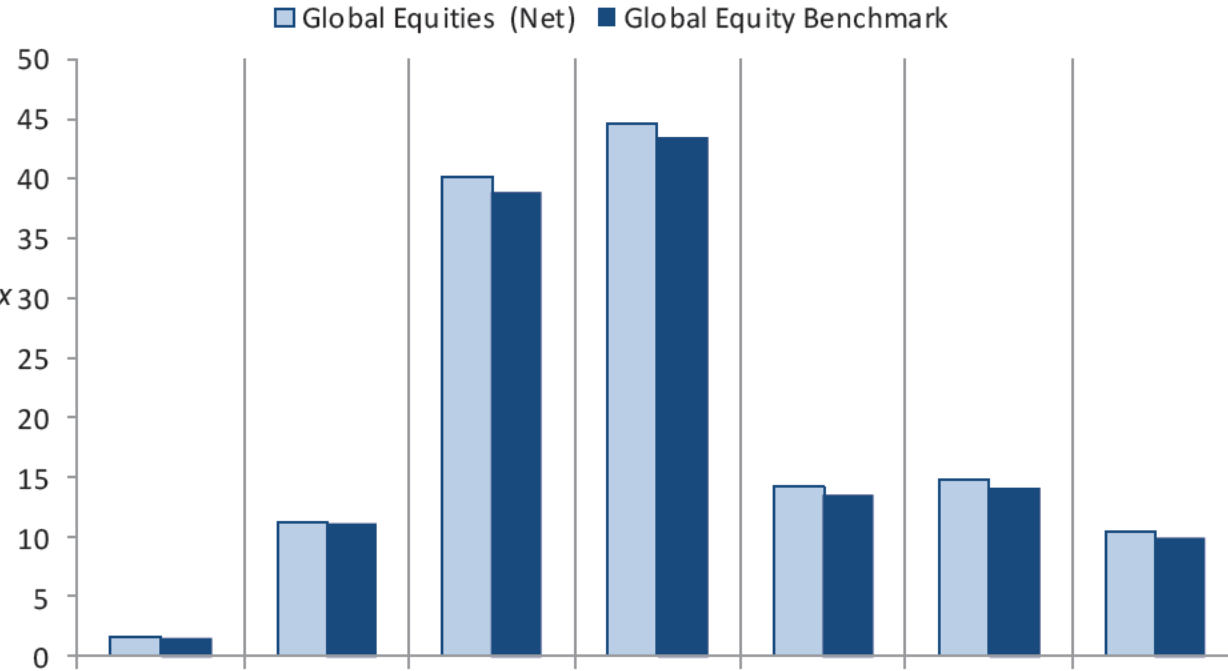
Global Equities Performance

Current Benchmark:

55% Russell 3000

30% MSCI World Ex United States
Index (Net dividends)

15% MSCI Emerging Markets Index
(Net dividends)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Global Equities (Gross)	1.66	11.41	40.51	45.08	14.59	15.19	10.74
Global Equities (Net)	1.63	11.28	40.17	44.66	14.25	14.83	10.37
Global Equity Benchmark	1.64	11.22	38.81	43.53	13.50	14.17	10.01
MSCI ACWI	1.61	11.06	38.01	42.48	14.43	14.77	10.16
Value Added (Net of Fee)	(0.01)	0.05	1.36	1.13	0.75	0.65	0.35

Source: BNY Mellon GRS

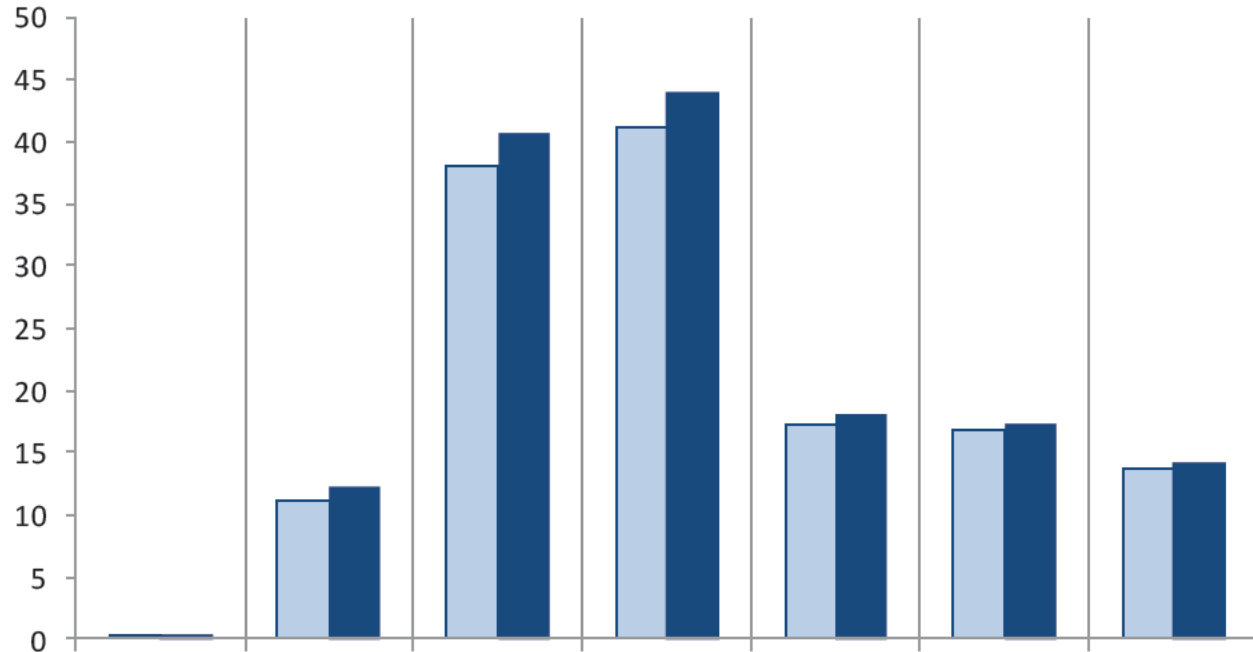


US Equity Performance

■ US Equity Portfolio (Net) ■ US Equity Policy Benchmark

Current Benchmark:

Russell 3000

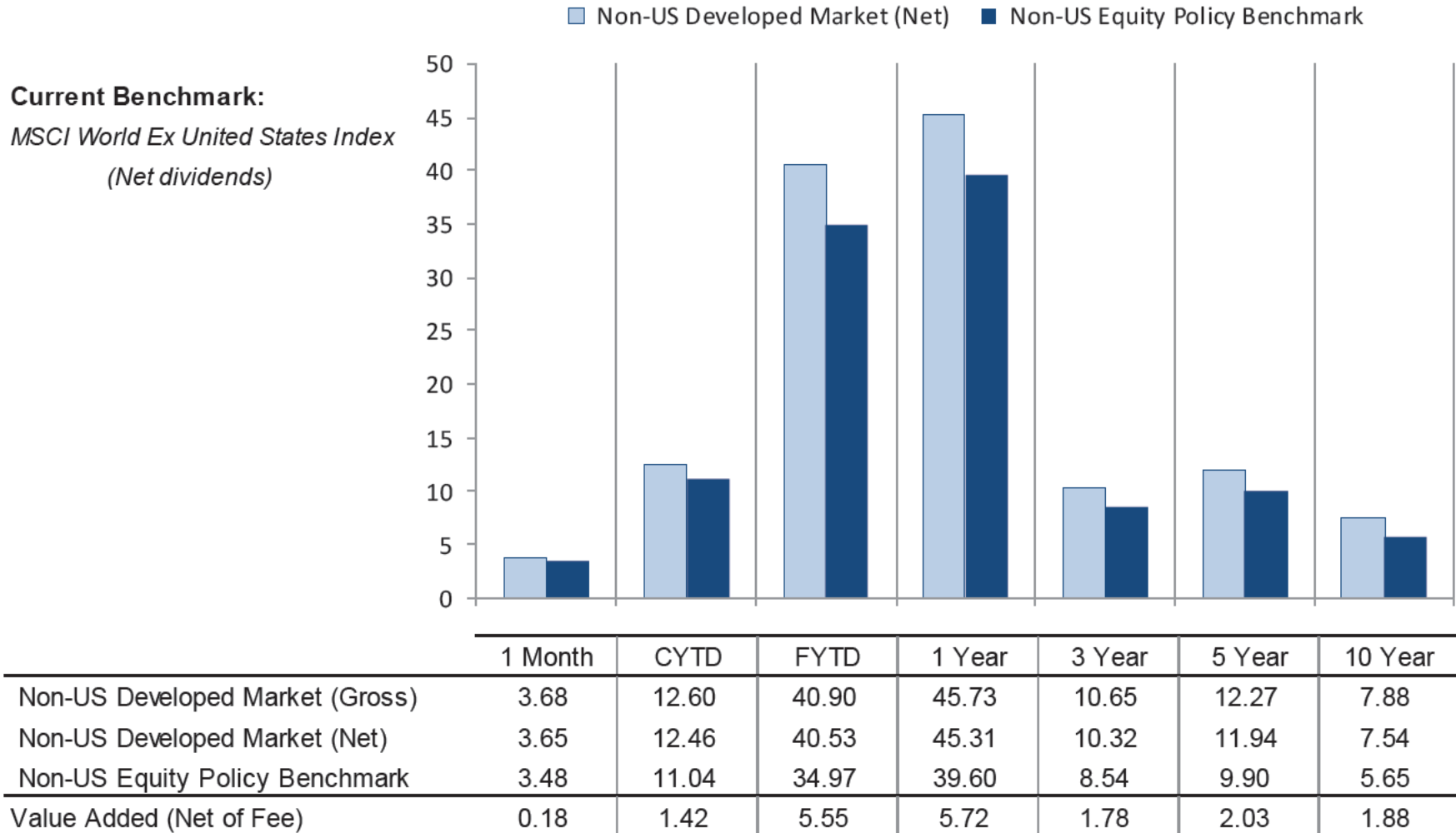


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
US Equity Portfolio (Gross)	0.24	11.22	38.32	41.43	17.37	17.08	14.06
US Equity Portfolio (Net)	0.22	11.14	38.14	41.16	17.15	16.82	13.75
US Equity Policy Benchmark	0.46	12.34	40.69	43.91	18.03	17.36	14.21
Value Added (Net of Fee)	(0.23)	(1.20)	(2.55)	(2.75)	(0.88)	(0.54)	(0.46)

Source: BNY Mellon GRS



Non-US Equity Developed Market Performance

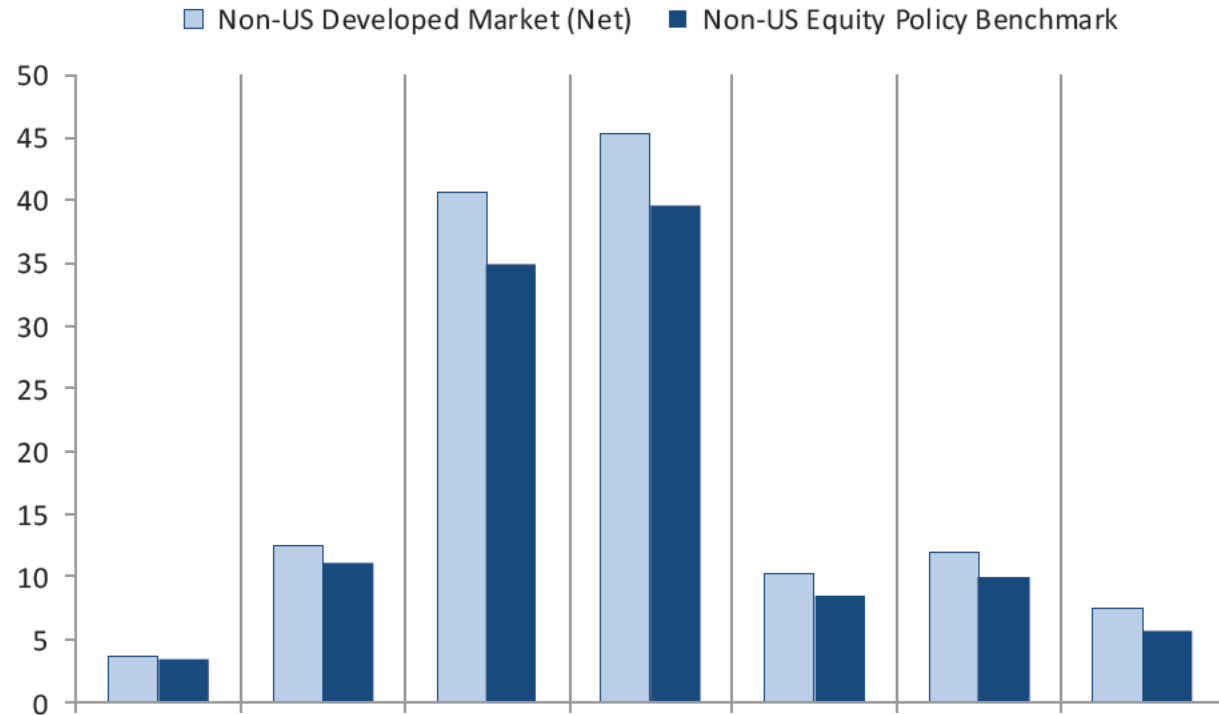


Source: BNY Mellon GRS



Non-US Equity Emerging Market Performance

Current Benchmark:
MSCI Emerging Markets Index
 (Net dividends)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Non-US Emerging Market (Gross)	1.87	8.93	50.56	63.33	15.39	17.29	5.90
Non-US Emerging Market (Net)	1.81	8.59	49.55	62.14	14.49	16.38	5.13
Non-US Equity Policy Benchmark	2.32	7.26	40.66	51.00	9.65	13.88	4.10
Value Added (Net of Fee)	(0.51)	1.33	8.89	11.14	4.85	2.50	1.02

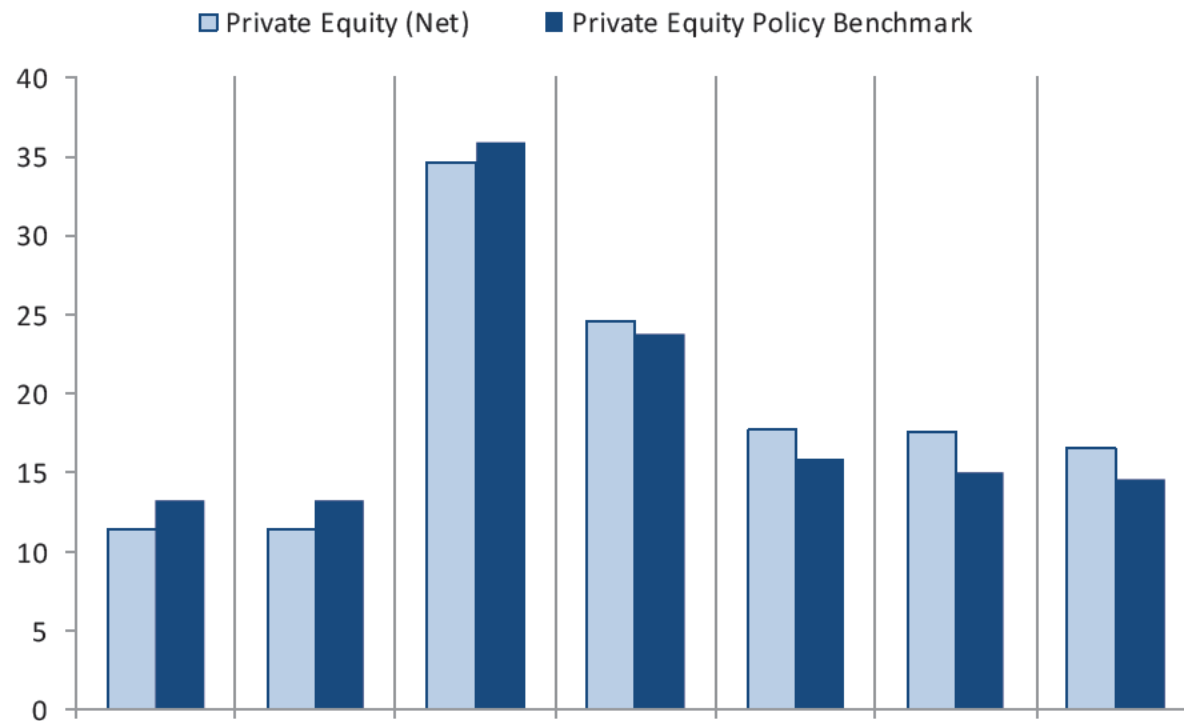
Source: BNY Mellon GRS



Global Private Equity Performance

Results as of: 03/31/2021

Current Benchmark:
Burgiss All Private Equity Index



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Private Equity (Gross)	11.83	11.83	36.01	26.08	19.23	19.15	18.20
Private Equity (Net)	11.46	11.46	34.69	24.53	17.62	17.57	16.55
Private Equity Policy Benchmark	13.26	13.26	35.89	23.79	15.89	15.00	14.60
Value Added (Net of Fee)	(1.80)	(1.80)	(1.20)	0.74	1.73	2.57	1.95

Source: BNY Mellon GRS

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

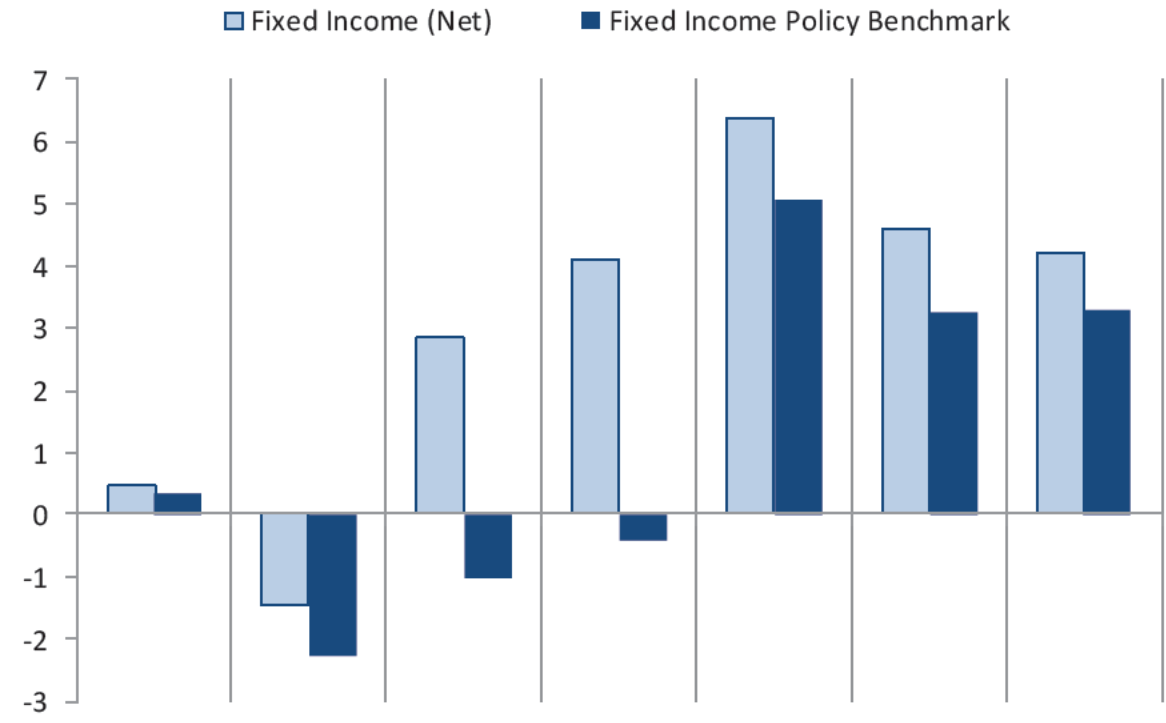
Global Private Equity performance is reported one quarter in arrears.



Global Fixed Income Performance

Current Benchmark:

*Bloomberg Barclays Aggregate
Bond Index*



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Fixed Income (Gross)	0.49	(1.35)	3.08	4.36	6.60	4.81	4.45
Fixed Income (Net)	0.48	(1.46)	2.85	4.10	6.37	4.58	4.22
Fixed Income Policy Benchmark	0.33	(2.29)	(1.03)	(0.41)	5.06	3.25	3.29
Value Added (Net of Fee)	0.15	0.83	3.88	4.51	1.32	1.34	0.93

Source: BNY Mellon GRS

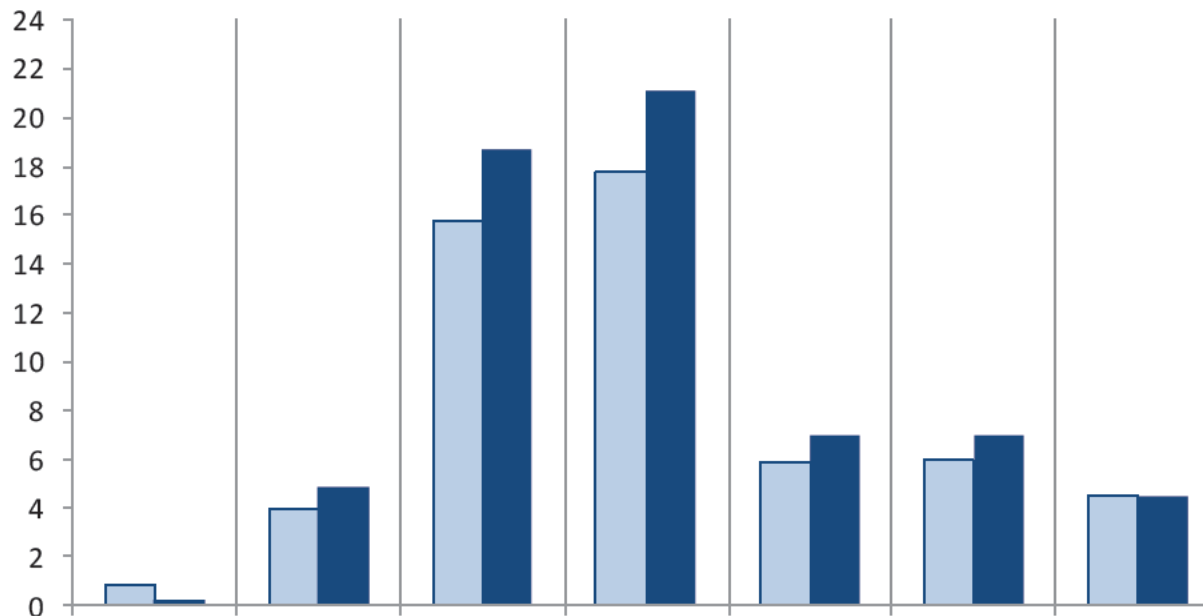


Multi-Asset Strategies Performance

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

Current Benchmark:

HFRI Fund of Funds Composite plus 1%



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Multi-Asset Strategies (Gross)	0.92	4.21	16.48	18.56	6.99	7.25	5.91
Multi-Asset Strategies (Net)	0.88	3.95	15.80	17.75	5.85	5.96	4.47
Multi-Asset Strategies Policy Benchmark	0.28	4.84	18.64	21.05	6.99	6.93	4.46
Value Added (Net of Fee)	0.59	(0.89)	(2.84)	(3.30)	(1.14)	(0.96)	0.02

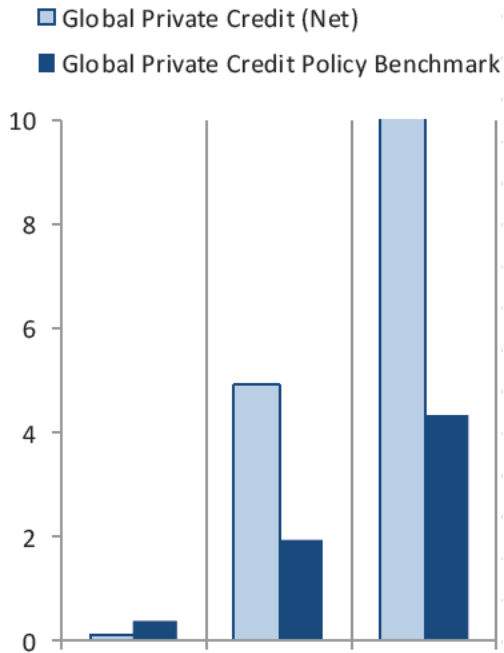
Source: BNY Mellon GRS

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



Global Private Credit Performance

Current Benchmark:
3 Month LIBOR plus 4.5%



	1 Month	CYTD	FYTD
Global Private Credit (Gross)	0.34	5.64	14.47
Global Private Credit (Net)	0.12	4.90	13.04
Global Private Credit Policy Benchmark	0.39	1.95	4.36
Value Added (Net of Fee)	(0.27)	2.95	8.68

Source: BNY Mellon GRS

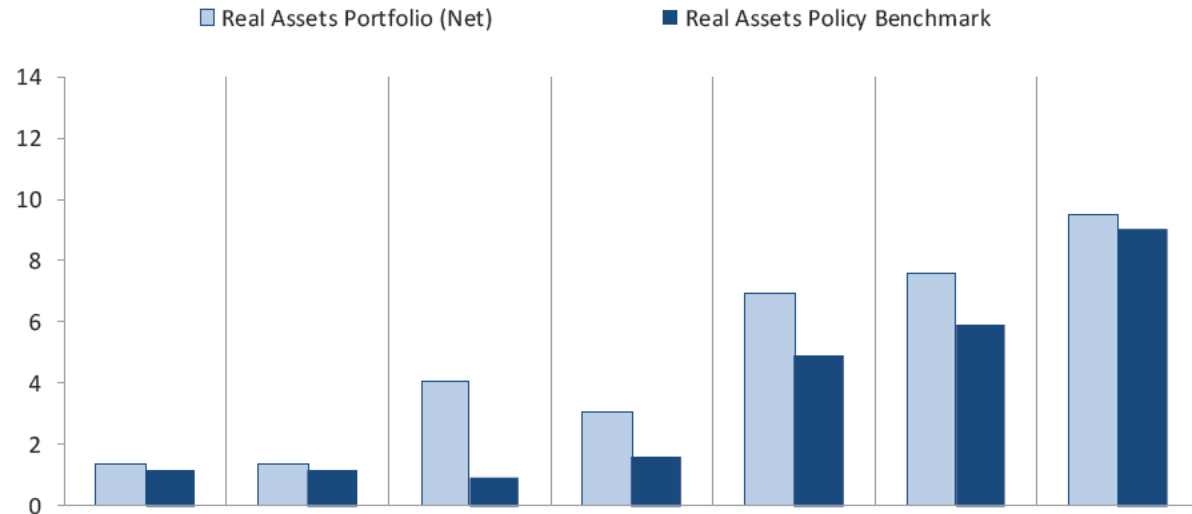
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.



Global Real Asset Performance

Results as of: 03/31/2021

Current Benchmark:
NCREIF Property Index (1q lag)



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Real Assets Portfolio (Gross)	1.59	1.59	4.54	3.61	7.78	8.52	10.58
Real Assets Portfolio (Net)	1.38	1.38	4.08	3.09	6.90	7.53	9.47
Real Assets Policy Benchmark	1.15	1.15	0.88	1.60	4.89	5.91	9.00
Real Assets Value Added (NOF)	0.24	0.24	3.20	1.49	2.02	1.62	0.47
Real Assets Core (Net)	1.73	1.73	1.44	2.54	6.26	7.20	9.89
Real Assets Policy Benchmark	1.15	1.15	0.88	1.60	4.89	5.91	9.00
Real Assets Core Value Added (NOF)	0.58	0.58	0.56	0.94	1.37	1.29	0.89
Real Assets Non-Core (Net)	(0.25)	(0.25)	(0.15)	0.66	5.45	6.21	8.87
Real Assets Policy Benchmark	1.15	1.15	0.88	1.60	4.89	5.91	9.00
Real Assets Non-Core Value Added (NOF)	(1.40)	(1.40)	(1.03)	(0.94)	0.56	0.30	(0.13)
Real Assets Infrastructure (Net)	0.49	0.49	12.00	2.44	10.38	n/a	n/a
Real Assets Policy Benchmark	1.15	1.15	0.88	1.60	4.89	n/a	n/a
Real Assets Infrastructure Value Added (NOF)	(0.66)	(0.66)	11.12	0.84	5.49	n/a	n/a

Source: BNY Mellon GRS

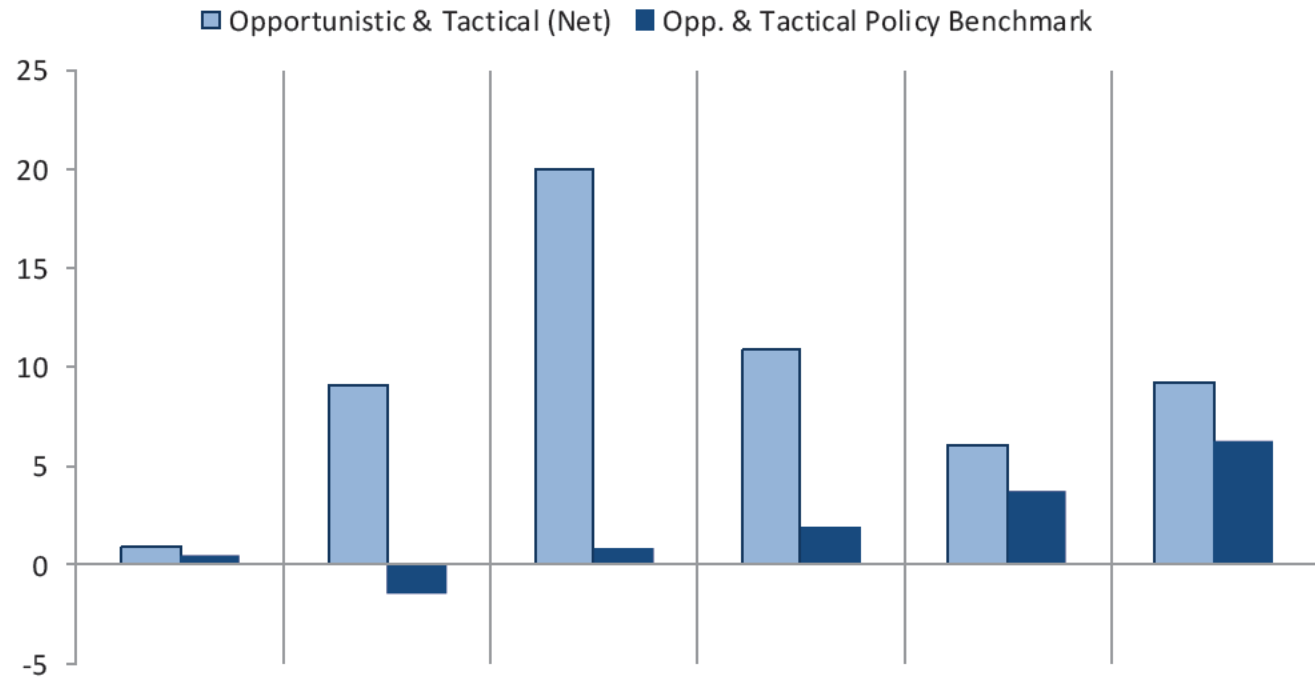
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Real Assets performance is reported one quarter in arrears.



Opportunistic & Tactical Performance

Current Benchmark:
*Bloomberg Barclays Aggregate
 Bond Index + 2%*

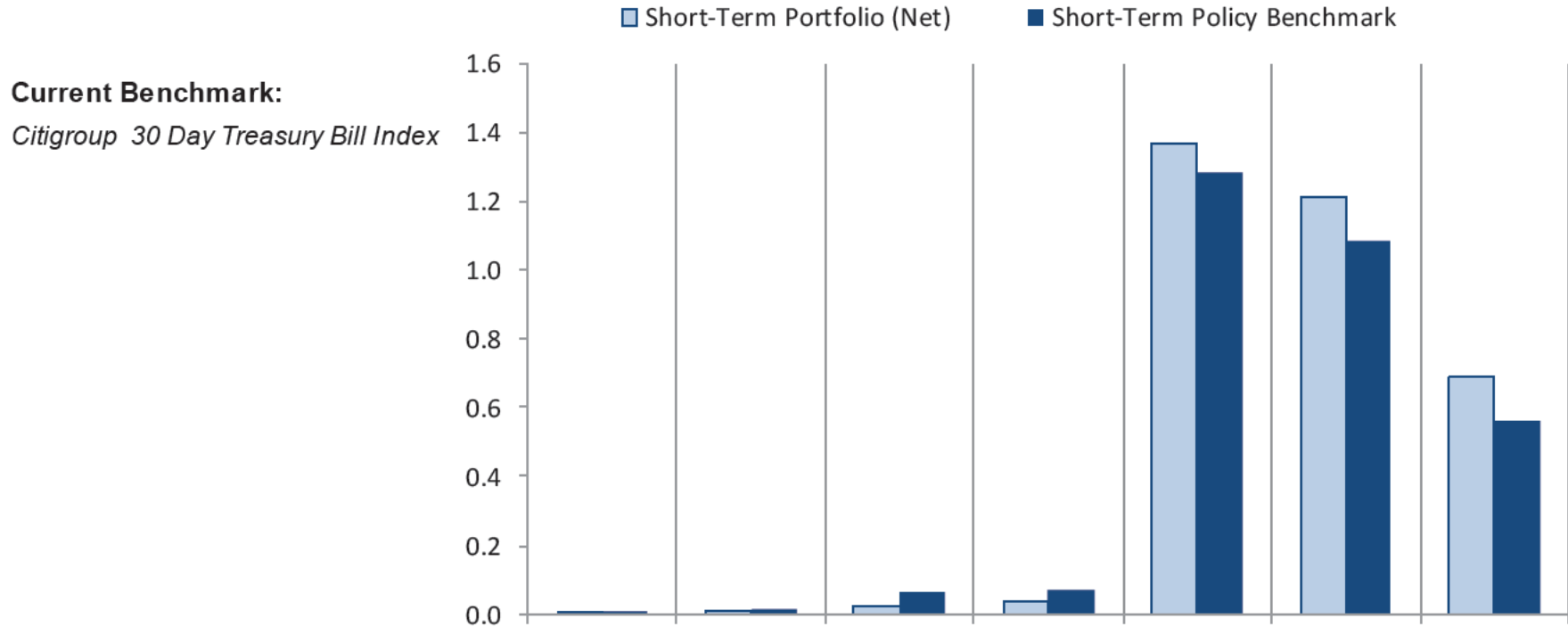


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Opportunistic & Tactical (Gross)	0.92	9.52	21.06	11.97	7.55	10.60
Opportunistic & Tactical (Net)	0.92	9.05	20.02	10.86	6.02	9.15
Opp. & Tactical Policy Benchmark	0.49	(1.45)	0.80	1.88	3.70	6.20
Value Added (Net of Fee)	0.43	10.51	19.22	8.98	2.33	2.95

Source: BNY Mellon GRS



Short-Term Performance

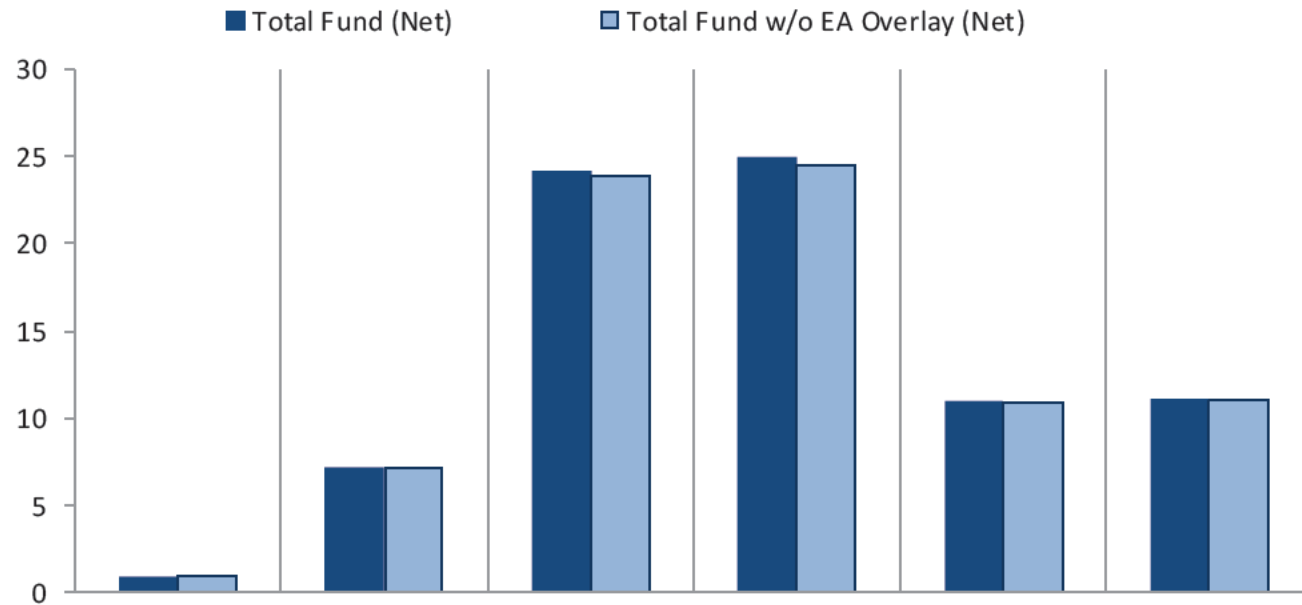


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Short-Term Portfolio (Gross)	0.00	0.01	0.03	0.04	1.36	1.21	0.69
Short-Term Portfolio (Net)	0.00	0.01	0.03	0.04	1.36	1.21	0.69
Short-Term Policy Benchmark	0.00	0.01	0.06	0.07	1.28	1.08	0.56
Value Added (Net of Fee)	0.00	(0.00)	(0.04)	(0.03)	0.08	0.13	0.14

Source: BNY Mellon GRS



Enhanced Asset Overlay Performance

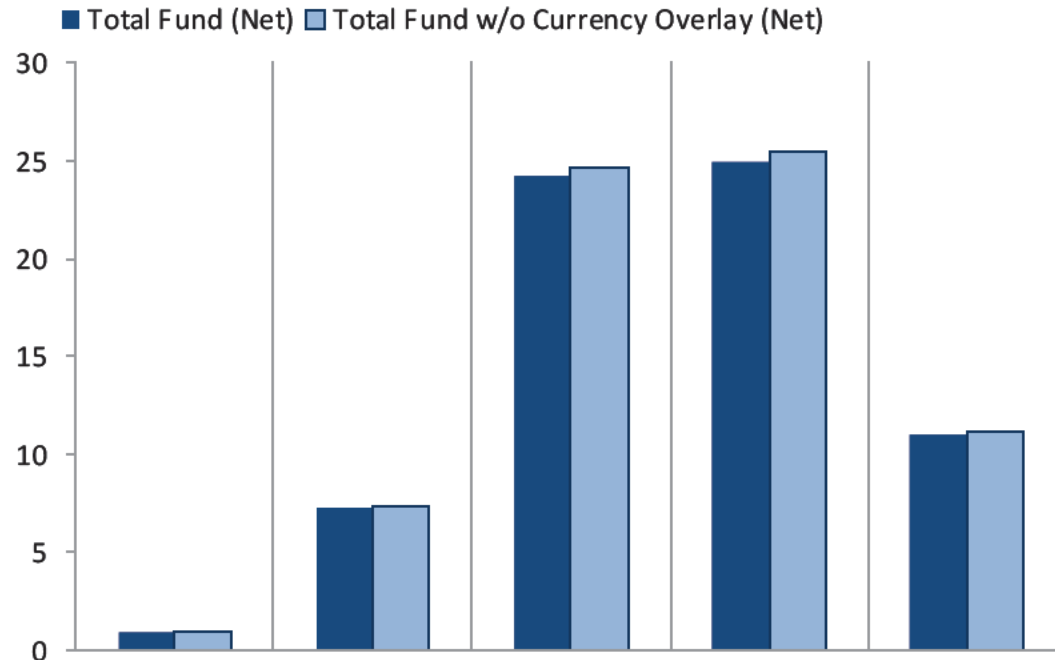


	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Total Fund (Gross)	0.93	7.39	24.72	25.51	11.62	11.80
Total Fund w/o EA Overlay (Gross)	0.92	7.36	24.31	25.01	11.56	11.74
Total Fund (Net)	0.91	7.19	24.20	24.93	10.98	11.12
Total Fund w/o EA Overlay (Net)	0.90	7.15	23.82	24.46	10.93	11.07
EA Overlay Impact (Net of Fee)	0.01	0.03	0.38	0.48	0.05	0.05

Source: BNY Mellon GRS



Currency Overlay Performance



	1 Month	CYTD	FYTD	1 Year	3 Year
Total Fund (Gross)	0.93	7.39	24.72	25.51	11.62
Total Fund w/o Currency Overlay (Gross)	0.98	7.46	25.17	26.03	11.72
Total Fund (Net)	0.91	7.19	24.20	24.93	10.98
Total Fund w/o Currency Overlay (Net)	0.96	7.26	24.65	25.45	11.11
Currency Overlay Impact (Net of Fee)	(0.04)	(0.07)	(0.45)	(0.52)	(0.13)

Source: BNY Mellon GRS



Proposed Investment Agenda – Next Meeting

- Wilshire Quarterly Performance Report (June 30, 2021)
- Investment Report (June 30 & July 31, 2021)

EXECUTIVE DIRECTOR'S REPORT

DELEGATE SELECTION OF COMPENSATION AND CLASSIFICATION STUDY
VENDOR

It was moved by _____ and seconded by _____ to delegate to the SERS Compensation Committee the selection of a vendor to perform a Compensation and Classification study.

The chair of the Compensation Committee is authorized to sign a contract to retain the selected vendor.

Upon roll call, the vote was as follows:

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

Memo

To: Retirement Board
From: SERS Legal Department
CC: Richard Stensrud
Date: July 2, 2021
Re: Administrative Rule

One category of resolutions on Administrative Rules is on the July Board Agenda.

I. Approval to file with JCARR the following proposed amended rule:

- **3309-1-35 Health Care**

This rule provides the details for administering SERS' health care program. As recommended by Christi Pepe at the June Board meeting, the amendments provide a consequence for an individual's failure to enroll in or maintain Medicare Part B coverage.

Under the proposed amendments, an individual who fails to enroll in Medicare Part B during their Medicare initial or special enrollment period will lose eligibility for SERS health care coverage. If an individual enrolls in Medicare Part B coverage but then fails to maintain the coverage, the individual must re-enroll during Medicare's first available general enrollment period.

The rule provides a deadline for individuals not currently enrolled in Medicare Part B to take action in order to remain eligible for SERS coverage. The following individuals must enroll/re-enroll in Medicare Part B during Medicare's 2022 general enrollment period (January 1, 2022 - March 31, 2022) to remain eligible for SERS health care coverage:

- An individual who did not enroll in Medicare during their initial or special enrollment period(s) that occur between January 1, 2019 and December 31, 2021.
- Individuals who lost Medicare Part B coverage beginning between January 1, 2019 and December 31, 2021.

An individual who, prior to January 1, 2019, failed to enroll in Medicare Part B during their initial/special enrollment period or lost Medicare Part B coverage will not lose eligibility for SERS health care coverage for failure to enroll.

Please call Dawn Viggiano at 614-222-5924 if you have any questions before the meeting.

FILING OF PROPOSED AMENDED ADMINISTRATIVE RULE

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

_____ moved and _____ seconded that proposed 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.

(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.

(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 retirant or disability benefit recipient may only be enrolled in the system's health care coverage at the following times:
- (a) At the time the retirant 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 retirant 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 retirant, 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 retirant, 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) 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 retirant or dependent of an age and service retirant, 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 retirant, 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 retirant'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 retirant's death.

(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)(h) 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: 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>
Barbra Phillips	_____	_____	_____
Hugh Garside	_____	_____	_____
James Haller	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
James Rossler	_____	_____	_____
Frank Weglarz	_____	_____	_____
Daniel Wilson	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____

FEDERAL LEGISLATION BOARD REPORT
117th United States Congress
(Prepared by Chris Collins as of July 2, 2021)

H.R. 82

SPONSOR: Rep. Rodney Davis (R-IL)

LAST ACTIONS: House - 01/04/2021 Referred to the House Committee on Ways and Means.

CAPTION: Social Security Fairness Act of 2021

COMMENT: Repeals the GPO and WEP. 181 co-sponsors; six Ohioans

H.R.328

SPONSOR: Rep. Peter DeFazio (D-OR)

LAST ACTION: House - 01/15/2021 Referred to the House Committee on Ways and Means.

CAPTION: To amend the Internal Revenue Code of 1986 to impose a tax on certain trading transactions.

COMMENT: 28 co-sponsors; one Ohioan

H.R. 1319

SPONSOR: Rep. John Yarmuth (D-KY)

LAST ACTIONS: 03/11/2021 Became Public Law No: 117-2.

CAPTION: American Rescue Plan Act of 2021

COMMENT: Provides additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses.

H.R. 2337

SPONSOR: Rep. Richard Neal (D-MA)

LAST ACTIONS: House - 04/01/2021 Referred to the House Committee on Ways and Means.

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

COMMENT: 170 cosponsors; three Ohioans

S. 1302

SPONSOR: Sen. Sherrod Brown (D-OH)

LAST ACTIONS: Senate - 04/22/2021 Read twice and referred to the Committee on Finance.

CAPTION: A bill to amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

COMMENT: 31 cosponsors

H.R. 3

SPONSOR: Rep. Frank Pallone (D-NJ)

LAST ACTIONS: House - 04/27/2021 Referred to the Subcommittee on Oversight and Investigations

CAPTION: Elijah E. Cummings Lower Drug Costs Now Act

COMMENT: 62 cosponsors; three Ohioans

MEMORANDUM

To: Christopher Collins, SERS Government Relations Officer

From: Carol Nolan Drake, Federal Liaison

Date: June 30, 2021

Re: Federal Legislative and Regulatory Report

OVERVIEW

Highlights from June: the passage of a bill in the Senate and then the House, signed by President Biden, to create the Juneteenth federal holiday; the efforts in the House and Senate to make progress on major pieces of legislation before and after the summer recess; the need for Congress to address the debt limit this summer per Treasury's notification; hopeful discussions on a bipartisan Infrastructure package along with a Democrat-led reconciliation package; budget discussions to support federal agencies and priorities; discussions with a coalition of plan sponsors, national organizations and health care companies to advocate for a legislative fix for Employer Group Waiver Plans (EGWPs) in House and Senate bills relating to Medicare Part D restructuring; and continued discussions with House and Senate Legislative Assistants on pension and health care issues.

Senate bill, S. 475, the "Juneteenth National Independence Day Act", passed in the Senate on June 15 and was sent to the House for consideration. The bill passed in the Senate by Unanimous Consent. The House vote was 415-14, with all Ohio Representatives voting in favor of it. President Biden signed the bill immediately. The first federal Juneteenth holiday occurred on Friday, June 18, 2021.

The House is scheduled to be back in session after the July 4 holiday until the end of July. The planned recess for the full month of August is being debated. There are several matters which the House must address before the fall, including a vote to raise the debt ceiling, move all the appropriation bills before the end of the fiscal year on September 30, and address the Biden administration's priorities.

On June 28, Speaker Nancy Pelosi (D-CA) introduced H.Res. 503, a Resolution to create a Select Committee to Investigate the January 6th Attack on the United States Capitol. Earlier in the month, Senate Republicans did not support the creation of a bipartisan Commission. Under the Resolution, Speaker Pelosi would appoint eight members and House Minority Leader Kevin McCarthy (R-CA) would appoint five members. The House voted on Wednesday with a 222-190 approval, with two Republicans supporting it, Reps. Liz Cheney (R-WY) and Adam Kinzinger (R-IL). Nineteen members did not vote.

On June 23, Secretary of the Treasury, Janet Yellen, testified before the Senate Committee on Appropriations, Subcommittee on Financial Services and General Government, on Treasury's Fiscal Year 2022 budget. Secretary Yellen mentioned the need for Congress to address the debt ceiling and give Treasury the authority to continue borrowing before it ends on July 31. When the Senate takes up the issue of the debt ceiling, it will need 60 votes to move the bill forward. Thus far, Republican Senators have been skeptical that a vote on the debt ceiling alone will be something they will support. Democrats will need to negotiate a deal to prevent Treasury from running out of borrowing authority. Secretary Yellen's testimony may be read here: <https://www.appropriations.senate.gov/hearings/fiscal-year-2022-budget-for-the-department-of-the-treasury>

In past budget discussions, the party in power would provide procedural guidance and spending caps for the appropriators on the various House and Senate Committees. House Democrats appear to be advancing the budget process before a resolution is in place. While discussions between Senate Democrats and Republicans are continuing on the level of spending and projects to be included in an infrastructure package, House Democrats are keeping their options open for the use of reconciliation, if necessary, for President Biden's American Families Plan.

House Hearings of interest included:

- **Committee on Financial Services, Subcommittee on Oversight & Investigations**
Hearing on Wednesday, June 30 at 10:00 a.m.
[Hybrid Hearing - America on "FIRE": Will the Crypto Frenzy Lead to Financial Independence and Early Retirement or Financial Ruin?](#)
- **Committee on Oversight and Reform, Subcommittee on Government Operations**
Hearing on Wednesday, June 30 at 10:00 a.m.
[Catalyst for Change: State and Local IT After the Pandemic](#)
- **Committee on Financial Services, Subcommittee on Consumer Protection and Financial Institutions**
Hearing on Wednesday, June 30 at 2:00 p.m.
[Hybrid Hearing - Addressing Climate as a Systemic Risk: The Need to Build Resilience within Our Banking and Financial System](#)

The Senate will be back in session after a scheduled break starting on Monday, June 28 and continuing until Friday, July 9. Senate Majority Leader Charles Schumer (D-NY) has heard from Democratic Senators that the scheduled August recess should be scaled back from the anticipated August 6 until September 13 timeframe. There was one particular hearing of interest in June:

- **Committee on Appropriations, Subcommittee on Labor, Health and Human Services, and Education, and Related Agencies**
Hearing on Wednesday, June 16 at 10:00 a.m.
To examine proposed budget estimates and justification for fiscal year 2022 for the Department of Education. <http://www.appropriations.senate.gov/>

The witness was the Honorable Miguel Cardona, Secretary of the Department of Education. In his testimony, Secretary Cardona related his support for the President's Fiscal Year 2022 federal budget request. He said:

The President's fiscal year 2022 request calls for a significant and long-overdue increase in Federal support for education from birth through college and career. The proposed discretionary request of \$103 billion for Department of Education programs, an increase of almost \$30 billion over the fiscal year 2021 enacted level, would be complemented by additional mandatory investments under the American Jobs Plan and the American Families Plan.

The full testimony may be read here: [Cardona Testimony](#)

On June 22, the Senate tied 50-50 in a vote on the bill, S. 2093, to overhaul federal elections and voting rights. The bill, the "For the People Act", needed 60 votes to overcome a filibuster. The bill had already advanced out of the House. Senator Sherrod Brown (D-OH) supported the bill while Senator Rob Portman (R-OH) did not support the bill.

BIDEN ADMINISTRATION

President Joe Biden issued an Executive Order on Diversity, Equity, Inclusion and Accessibility in the Federal Workforce, on June 25, in which he said:

As the Nation's largest employer, the Federal Government must be a model for diversity, equity, inclusion, and accessibility, where all employees are treated with dignity and respect. Accordingly, the Federal Government must strengthen its ability to recruit, hire, develop, promote, and retain our Nation's talent and remove barriers to equal opportunity. It must also provide resources and opportunities to strengthen and advance diversity, equity, inclusion, and accessibility across the Federal Government.

The Executive Order may be read here: <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/06/25/executive-order-on-diversity-equity-inclusion-and-accessibility-in-the-federal-workforce/>

During the Group of Seven (G-7) meeting in June, President Biden and leaders from the participating counties announced a tentative agreement to support a global minimum tax of at

least 15 percent. The tax would be assessed against companies to ensure that they would pay at least a minimum tax on profits no matter where the profits were earned. Republicans have indicated that further taxes on U.S. corporations were not acceptable.

INFRASTRUCTURE

A breakthrough emerged last week when Senate Republicans, including Senator Rob Portman (R-OH), and Democrats met with President Biden to reach an agreement on a compromised infrastructure plan. The agreement would provide \$973 billion over five years or \$1.2 trillion over eight years, with over \$550 billion in new spending. President Biden had asked for a significantly higher amount of money for traditional infrastructure spending as well as a separate bill for family “infrastructure.” The President praised the bipartisan deal, however, shortly after the press conference, he commented that both bills needed to be passed together. As reported, the bipartisan agreement would provide up to \$109 billion for roads, bridges and major projects, \$11 billion for safety, \$49 billion for transit, \$66 billion for rail and \$7.5 billion for electric vehicle infrastructure. The five-year plan would be paid for through increased IRS tax enforcement, unused unemployment insurance and COVID relief funds, among other pay-fors.

By Saturday, June 26, President Biden clarified that he did not intend to say that he would not support the negotiated infrastructure deal. Majority Leader Charles Schumer (D-NY) recognized that if the bipartisan infrastructure bill and the budget resolution for reconciliation pass in July, he might not be able to bring the second family- related infrastructure bill to the floor until fall. Speaker Nancy Pelosi (D-CA) indicated that the House would not be considering these bills until the Senate passes both of them.

CLIMATE

The House passed H.R. 1187, the “Corporate Governance Improvement and Investor Protection Act” which would require an issuer of securities to annually disclose to shareholders certain environmental, social, and governance metrics and their connection to the long-term business strategy of the issuer. The bill establishes the Sustainable Finance Advisory Committee that must recommend to the SEC policies to facilitate the flow of capital towards environmentally sustainable investments. The bill passed on a close 215-214 vote, without Republican support. The bill also requires reporting on climate risk, political contributions, CEO compensation and effective rates of taxation.

Rep. David Joyce (R-OH) announced that he was among members who launched the Conservative Climate Caucus. Other members are Reps. Troy Balderson (R-OH) and Anthony Gonzalez (R-OH). Rep. Joyce said, “My colleagues and I on this caucus are committed to implementing policies that reduce emissions and ensure Americans are good stewards of the environment without sacrificing jobs or hurting our economy. While I am also a part of a similar bipartisan group, I firmly believe that Republicans need to have a voice in creating practical solutions to address climate change.

EDUCATION

The Department maintains a site which is “dedicated to tracking, collecting, and disseminating data related to the Education Stabilization Fund (ESF) managed by the U.S. Department of Education.” The state of Ohio has received funds under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) for the ESF, composed of three primary emergency relief funds: (1) a Governor’s Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) provided an additional \$81.9 billion to the ESF. Ohio’s statistics may be viewed here: [ESF - OHIO \(ed.gov\)](https://www.ed.gov/efund/ohio)

Senator Sherrod Brown’s (D-OH) bill, S. 1401, to amend the Richard B. Russell National School Lunch Act to improve nutritional and other program requirements relating to purchases of locally produced food, has two cosponsors: Senators Susan Collins (R-ME) and Jon Tester (D-MT).

FINANCIAL SERVICES

H.Res. 249, introduced by Rep. Patrick McHenry (R-NC), “Expressing the sense of the House of Representatives that the Congress should not impose a financial transaction tax on individuals or market intermediaries in connection with trades executed on the National Market System or

alternative trading systems” has 23 cosponsors. It was referred to the House Committee on Ways and Means. Reps. Warren Davidson (R-OH) and Anthony Gonzalez (R-OH) are cosponsors.

H.R. 328, the “Wall Street Tax Act of 2021”, with 28 cosponsors, including Rep. Tim Ryan (D-OH) has not advanced out of Committee. The legislation would create a financial transaction tax on the sale of stocks, bonds, and derivatives at 0.1 percent (10 basis points), which could raise approximately \$777 billion over ten (10) years. A Senate companion bill, S. 817, has been introduced, however, neither Senator Sherrod Brown (D-OH) or Rob Portman (R-OH) have co-sponsored the bill.

SERS ADVOCACY ON THE HRA WRAPAROUND PLAN AND EGWPs

SERS has been working with other plan sponsors, industry organizations and providers to create a white paper that we can use to educate Congress on EGWP plans. Over a series of calls in June, the white paper has been edited and is nearing a final draft.

In the interim, SERS and I have been making appointments to talk with legislative staff to discuss EGWPs and the need for consideration of their unique plan offerings that benefit retirees. The current House bills, H.R. 3 and H.R. 19, the former Senate bill, S. 2543, called “PDPRA”, as well as the most recent bill introduced by Senator Ron Wyden (D-OR), could cause an increase in the premiums of retirees and impact EGWPs as unintended consequences of Medicare Part D restructuring. The bills do not consider the EGWP structure that offers protection for enrollees by plan sponsors against the high cost of prescription drugs. There is also a misunderstanding that EGWPs have a higher cost for the federal government, taxpayers and manufacturers. As one of the coalition participants said, EGWPs take in no more federal dollars than any individual Part D plan on the open market and taxpayers pay no more for EGWPs than they do for individual Part D plans. The bills also do not distinguish between employer and retiree plan sponsors. Draft language has been reviewed to address these problems to allow for the catastrophic phase to be reached either through the currently proposed \$3,100 member out-of-pocket amount or through a total drug spend threshold amount of \$13,560. This latter option would be indexed for growth in the same way as the \$3,100 threshold.

On Monday, June 28, we held a call with the new health policy staff member in Senator Portman’s office. With the change in leadership in the Senate, staff turnover in the offices and on the Committee on Finance has been high. We have a call scheduled for Wednesday, July 7 with a health policy advisor for the Committee on Finance on the minority side. We have requested an appointment with the health policy advisor on the majority side. We also have reached out to Senator Sherrod Brown’s office as both he and Senator Portman are members of the Committee on Finance. We have good contacts in the health care industry and labor organizations and are following up with them.

During a recent call with the Legislative Assistant and Legislative Director respectively in the offices of Reps. Marcy Kaptur (D-OH) and Tim Ryan (D-OH), SERS and I discussed their meeting with a new health policy advisor in HHS/CMS. Since the end of the Limited Wraparound Plan authority in 2019, SERS has offered a Wraparound HRA plan. We have been seeking a way to change the HRA Excepted Benefit Plan cap of \$1,800 per family to per enrolled participant. There appeared to be interest by CMS to continue the discussion on a regulatory approach that could address the issue. We will continue to pursue a legislative or regulatory change.

WINDFALL ELIMINATION PROVISION (WEP)

On June 15, a retired teacher from Texas testified before the House Committee on Ways and Means, Subcommittee on Social Security, before a hearing entitled, “Equity in Social Security: In Their Own Words.” Mary Widmier, Ed.D., said:

So now I find myself retired, receiving a pension through the Teacher Retirement System in Texas to which I contributed for 36 years. However, I also have 21 years of private sector employment at various times, either before, during or after my employment as a public servant. My contributions into Social Security during this employment are impacted by the WEP. I receive less than \$120 a month which is automatically applied to my billing for Medicare, Part B.

The full testimony may be read here: [Mary Widmier Testimony.pdf \(house.gov\)](#)

On June 29, four of Ohio's retirement systems, including SERS, submitted a letter to be part of the record to the Subcommittee Chair John Larson (D-CT) and Ranking Member Tom Reed (R-NY). In the letter, the Executive Directors said:

The most significant issue concerning the members and retirees of the ORS was mentioned by one of the witnesses, Mary Widmier, Ed.D, Texas, which is the Windfall Elimination Provision (WEP). No state has felt the impact of the WEP more acutely than Ohio, which has a higher percentage of non-covered public workers than any other state. This offset currently impacts more than 148,000 Ohioans, diminishing their retirement security and reducing their ability to provide for themselves and their families.

On behalf of the ORS retirees who are receiving a reduced Social Security benefit due to WEP and our active members who anticipate receiving a Social Security benefit in the future, we respectfully request the Subcommittee to enact an equitable solution. As Dr. Widmier very succinctly stated, "We are not asking for more than we paid into the system. We are simply asking for a more equitable formula."

H.R. 2337, to revise the WEP formula, now has 170 cosponsors. The bill, introduced by Rep. Richard Neal, (D-MA), Chairman of the Committee on Ways and Means, would amend title II of the Social Security Act to provide an equitable Social Security formula for individuals with noncovered employment and to provide relief for individuals currently affected by the WEP. The cosponsors include Reps. Joyce Beatty, Marcy Kaptur and Tim Ryan, all Ohio Democrats.

The bill introduced by Senator Sherrod Brown (D-OH), S. 1302, now has 31 cosponsors, however, Senator Rob Portman (R-OH) is not one of them. The bill would amend title II of the Social Security Act to repeal the government pension offset (GPO) and windfall elimination provisions (WEP).

SOCIAL SECURITY ADMINISTRATION (SSA)

H.R. 82, the "Social Security Fairness Act of 2021" has jumped to 181 cosponsors, many signing on in June. Six Ohio members are cosponsors, including Rep. Joyce Beatty (D-OH), Tim Ryan (D-OH), David Joyce (R-OH), Michael Turner (R-OH), Bob Gibbs (R-OH) and Troy Balderson (R-OH). The bill repeals provisions that reduce Social Security benefits for individuals who receive other benefits, such as a pension, and eliminates the GPO and the WEP for benefits payable after December 2021.

On June 29, in an opinion piece published in Roll Call, Jim Allsup noted that the backlog of disability applications rose by 30 percent, from 593,944 in 2019 to 763,747 last year. The processing times for applications increased by 11 days, meaning the average application took 131 days for the SSA to process. [Biden proposal could be the answer to Social Security disability benefit woes - Roll Call](#)

HHS/MEDICARE AND MEDICAID/CMS

Last week, Senate Majority Leader Charles Schumer (D-NY) agreed with Senator Bernie Sanders' (I-VT), Chairman of the Senate Committee, proposal to add dental, vision and hearing coverage for Medicare recipients. In a budget draft resolution that was circulated through Senate offices, this proposal and one to make ACA premium tax credits permanent were included. The proposal also includes language to lower the age for Medicare eligibility to 60. The costs are well over \$750 billion. Senator Sanders expressed confidence that drug price negotiations with manufacturers and proposals to lower drug prices for Medicare recipients would cover the costs.

On June 21, CMS announced that it would be providing grant money to state-based ACA exchanges for system updates. According to the release, "The Centers for Medicare & Medicaid Services (CMS) announced \$20 million in American Rescue Plan (ARP) funding to support State-based Marketplaces (SBMs) to improve access to affordable, comprehensive health insurance coverage for consumers in their states. The full release may be read here: [CMS Announces \\$20 Million in American Rescue Plan Funding Available to Improve Access to State-based Marketplace Coverage | CMS](#)

H.R. 3173, a bill to amend title XVIII of the Social Security Act to establish requirements with respect to the use of prior authorization under Medicare Advantage plans, was introduced by Rep.

Suzan DelBene (D-WA). There are 131 cosponsors now, including Reps. Brad Wenstrup (R-OH), Bob Gibbs (R-OH), Bill Johnson (R-OH) and Steve Chabot (R-OH).

S. 1279, as introduced by Senator Sherrod Brown (D-OH), the “Medicare at 50 Act”, S. 1279, still has 19 cosponsors. The bill would “give people between the ages of 50 and 64 years old the option of buying into Medicare to provide the millions of Americans approaching retirement or forced to retire early due to layoffs or mandatory retirement, who face increasing health care needs and rising costs with an additional, affordable option for their health insurance coverage.

A bill, S. 1180, the “Choose Medicare Act”, was introduced by Senators Chris Murphy (D-CO), Jeff Merkley (D-OR) and Dianne Feinstein (D-CA) and was co-sponsored by 12 Democrats. The bill would provide for the establishment of Medicare part E public health plans, and for other purposes. The bill would also enable HHS to be able to negotiate Medicare prescription drug prices.

S. 386, the “Medicare-X Choice Act”, still has only 13 cosponsors, none from Ohio. The bill would create a public option health insurance plan that would allow Medicare to negotiate lower drug prices. The proposal would create a government-run plan to compete with plans offered by private insurers.

PRESCRIPTION DRUGS

On June 22, Senator Ron Wyden (D-OR), Chairman of the Senate Committee on Finance, released an outline of his “priorities for lowering prescription drug prices.” For SERS, the outline includes a provision which said, **“The ‘Rebate Rule’ proposed under the previous Administration does not properly address this problem and should be blocked.”** There were several priorities listed:

1. Medicare must have the authority to negotiate with pharmaceutical companies, especially when competition and market practices are not keeping prices in check.
2. Prices of drugs that increase faster than inflation will not be subsidized by patients and taxpayers.
3. Drug pricing reforms that keep prices and patient costs in check should extend beyond Medicare to all Americans, including those covered by employer and commercial health plans.

The three-page paper may be read here:

<https://www.finance.senate.gov/imo/media/doc/062221%20SFC%20Drug%20Pricing%20Principles.pdf>

The Rebate Rule has not been revised or repealed as of this date, however, the Biden administration has continued to delay its implementation. According to a previous CMS cost estimate, the rule would increase government spending by \$196 billion over a ten-year period. As Senate Democrats look for a path forward on drug pricing legislation, any potential savings could help them “pay” for other priorities that President Biden has highlighted.

On the Republican Senate side, Senators Mike Crapo (R-ID) and Richard Burr (R-NC) reintroduced the “Lower Costs, More Cures Act”, or “LCMCA”, on June 22. The bill is a companion to H.R. 19, the Republican House version. The Senators said that the bill would lower prescription drug prices, bring greater transparency to the prescription drug industry, and encourage American ingenuity in the development of new treatments and cures. A press release was issued to accompany the bill’s introduction: [Ranking Member’s News | Newsroom | The United States Senate Committee on Finance](#)

According to the release, the Lower Costs, More Cures Act would:

- Modernize payments for drugs delivered in the doctor’s office under Medicare Part B;
- Incentivize lower-cost alternatives, or biosimilars;
- Establish an annual out-of-pocket cap of \$3,100 for Medicare Part D enrollees and allow certain patients to pay in monthly installments;
- Decrease beneficiary cost sharing from 25 to 15 percent before the out-of-pocket cap is reached;
- Allow prescription drug plan sponsors to offer, at minimum, up to four Part D plans per region.

The full text of the LCMCA can be found [HERE](#), and a section-by-section can be found [HERE](#).

H.R. 19, the “Lower Costs, More Cures Act”, the Republican version of the Democratic H.R. 3, was reintroduced and has 82 cosponsors. Reps. Brad Wenstrup (R-OH), Bob Latta (R-OH), David Joyce (R-OH) and Troy Balderson (R-OH) are cosponsors. The Senate bill was introduced as noted above.

On June 21, the U.S. Department of Labor, along with the Department of the Treasury, Department of Health and Human Services and the Office of Personnel Management announced a Request for Information (RFI) seeking public input on the implementation of a new law requiring the collection and publication of data on pharmacy benefits and prescription drug costs, including input on the data elements to be collected and the associated impact on health plans and issuers. The notification was posted in the Federal Register. Comments are due by July 23, 2021. [Federal Register: Request for Information Regarding Reporting on Pharmacy Benefits and Prescription Drug Costs](#)

Rep. Warren Davidson (R-OH) introduced H.R. 4126, the “Vaccine Passport Prevention Act” to prevent the issuance of these documents from federal, state, and local governments, while prohibiting businesses from discriminating against employees or customers based on vaccination status. The vaccine passport prohibition would not apply to hospitals, doctors’ offices, or other medical facilities.

The lawsuit filed by the Pharmaceutical Care Management Association (PCMA) against HHS and other federal agencies, in the U.S. District Court for the District of Columbia, is still pending. The implementation of the rebate rule has been extended until January 1, 2023, pending review by the Biden Administration and the Court.

DEPARTMENT OF LABOR

On June 11, the Department of Labor released its spring regulatory agenda. The rule-making notice included the language to amend the regulatory definition of the term fiduciary “to more appropriately define when persons who render investment advice for a fee to employee benefit plans and (individual retirement accounts) are fiduciaries” within the meaning of the Employee Retirement Income Security Act and the Internal Revenue Code. [US Department of Labor outlines upcoming worker-centered protections in Biden-Harris administration Spring 2021 Regulatory Agenda | U.S. Department of Labor \(dol.gov\)](#)
<https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202104&RIN=1210-AC02>

RETIREMENT SECURITY

On June 8, the Center for Retirement Security, Boston College, published research on missing pension plan participants, noting that it is the “employer’s responsibility to find former employees and keep them apprised of any retirement benefits they left behind.” According to the blog, “Since 2017, more than \$4 billion in past due defined benefit pension payments have been returned to millions of plan participants.” [\\$4 Billion in Pension Payments Returned | Squared Away Blog \(bc.edu\)](#)

Senators Rob Portman (R-OH) and Ben Cardin (D-MD) introduced their bipartisan legislation, S. 1770, a bill to amend the Internal Revenue Code of 1986 to reform retirement provisions, and for other purposes. The bill has not moved out of Committee.

Senator Chuck Grassley (R-IA) introduced S. 1703, a bill called, the “Improving Access to Retirement Savings Act”. The bill would allow schools, charities and other nonprofit employers that offer 403(b) tax-sheltered annuity plans to work with other nonprofit employers to offer their employees retirement benefits through Multiple Employer Plans or MEPS.

Senators Patty Murray (D-WA) and Tina Smith (D-MN) introduced S. 1762, a bill to amend the Employee Retirement Income Security Act of 1974 to permit retirement plans to consider certain factors in investment decisions. A companion bill, H.R. 3387, was introduced in the House by Representative Suzan DelBene (D-WA). H.R. 3604 was introduced by Rep. Andy Levin (D-MI), to amend the Employee Retirement Income Security Act of 1974 to enable consideration and disclosure by retirement plans of Sustainable Investment Policies.

As reported, Chairman Richard Neal (D-MA) and Ranking Member Kevin Brady (R-TX), serving on the House Committee on Ways and Means, introduced H.R. 2954, the “Securing a Strong Retirement Act of 2021”, or SECURE Act 2.0. The bill has received bipartisan support. Rep. Brad Wenstrup (R-OH) is a cosponsor.

SECURITIES AND EXCHANGE COMMISSION (SEC)

On June 11, the Office of Information and Regulatory Affairs released the Spring 2021 Unified Agenda of Regulatory and Deregulatory Actions. Notable SEC rulemaking areas include:

- Disclosure on climate risk, human capital, workforce and corporate board diversity, and cybersecurity risk;
- 10b5-1 affirmative defense provisions;
- Enhancing shareholder democracy;
- Special purpose acquisition companies (SPACS); and
- Mandated electronic filings and transfer agents.

A coalition of over 300 faith-based institutional investors representing more than \$4 trillion in assets have filed suit in the U.S. District Court for the District of Columbia against the SEC over the rule changes last year that raised the bar for filing resolutions at annual shareholder meetings. The rule changes would take effect next year. [Investors File Lawsuit to Overturn Trump-Era SEC Rule Revision that Would Significantly Curtail Shareholders' Voice in Corporate Governance | ICCR \(Interfaith Center on Corporate Responsibility\)](#)

Twenty-two Republican Members of Congress, including Reps. Anthony Gonzalez (R-OH) and Warren Davidson (R-OH), sent a letter to Chairman Gary Gensler in which they reinforced the long-standing definition of financial “materiality” for determining what needs to be disclosed by companies. The signatories encouraged the SEC not to adopt a “one-size-fits-all” mandate to address climate change. The letter may be read here: <https://hill.house.gov/uploadedfiles/20210604secltr.pdf>

U.S. SUPREME COURT

The third challenge that made its way to the Supreme Court on the Affordable Care Act (ACA) was decided on June 17. Justice Stephen G. Breyer was the author for the Supreme Court's 7 to 2 decision. The Court dismissed suit because Republican-led states did not have legal standing to overturn the law. Justices Samuel Alito, Jr. and Neil Gorsuch dissented.

REPORTS

In June, the Center for Retirement Research, Boston College, released its annual survey of state and local pension funding. The report may be accessed here: [2021 Update: Public Plan Funding Improves as Workforce Declines \(bc.edu\)](#)

ACTIVITIES:

1. Requested appointments with Ohio delegation staff members, arranged the invitations and participated on Zoom calls. Provided follow up on requests for more information.
2. Reviewed the draft white paper for education on EGWPs for Congressional offices.
3. Reviewed bills, Executive Orders, statements and memoranda related to education, schools, retirement and health care. Provided a Memorandum on the infrastructure proposal.
4. Participated in calls with SERS, Government Relations Network, the coalition on EGWP advocacy, and the Public Sector HealthCare Roundtable.
5. Monitored bills and hearings from the House Committees on Ways & Means, Energy and Commerce, Appropriations, Finance, and others related to public pensions, COVID-19, retirement security, health care, prescription drugs, education and schools, and Social Security.
6. Monitored the U.S. Supreme Court for important retirement, health care and investment cases.
7. Reviewed bills that were introduced or cosponsored by members of the Ohio delegation or other House/Senate members on issues that could impact SERS, retirement security and/or health care.
8. Reviewed notices or proposed rules from the SEC, DOL, HHS/CMS, and regulatory agencies.
9. Monitored organizations, such as the Social Security Administration, American Benefits Council, AHIP, BMA, AARP and other entities on pension, investment, and/or health-care-related issues.
10. Reviewed reports and newsletters from CII, ICGN, NASRA, NCTR, NCPERS, Public Sector HealthCare Roundtable, Social Security, and prepared the Federal Legislative Report.

**STATE LEGISLATION BOARD REPORT
(Prepared by Chris Collins as of July 2, 2021)**

133rd General Assembly

HB308 POST-TRAUMATIC STRESS FUND Tom Patton (R-Strongsville) To provide compensation and benefits to first responders with post-traumatic stress disorder and to study the financial and administrative requirements for that fund.

Current Status: 01/09/2021 SIGNED BY GOVERNOR; eff. 90 days

HB442 OCCUPATIONAL REGULATIONS Bill Roemer (R-Richfield) and Thomas West (D-Canton) Requires pupil services personnel to register with the Department of Education, rather than hold a separate license from the State Board of Education as under prior law. The change applies to school speech language pathologists, audiologists, school nurses, physical therapists, occupational therapists, and social workers, who are licensed by their respective professional boards.

Current Status: 01/07/2021 SIGNED BY GOVERNOR; eff. 90 days

134th General Assembly

HB110 OPERATING BUDGET Scott Oelslager (R- North Canton) To make operating appropriations for the biennium beginning July 1, 2021, and ending June 30, 2023, to levy taxes, and to provide authorization and conditions for the operation of state programs.

Current Status: 07/01/2021 SIGNED BY GOVERNOR; effective 7/1/21

HB14 REGARDS STATE RETIREMENT SYSTEM Diane Grendell (R – Chesterland) Regarding state retirement system fiduciary duties, Public Employees Retirement System management fees and employee pay, and creating the Committee on Pension Salaries and Fees.

Current Status: 02/04/2021 Referred to Financial Institutions Committee

School Employees Retirement System of OhioSummary of preliminary administrative operation expenses during the period **June 1, 2021 - June 30, 2021**.

Account	Amount
Salaries & Wages	1,108,066.66
Salaries & Wages - Overtime	2,503.02
Vacation Leave Expense	65,721.74
Sick Leave Expense	34,551.65
Other - Employee Cost	4,413.19
Unemployment Compensation	218.39
Employer Contributions - PERS	158,510.91
Group Life	8,275.43
Long Term Disability	2,372.24
Short Term Disability	2,513.88
Group Health Claims	261,687.00
Group Health - Admin Fees	8,260.25
Prescription Claims	106,174.70
Group Health - Stop Loss	13,548.33
Vision Claims	4,361.59
Vision Admin Fees	172.26
Group Health - Employee Cost	(27,849.83)
Group Health - Wellness Incentive	3,565.00
Group Health - Tobacco Premiums	(880.00)
Medicare Premium - Employer	16,257.35
Tuition	720.62
Deferred Compensation Match	4,800.00
Actuarial Services	66,750.00
Audit	18,667.00
Custodial Fees - Investment Accounting	77,602.56
Custodial Banking	16,199.09
Master Recordkeeper Fees	85,000.00
Investment Advisory Fees	54,166.63

Performance/Analytics Fee	37,401.66
Bloomberg Terminal Rentals	5,910.00
Medical Consultant	3,750.00
Special Counsel	25,121.48
Technical	129,763.17
Other Professional Services	64,492.14
Postage	2,361.56
Telecommunications Services	23,347.02
Printing Paper	0.00
Communications & Publications	0.00
Hardware Maintenance	0.00
Software Maintenance	70,000.00
Software Subscriptions	140,281.18
Hardware < \$5,000	0.00
Software < \$25,000	0.00
Equipment Repairs & Maintenance	4,620.00
Office Supplies & Expenses	122.42
Records Storage	473.69
Seminars & Conferences	6,808.80
Travel & Transportation	6,791.67
Subscriptions	15,355.07
Memberships	1,345.00
Operations Maintenance	5,664.14
Staff Support	5,596.02
Recruiting Expenses	1,443.83
Interior Landscaping	1,356.37
Vehicle Expense	136.45
Board Member - School Board Reimbursement	1,738.36
Reimbursement of Leased Svcs	(25,416.67)
Total Administrative Expenses	2,624,813.02

**School Employees Retirement System of Ohio
REVIEW OF ADMINISTRATIVE EXPENSES
June 2021**

The following are preliminary administrative operation expenses of the School Employees Retirement System of Ohio during the period **June 1, 2021 - June 30, 2021**

Account	Vendor	Amount
Salaries & Wages	ADP, LLC	545,762.26
	ADP, LLC	562,304.40
	Account Totals:	1,108,066.66
Salaries & Wages - Overtime	ADP, LLC	1,610.58
	ADP, LLC	892.44
	Account Totals:	2,503.02
Vacation Leave Expense	ADP, LLC	65,721.74
	Account Totals:	65,721.74
Sick Leave Expense	ADP, LLC	34,551.65
	Account Totals:	34,551.65
Other - Employee Cost	ADP, LLC	4,413.19
	Account Totals:	4,413.19
Unemployment Compensation	ODJFS	218.39
	Account Totals:	218.39
Employer Contributions - PERS	Ohio Public Emp. Retirement System	79,226.73
	Ohio Public Emp. Retirement System	79,284.18
	Account Totals:	158,510.91

July 2021 SERS Board Book - Executive Director's Report

Group Life	American United Life Insurance Company	8,275.43
	Account Totals:	8,275.43
Long Term Disability	American United Life Insurance Company	2,372.24
	Account Totals:	2,372.24
Short Term Disability	American United Life Insurance Company	1,256.94
	American United Life Insurance Company	1,256.94
	Account Totals:	2,513.88
Group Health Claims	Aetna Daily Wires - ESERS	258,855.50
	SaveonSP, LLC	2,831.50
	Account Totals:	261,687.00
Group Health - Admin Fees	Aetna Admin - ESERS	8,260.25
	Account Totals:	8,260.25
Prescription Claims	Express Scripts - ESERS	25,000.40
	Express Scripts - ESERS	14,632.26
	Express Scripts - ESERS	23,822.89
	Express Scripts - ESERS	5,548.40
	Express Scripts - ESERS	37,170.75
	Account Totals:	106,174.70
Group Health - Stop Loss	Sunlife Financial	13,548.33
	Account Totals:	13,548.33
Vision Claims	VSP - (OH)	2,572.50

July 2021 SERS Board Book - Executive Director's Report

	VSP - (OH)	1,789.09
	Account Totals:	4,361.59
Vision Admin Fees		
	VSP - (OH)	172.26
	Account Totals:	172.26
Group Health - Employee Cost		
	Employee Premiums	(13,677.50)
	Employee Premiums	(13,981.47)
	Aetna Admin - ESERS	(190.86)
	Account Totals:	(27,849.83)
Group Health - Wellness Incentive		
	ADP, LLC	3,565.00
	Account Totals:	3,565.00
Group Health - Tobacco Premiums		
	ADP, LLC	(440.00)
	ADP, LLC	(440.00)
	Account Totals:	(880.00)
Medicare Premium - Employer		
	ADP, LLC	7,900.69
	ADP, LLC	8,356.66
	Account Totals:	16,257.35
Tuition		
	Brown, Cory	720.62
	Account Totals:	720.62
Deferred Compensation Match		
	ADP, LLC	2,400.00
	ADP, LLC	2,400.00
	Account Totals:	4,800.00
Actuarial Services		
	Cavanaugh MacDonald Consulting, LLC	11,974.00

July 2021 SERS Board Book - Executive Director's Report

	Cavanaugh MacDonald Consulting, LLC	12,000.00
	Cavanaugh MacDonald Consulting, LLC	25,194.00
	Cavanaugh MacDonald Consulting, LLC	17,582.00
	Account Totals:	66,750.00
Audit		
	Expedient	6,667.00
	Expedient	12,000.00
	Account Totals:	18,667.00
Custodial Fees - Investment Accounting		
	BNY Mellon Asset Servicing	77,602.56
	Account Totals:	77,602.56
Custodial Banking		
	Huntington National Bank	15,734.99
	Treasurer of State - Warrants	464.10
	Account Totals:	16,199.09
Master Recordkeeper Fees		
	BNY Mellon Asset Servicing	85,000.00
	Account Totals:	85,000.00
Investment Advisory Fees		
	Wilshire	54,166.63
	Account Totals:	54,166.63
Performance/Analytics Fee		
	BNY Mellon Asset Servicing	34,401.66
	Wilshire Associates Incorporated	3,000.00
	Account Totals:	37,401.66
Bloomberg Terminal Rentals		
	Bloomberg Finance LP	5,910.00
	Account Totals:	5,910.00
Medical Consultant		
	Borchers, M.D., Glen G.	3,750.00

July 2021 SERS Board Book - Executive Director's Report

		Account Totals:	3,750.00
Special Counsel			
	Ice Miller LLP		4.78
	Ice Miller LLP		23,069.00
	Newhouse,Prophater,Kolman&Hogan LLC		294.00
	Porter, Wright, Morris,		643.70
	Standley LawGroup LLP		1,110.00
		Account Totals:	25,121.48
Technical			
	Sagitec Solutions, LLC		32,395.00
	Buck Global, LLC		20,000.00
	Carlson Management Consulting		450.00
	CGI, Inc.		5,280.00
	ComResource		12,621.25
	Sagitec Solutions, LLC		34,041.92
	Velosio		8,947.50
	ComResource		15,592.50
	Velosio		435.00
		Account Totals:	129,763.17
Other Professional Services			
	Drake, Carol N.		3,333.33
	LexisNexis Risk Data Management, Inc		1,339.42
	CPS HR Consulting		7,090.00
	Mosaic Governance Advisors, LLC		8,875.00
	Wickert, Kimberly		272.00
	Contoural, Inc.		6,454.50
	Contoural, Inc.		831.00
	Drake, Carol N.		3,333.33
	LexisNexis Risk Data Management, Inc		1,130.23
	Performance Leadership Group, LLC		500.00
	Sedgwick Technology Solutions LTD		28,000.00
	Vorys Advisors LLC		3,333.33
		Account Totals:	64,492.14
Postage			

July 2021 SERS Board Book - Executive Director's Report

Pitney Bowes Inc.	1,936.96
Unishippers Association	33.00
Pitney Bowes Inc.	62.69
Unishippers Association	100.64
Pitney Bowes Inc.	195.27
Unishippers Association	33.00
Account Totals:	2,361.56

July 2021 SERS Board Book - Executive Director's Report

Telecommunications Services

AT&T	90.19
Time Warner Cable	10,248.62
Verizon Wireless	3,083.93
LUMEN	3,697.92
XO Communications	1,828.22
TBG Conferencing	343.47
Time Warner Cable	173.80
Nextel Communications	111.52
Time Warner Cable	2,149.02
Verizon Wireless	1,620.33
Account Totals:	23,347.02

Printing Paper

Account Totals:	0.00
Account Totals:	0.00

Communications & Publications

Account Totals:	0.00
Account Totals:	0.00

Hardware Maintenance

Account Totals:	0.00
Account Totals:	0.00

Software Maintenance

Sagitec Solutions, LLC	35,000.00
Sagitec Solutions, LLC	35,000.00
Account Totals:	70,000.00

Software Subscriptions

Wellable LLC	465.40
Apple	107.49
Liquid Web Inc	264.50
Zoom	513.66
Adaptive Insights	36,080.00
ADP, LLC	3,255.31
KLDiscovery	1,275.00

July 2021 SERS Board Book - Executive Director's Report

	KLDiscovery	1,275.00
	Liquid Web Inc	264.50
	Zoom	513.66
	OARnet	96,266.66
	Account Totals:	140,281.18
Hardware < \$5,000		0.00
	Account Totals:	0.00
Software < \$25,000		0.00
	Account Totals:	0.00
Equipment Repairs & Maintenance		
	Canon Financial Services, Inc	1,647.27
	Ricoh USA, Inc	389.58
	Ricoh USA, Inc	449.22
	Digital Print Solutions	729.40
	Ricoh USA, Inc	398.99
	US Bank Equipment Finance	1,005.54
	Account Totals:	4,620.00
Office Supplies & Expenses		
	Target	12.88
	Staples Business Advantage	109.54
	Account Totals:	122.42
Records Storage		
	Vital Records Holdings, LLC	473.69
	Account Totals:	473.69
Seminars & Conferences		
	Central Ohio ACFE Chapter	145.00
	Dion Training	277.80
	Institute for Natural Resources	152.00
	Investopedia Academy	199.00
	Medius Cisco	3,500.00

July 2021 SERS Board Book - Executive Director's Report

MindEdge, Inc	39.00
NCPERS	300.00
ServiceNow, Inc	299.00
Central Ohio ISSA	175.00
National Association of Public Pension Attorneys	1,497.00
Ohio State University	225.00
Account Totals:	6,808.80

Travel & Transportation

Haller, James	357.30
King, Matt	397.43
Moss, Catherine	441.87
Phillips, Barbra	354.32
Rossler, James	244.00
Weglarz, Frank	498.16
Wilson, Daniel L.	405.00
Haller, James	49.74
Kroger	106.93
Lavash Cafe	326.00
Moss, Catherine	43.95
Nanak Cakes & Pastries	54.83
Phillips, Barbra	64.52
Rossler, James	24.96
Haller, James	423.61
HoneyBaked Ham	219.92
Jimmy Johns	190.50
King, Matt	298.88
Kroger	130.27
Moss, Catherine	527.46
Phillips, Barbra	83.64
Rossler, James	294.25
Target	79.13
Tim Horton's	9.49
Together & Company	377.88
Weglarz, Frank	349.87
Wilson, Daniel L.	437.76
Account Totals:	6,791.67

July 2021 SERS Board Book - Executive Director's Report

Subscriptions

A Cloud Curu	1,072.86
Constant Contact	125.00
Shutterstock, Inc.	29.00
Toledo Blade	12.99
Wall Street Journal	19.49
Pluralsight	382.78
BCA Research Inc.	13,526.47
Constant Contact	125.00
Shutterstock, Inc.	29.00
Toledo Blade	12.99
Wall Street Journal	19.49
Account Totals:	15,355.07

Memberships

ARMA International	195.00
Association of Public Pension Fund Auditors	500.00
International Association of Business Communicators	100.00
International Association of Privacy Professionals	100.00
Ohio Ethics Commission	60.00
Cheng, Paul	40.00
CAIA Association	350.00
Account Totals:	1,345.00

Operations Maintenance

Amtrec, LLC	1,666.00
AT&T	244.23
Northeast Ohio Natural Gas Corp.	73.27
South Central Power Company	1,932.00
AT&T	261.00
Northeast Ohio Natural Gas Corp.	212.73
South Central Power Company	1,031.00
AT&T	243.91
Account Totals:	5,664.14

Staff Support

Matrix Integrated Psychological Services	587.40
Cheryl's	500.00

July 2021 SERS Board Book - Executive Director's Report

Hills Market	304.47
Certif-A-Gift Company	280.00
ThrivePass	618.00
2Shea Creative LLC	50.00
Cheryl's	43.99
Panera Bread	79.92
Unisan, LLC	104.38
Employee Reimbursement	1,477.86
Employee Reimbursement	1,550.00

July 2021 SERS Board Book - Executive Director's Report

		Account Totals:	5,596.02
Recruiting Expenses			
	ADP Screening & Selection Services		262.50
	Indeed		257.20
	Screenpointe, Inc.		35.00
	ADP Screening & Selection Services		65.00
	Indeed		625.13
	YourMembership.com		199.00
		Account Totals:	1,443.83
Interior Landscaping			
	Ambius Inc.		1,356.37
		Account Totals:	1,356.37
Vehicle Expense			
	BP Oil Company		42.01
	Firestone Complete Auto Care		44.44
	Moo Moo Car Wash		14.00
	BP Oil Company		36.00
		Account Totals:	136.45
Board Member - School Board Reimb.			
	Ashland City School District		1,738.36
		Account Totals:	1,738.36
Reimbursement of Leased Svcs			
	OSERS Broad St. LLC		(25,416.67)
		Account Totals:	(25,416.67)
Total Administrative Expenses			2,624,813.02

July 2021 SERS Board Book - Executive Director's Report

**FY2021 Administrative Budget
Board Expense to Budget Reporting
Year-to-Date Through June 30, 2021 (Preliminary)**

Major Category/Sub-Major Category	Line Item	Vendor	FY2021 Budget	YTD Expense	Budgeted Y/N?	Additional Information
PROFESSIONAL SERVICES			\$ 6,764,785	\$ 5,331,527.13		
ACTUARIAL ADVISORS			\$ 390,660	\$ 339,054.00		
	Actuarial	Cavanaugh Macdonald	344,660	339,054 00	Y	Actuarial Consultant
AUDITING			\$ 195,020	\$ 185,539.20		
	Auditing	RSM US LLP	145,020	174,878 00	Y	External Auditor
BANKING FEES			\$ 1,257,223	\$ 1,054,127.92		
	Custodial Banking		1,106,543	881,323.81	Y	
		Huntington/Fifth Third	450,000	237,540 99	Y	Domestic Custodian
		BNYM	656,543	643,782 82	Y	International Custodian
	Administrative Banking	Huntington National Bank	150,680	172,804.11	Y	Banking Services
INVESTMENT RELATED			\$ 2,818,137	\$ 2,326,762.62		
	Master Recordkeeper		1,151,600	989,247.70	Y	
	Investment Consulting & Advisory Services		825,000	650,000.00		
		Aksia	375,000	200,000 00	Y	Investment Consulting
		Wilshire	450,000	450,000 00	Y	Investment Consulting
	Performance Analytics Services		704,820	687,514.92		
		Barra-One Risk Mgmt Sys	254,000	238,445 00	Y	Investment Risk Analytics
		BNY Mellon GRS	414,820	412,819 92	Y	Investment Performance Analytics
TECHNICAL			\$ 2,063,745	\$ 1,426,043.39		
	Special Counsel		226,000	269,352 85	Y	
	Technical		1,252,300	757,867.54		
		IBM	118,000	118,000 00	Y	Data Warehouse
		Sagitec	583,200	408,686 08	Y	SMART Development Resources
	Other Professional Services		585,445	398,823.00		
		Contoural	100,000	93,748 30	Y	Record Retention Project
OTHER OPERATING EXPENSE			\$ 3,004,049	\$ 1,600,588.28		
COMPUTER SUPPORT SERVICES			\$ 1,808,505	\$ 1,600,588.28		
	Hardware Maintenance		189,771	157,492 04	Y	
	Software Maintenance		972,185	864,389.96		
		Hyland	111,500	107,310.62	Y	ImageNow
		Dell	188,830	195,590 32	Y	Microsoft Enterprise Agreement
		Sagitec	420,000	385,000 00	Y	SMART Silver Support
	Software Subscription		548,572	578,706 28	Y	

July 2021 SERS Board Book - Executive Director's Report

PROJECT ITEMS						
Major Category/Sub-Major Category	Line Item	Project	FY2021 Budget	YTD Expense	Budgeted Y/N?	Additional Information
PROFESSIONAL SERVICES						
	TECHNICAL					
	Technical					
		AWS/Cloud Compute - POC	100,000	-	Y	Consulting Services
	Other Professional Services	SMART Mobile Application	100,000	-	Y	Consulting Services
		Pension/HC Sustainability	100,000	-	Y	Consulting Services
SERS						
UNBUDGETED PROJECT ITEMS						
Major Category/Sub-Major Category	Line Item	Project	FY2021 Budget	YTD Expense	Budgeted Y/N?	Expense Reallocation
PROFESSIONAL SERVICES						
	TECHNICAL		\$ -	\$ 57,730.00		
	Technical		\$ -	\$ 57,730.00		
		VOIP Expansion - Needed to provide improved member service/reduce voice mails	-	143.75	N	Travel & Transportation
		SMART Framework Upgrade Consultant	-	57,586.25	N	Technical
COMMUNICATIONS EXPENSE			\$ -	\$ 5,320.00		
	TELECOMMUNICATIONS SERVICES		\$ -	\$ 5,320.00		
	Telecommunications Services					
		VOIP Expansion - Needed to provide improved member service/reduce voice mails	-	5,320.00	N	Travel & Transportation
OTHER OPERATING EXPENSE			\$ -	\$ 24,343.64		
	COMPUTER SUPPORT SERVICES		\$ -	\$ 24,343.64		
	Hardware <\$5,000					
		VOIP Expansion - Needed to provide improved member service/reduce voice mails	-	13,943.64	N	Travel & Transportation
	Software Subscription	eSignature capabilities to send and sign documents		10,400.00	N	Travel & Transportation
		VMWare Horizon Air Cloud Hosted solution		96,266.66	N	Technical
		Logic Manager ERM Risk Repository		50,887.50		Technical and Other Professional Services
OSERS BROAD STREET, LLC						

July 2021 SERS Board Book - Executive Director's Report

UNBUDGETED PROJECT ITEMS						
Major Category	Line Item	Project	FY2021 Budget	YTD Expense	Budgeted Y/N?	Expense Reallocation
ADMINISTRATIVE SERVICES			\$ -	\$ 54,530.00		
	Hardware <\$5,000					
		Board Room Tech Upgrade - to add virtual capabilities (Zoom) for public and Board members	-	19,794 00	N	Unidentified at this time
		O'Keefe Tech Upgrade - to add virtual capabilities (Zoom) for public and Board members	-	34,736 00	N	Unidentified at this time

SERS TECHNOLOGY COMMITTEE UPDATE

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

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

CALENDAR DATES FOR SERS BOARD MEETINGS FOR 2021 - 2022

REMAINING CALENDAR DATES FOR 2021

AUDIT COMMITTEE MEETINGS

September 15, 2021 - 2:30 p.m. (Weds.)
December 15, 2021 - 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

* July 27, 2021 – 9:00 a.m. (Tuesday)
September 16, 2021 - 7:30 a.m. (Thurs.)
December 16, 2021 - 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

July 27, 2021 - @1p.m. (Tuesday) (*Special Meeting -
Immediately Following the Special Comp Committee Meeting*)

BOARD MEETINGS

September 16 and 17, 2021 (Thurs. and Fri.)
October 21 and 22, 2021 (Thurs. and Fri.)
November 18 and 19, 2021 (Thurs. and Fri.)
December 16 and 17, 2021 (Thurs. and Fri.)

* *Special Compensation Committee Meeting to review Compensation Study Proposals*

NOTE: The above dates are **tentative.

CALENDAR DATES FOR SERS BOARD MEETINGS FOR 2022

AUDIT COMMITTEE MEETINGS

March 16, 2022 - 2:30 p.m. (Weds.)
June 15, 2022 - 2:30 p.m. (Weds.)
September 14, 2022 - 2:30 p.m. (Weds.)
December 14, 2022 - 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

March 17, 2022 - 7:30 a.m. (Thurs.)
June 16, 2022 - 7:30 a.m. (Thurs.)
September 15, 2022 - 7:30 a.m. (Thurs.)
December 15, 2022 - 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

TBD

BOARD MEETINGS

February 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)
March 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)
April 21-22, 2022 – 8:30 a.m. (Thurs. and Fri.)
May 19-20, 2022 – 8:30 a.m. (Thurs. and Fri.)
June 16-17, 2022 – 8:30 a.m. (Thurs. and Fri.)
July 21-22, 2022 – 8:30 a.m. (Thurs. and Fri.)
September 15-16, 2022 – 8:30 a.m. (Thurs. and Fri.)
October 20-21, 2022 – 8:30 a.m. (Thurs. and Fri.)
November 17-18, 2022 – 8:30 a.m. (Thurs. and Fri.)
December 15-16, 2022 – 8:30 a.m. (Thurs. and Fri.)

****NOTE: The above dates 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. _____



Board Self-Evaluation

A Report to the School Employees Retirement
System (SERS) of Ohio Board of Trustees

Amy McDuffee, CEBS

Catherine Jackson

July 15, 2021





Historical Context

- Non-profit sector was one of the earliest mainstream adopters of board self-evaluation.
- Corporate sector followed, propelled by high-profile governance failures and increasing shareholder pressures.
- Public pension funds are increasingly adopting the practice to continuously improve their governance and oversight practices.
- Board Self-Evaluation was a recommendation in SERS most recent fiduciary audit report (2017).
- The Board initiated the development of its self-evaluation process in March 2021.

Good Governance is an Imperative



- Boards are:
 - A team of leaders.
 - A social construct.
- Good governance is correlated with good financial performance.*
- Good governance is not a “nice to have” – it is an imperative, particularly in a challenging environment.
- Board self-evaluation assists Boards in maintaining good governance practices and evolving as the need arises.

* See for example, “The Pension Fund Deficit,” by Ambachtsheer, Capelle, and Lum, Published Fall 2008, *Rotman International Journal of Pension Management* and “Governance Matters: Improving Pension Plan Board Effectiveness,” by Chris Merker, PhD, Published January 2018 in *Benefits Magazine*.



Key Factors Associated With Good Governance*

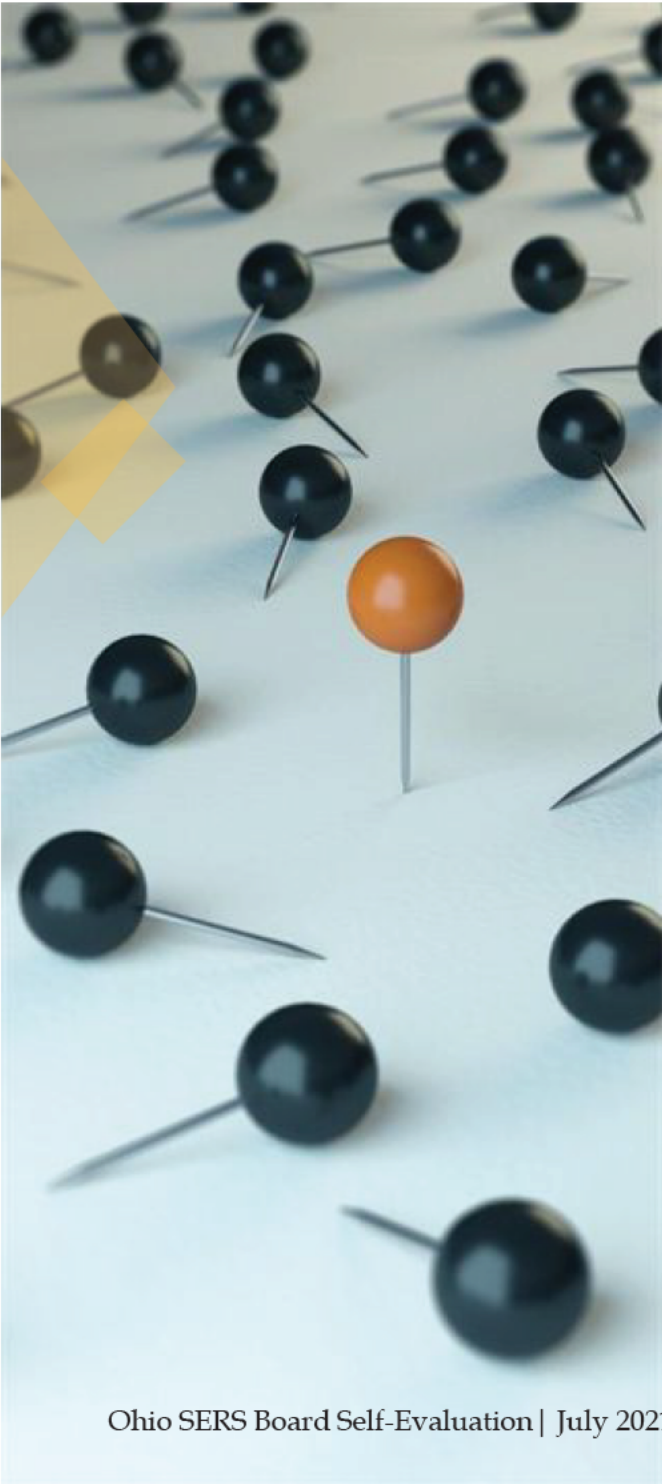


*Johnson, Keith L. and Frank Jan de Graf., "Modernizing Pension Fund Legal Standards for the 21st Century," Network for Sustainable Financial Markets: Consultation Paper No. 2, February 2009.

Topics



- I. Board Self-Evaluation Review of Results & Board Discussion
- II. Closing Remarks





I. Board Self-Evaluation Review of Results & Discussion



Methodology

- Mosaic interviewed SERS Trustees from June 1 to June 15, 2021.
- The interviews were based on questions about the Board's overall performance.
- A self-evaluation component was provided for individual Trustee evaluation and personal reflection but was not the subject of the Mosaic interviews.
- Mosaic captured comments and summarized the results without attribution.



Methodology (*cont'd*)

- The key takeaways follow for discussion.
- The key takeaways reflect the themes raised by a majority of Trustees; however, there were areas where Trustees presented a range of views.
- These are a summary of the Trustees' reflections on the Board's performance, as well as thoughts on a path forward.
- Based on Mosaic's observations and experience in working with public pension fund boards, we offer some suggestions for the Board's consideration.



Summary of Findings

- Trustees noted overall Board performance as above average, contributing to a strong “sense of the Board”.
- The majority of Trustees were pleased with how the Board is currently functioning; there was no perceived need for significant changes.
- Most of the suggestions for improvement offered by Trustees centered around preventing slippage from today’s practices and environment of good governance.



The Board's Most Significant Accomplishments During FY 20/21

- Adapting operations to the pandemic from a physical to a virtual environment.
- Maintaining continuity of customer service during the pandemic.
- Continued focus on pension sustainability initiatives.
- Bringing back COLA adjustments.
- Establishing a Technology Committee of the Board.

The Board's Three Greatest Strengths



- **Diversity:** Board composition reflects a variety of experiences and backgrounds.
- **Respect:** Board Trustees work well as a collective group even though they may disagree as individuals.
- **Commitment:** Several Trustees are long-serving members indicating their commitment to the organization, and the Board as a whole maintains a membership-focused mindset.



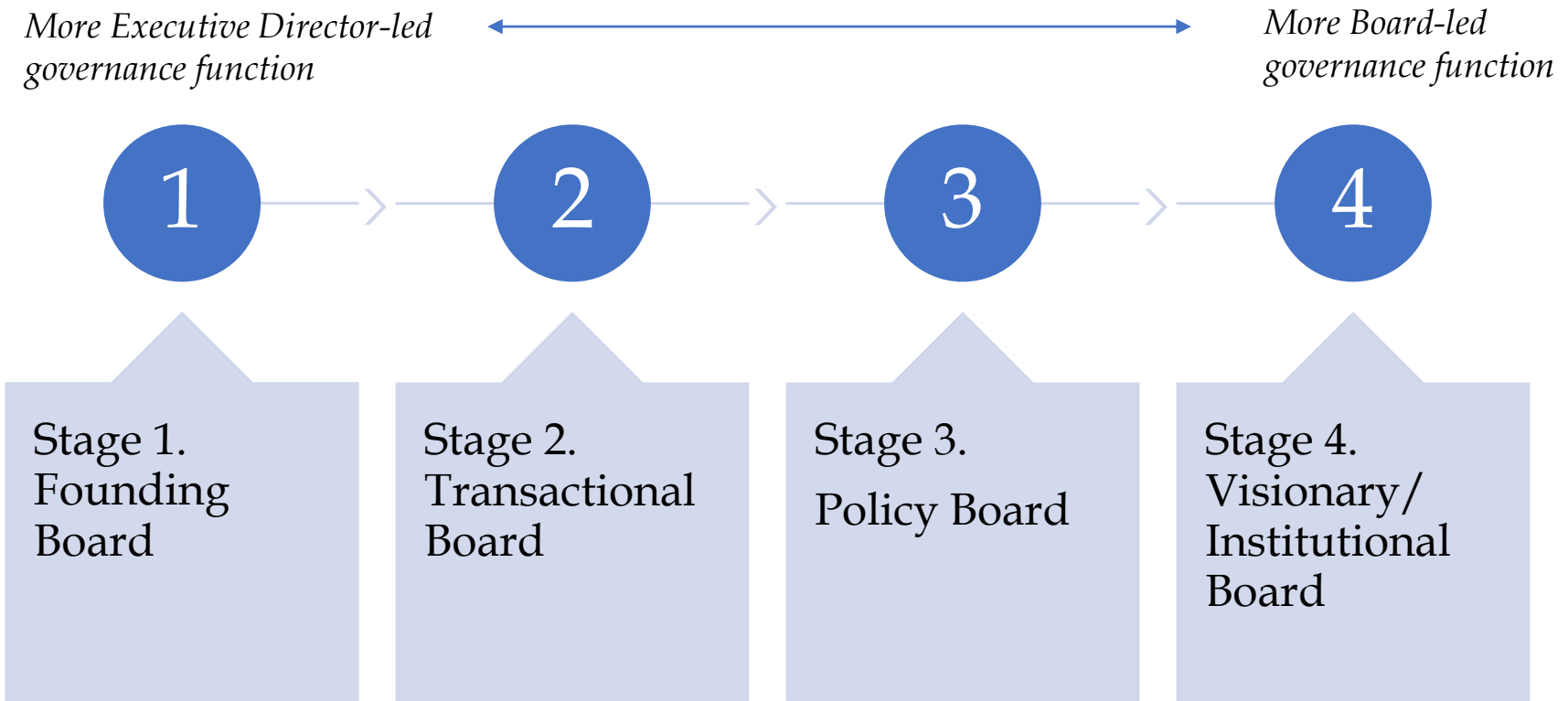
Discussion #1

1. Do Trustees agree with the Board's accomplishments? Do they all align with Board-level work? Is there anything else to add?
2. Do Trustees agree with the significant strengths as noted? How can these strengths be preserved within the Board's cultural dynamic going forward?



Discussion #2: Phase of SERS Board

There isn't a clear consensus as to where the Board is currently in its phase of governance or where it should be going forward, given the collective view that SERS is a mature organization.





Line Between Governance and Management/Implementation

- Most Trustees believe the line of segregation between the Board and Executive Director is appropriate. The Board allows the Executive Director and staff to work independently.
- Others believe the line is still developing; theirs is a mindset of reconciling the leadership styles of the Board and current Executive Staff.
- Differing views of the role of the Board and leadership styles exist among Trustees. This can at times result in the Board wading outside of its proper governance lane of oversight.



Discussion #3

At times, there appears to an inconsistent implementation between the Board's governance role and staff's management role.

1. What is the Board's reaction to this finding?
2. What could help to bring this back into a more consistent alignment?



Board's Suggested Governance Improvements

- Embrace a stronger role in visioning and strategic planning.
- Increase effectiveness, consistency, and Board involvement with Trustee onboarding.
- Evaluate the process for Committee selection, terms, and Board leadership opportunities to better support Board succession planning.
- Ensure each Trustee keeps a continuous focus on all SERS members and beneficiaries.



Board's Suggested Governance Improvements (*cont'd*)

- Ensure all Trustees have the opportunity to contribute and be heard equally during Board meetings.
- Provide additional Trustee education on public pension board peer practices on investments.
- Some Trustees would like the Executive Director to be invited into the broader set of routine Board deliberations.
- Continually check the “Sense of the Board” to emphasize a continuous improvement mindset and signal acceptance of feedback.



Discussion #4

1. What is the Board's reaction to these suggested governance improvements?
2. What are the consensus next steps?
 - a. What improvements or themes does the Board want to take on as priorities during FY 21/22?



III. Closing Remarks



Discussion #5

- What worked well about this process?
- What does the Board think could have gone better?
- What would the Board like to put in place going forward as Trustees think about next year's self-evaluation?



Next Steps

- Mosaic will provide a summary of any next steps arising from today's discussion to the Board Chair and Executive Director.
- The summary can be used by the Board as an input to its self-evaluation next year.



MOSAIC
Governance Advisors

Thank you for your time.

Mosaic Governance Advisors, LLC

Denver | Toronto

www.MosaicGovernance.com



ADJOURNMENT(R)

_____ moved that the Board adjourn to meet on Thursday, September 16, 17, 2021 for their regularly scheduled meeting.

The meeting adjourned at _____ p.m.

Barbra Phillips - Chairperson

Richard Stensrud, Secretary