



OCHER OUTLOOK

The Ohio Council of Higher Education Retirees

The **OCHER OUTLOOK**, a periodic publication to share information pertaining to OCHER, ORTA, STRS, OPERS, SERS, Governmental, and campus information pertaining to The Ohio Retirement Systems.

FALL 2010

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**Ohio
Council
of
Higher
Education
Retirees**

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**2010-2011
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THE PILLAR OF PILLARS

TED FOSTER

1936-2010

Ted Foster, 74, President, Ohio Council of Higher Education Retirees (2008-2010), Emeritus Professor and former debate coach, Ohio University, Athens, Ohio, died late Saturday, September 25, 2010 in the O'Bleness Memorial Hospital Athens, Ohio, following a courageous battle with cancer.

With much sorrow, OCHER has lost the pillar of pillars, for Ted's inspiring optimism and dedication resonates in the hearts and minds of the OCHER family. His honesty and integrity were his essence. His commitment was full and complete; and his legacy remains indelibly inscribed upon the tapestry that is OCHER.



Ted's reasoned and resolute leadership style always provided insight and direction with which to negotiate the contentious issues of the public debate. The strength and energy of his vibrant memories presents a vision of courage, wisdom, and resolve to begin anew to contemplate and confront the challenges of tomorrow.

Ted's commitment to social justice was not limited to OCHER, for his brand is equally indelible in the annals of Athens County. From 1990 to 1998 Ted served as treasurer of Athens County Friends of Children Services, a political action committee, through three successful levy campaigns. In 1990 he became a member of the Children Services Board where he served for the next ten years, three of them as Chair. Ted served as a member of the Transportation Task Force developing the transportation section of the Athens County Plan. In December 2008, Ted and his wife, Sue, along with a group of other seniors in Athens County incorporated The Athens Village, an organization designed to permit older citizens of Athens County to purchase the services necessary to enable them to live in the comfort and safety of their own homes. Ted with his wife, Sue, was equally devoted to environmental issues.

At Ohio University, Ted was actively involved in The Ohio University Emeriti Association serving as the Chair of the Benefits Committee. He had served as the Association Vice President and, until recent months, continued to work as a member of the Emeriti Park grounds maintenance crew.

Ted Foster was born September 7, 1936 in Mt. Vernon, Illinois to Wilma Ramsey Shultz and the late Waldo Foster. Following graduation from Mt. Vernon High School, Foster received his bachelor and master degrees from Southern Illinois University in Carbondale. While completing his programs of study at SIU, Ted married his sometimes high school date, Sue. After completing his PhD at Ohio University, Ted remained there for over 30 years as a Professor of Communication Studies teaching public speaking and persuasion.

In addition to his father, Ted was preceded in death by a daughter, Tracy Daugherty; brother, Carson Foster; and a sister, Barbara Foster Kelley. He is survived by his wife Sue; two children, Tim (Mical Moser) Foster of Brooklyn, New York and Stephanie Foster of Athens, Ohio.

**OCHER
Hall of Fame**

Chalmer Hixson
The Ohio State University

Jim Richard
Medical University of Ohio

Chuck Carlson
Ohio University

Lancelot Thompson
University of Toledo

Ray Skinner
Ohio University

Mary Stonecash
Wright State University

Tom Ridenour
The Ohio State University

Sam Cooper
Bowling Green State University

Myra West
Kent State University

Ben Yozwiak
Youngstown State University

John Mount
The Ohio State University

Lou DiOrio
The Ohio State University

Bob Niedzielski
University of Toledo

Richard Edwards
Bowling Green State University

Genevieve Stang
Bowling Green State University

Harold Williams
Kent State University

Bob Gandee
The University of Akron

OCHER ADVOCACY REPORT

DICK HILL

September 21, 2010

The “Five Levers” of the STRS Pension Reform Proposal

One year ago, September 2009, the five major retirement systems in Ohio were each required to file a plan with the ORSC* detailing specific steps for reducing their “funding periods” (years to meet their unfunded accrued liabilities). The goal to be met (reflecting national and state standards) was 30 years, the benchmark for a “healthy” retirement system.

During its September 21, 2010 meeting at the STRS Building in Columbus, OCHER was privileged to have two very well informed guests review the status of this important and challenging charge: Terri Bierdeman (Director, STRS Legislative Services) and Bill Leibensperger (V.P. Ohio Education Association, and HPA** Chair). Their discussions identified and reviewed the five significant variables (“levers”) for managing these critical funding periods.

Although there is no short-term danger of retirement checks not being issued (STRS Total Assets currently approach \$60 billion), the system does have an unfunded liability of \$38.9 billion, and a “funding period” (years based on current income/pay-out) of infinity, *i.e.*, STRS would never meet this debt. This could become an extremely serious problem in future decades.



Actuarial analysis identifies “five levers” that are significant for the management and control of unfunded liability. While only one, the COLA (annual cost-of-living-adjustment) directly impacts current retirees, the remaining four*** are essential to the overall plan, but are much smaller in their individual effects. All “five levers”, however, would impact future retirees.

Regarding the COLA “lever”, the STRS proposal is to reduce it for current retirees from 3% down to 2%, and for future retirees to 1.5%. Those adjustments, together with proposed adjustments to the other four “levers”, would bring the “funding period” down from infinity to 33.4 years – not quite to the 30 year standard, but a vast improvement. HPA is in general agreement on the STRS proposed changes, but would “soften” the time line, and prefers a 2% COLA for all (future and current) retirees. Those differences would result in a “funding period” of 35.1 years (slightly longer, but still a vast improvement).

At this time there is no bill (finalized language), and hence no bill number. The STRS section would be based on its Board proposals, and is generally assumed to be eventually bundled in with the respective sections of the other four retirement systems. The HPA suggestions would have to be added as amendments if the bill is introduced in 2010. If it is not, then a new bill would have to be introduced, possibly with the same or different language, in 2011.

We greatly appreciated the presentations of these two guests, and their considered discussion of this complex matter. OCHER continues to support all reasonable and appropriate measures to ensure the long-term stability and security of STRS Ohio.

* ORSC is the Ohio Retirement Study Council, an advisory body to the Ohio General Assembly.

** HPA is the Healthcare and Pension Advocates, a coalition, of which OCHER is a member.

*** The remaining four “levers” are the: Contribution component; FAS component; Retirement eligibility component; and Benefit formula component.

OHIO COUNCIL OF HIGHER EDUCATION RETIREES VISION and MISSION

THE VISION:

The Ohio Council of Higher Education Retirees will be an effective organization enabling it to share ideas for the improvement or establishment of individual university retirees' associations and speak on issues important to its members. It will be recognized by other major retirees' associations throughout Ohio.

THE MISSION:

Serving as a forum, the Ohio Council of Higher Education Retirees will strive to enhance existing Programs and help other Ohio higher education institutions establish their retirees' association and, in consensus, take positions on benefit issues and other matters that concern the welfare of the group as a whole.

2009-2010 OCHER COUNCIL MEMBERS

- James Fee, Akron
- Robert Gandee, Akron
- Alberta Hensley, Akron
- Hank Netling, Akron
- Velma Pomrenke, Akron
- Roger Anderson, BGSU
- Genevieve Stang, BGSU
- Barbara Schare, UC
- Dan Dell, UC
- Henry M. Barlow, CSU
- Jim Kweder, CSU
- Glending Olson, CSU
- Myra West, KSU
- Harold Williams, KSU
- Doris Simonis, KSU
- Marty Miller, Miami
- Kay Schotzinger, NEOUCOM
- Lou DiOrio, OSU
- Virginia Gordon, OSU
- Richard Hill, OSU
- Tom Ridenour, OSU
- William Studer, OSU
- Tom Sweeney, OSU
- Nancy Wardwell, OSU
- Robert Warmbold, OSU
- Tom Willke, OSU
- Ed Baum, OU
- Charles Carlson, OU
- Ted J. Foster, OU
- Kathleen Simon, SSU
- Marcia Tackett, SSU
- George Kertz, UT
- Bob Niedzielski, UT
- Keith K. Schlender, UT
- Lance Thompson, UT
- Louis Falkner, WSU
- Jim Kane, WSU
- George Beelen, YSU
- Tom Kane, YSU

FROM THE PRESIDENT

LOU DIORIO



TED FOSTER

Ted did a great job in serving as president for the Ohio Council of Higher Education Retirees for the last two years. His leadership and insight will be missed. He exemplified the kind of talent that is represented in OCHER. I was privileged to work closely with Ted in deciding the nature of our programs and dealing with retirement issues.

OCHER MEETING SEPTEMBER 21, 2010

The Council had its first meeting of the 2010-2011 business-year on September 21. Dick Hill led a discussion on advocacy issues. The topics discussed were 1) Social Security: a. defined benefit plans are sound economics for all parties, b. study other states that have both SS and defined benefits, c. follow the issue of SS solvency. 2) STRS pension changes: a. give accurate information about the cost of "double dipping", b. follow litigation of other states on pension cuts, c. action on pension changes this calendar year. 3) Defending defined benefits – newspapers are seeking more detailed information on retiree pension levels. 4) Higher education support – students may be charged for building renovations etc. via increased student fees.

Greg Nickell gave an update on health care. Terri Bierdeman and Bill Leibensperger updated the Council on legislative issues pertaining to the funding plan presented to the Ohio Retirement Study Council.

The OCHER conference is being planned for May 2011. It will focus on preserving defined pension (benefits) plans.

The next OCHER meeting is November 16, 2010.

HEALTHCARE PENSION ADVOCATES

In a nutshell, there are major issues with funding the STRS Ohio health care program. There are four major levers: 1) Funding - dedicated dollars is 1% and inadequate, ARC (Annual Required Contribution) = 5%, new funding sources not expected; 2) Benefits; 3) Subsidy: a. currently 2.5%/year of service, b. last changed in 2004 and saved \$65M in that year, c. STRS costs for current subsidy - \$190M for non-Medicare and \$120 M for Medicare; and 4) Eligibility currently is 15 years of service, no age requirement (STRS staff identifies this as the only lever that can be changed to sustain the health care program long-term while continuing to provide meaningful coverage).



FROM THE PRESIDENT

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Solution scenarios – 1) Stay the course to insolvency; close the program <10 yrs.; 2) Reduce program costs to extend solvency; requires dramatic reductions in subsidies and benefits, and/or dramatic reduction in enrollees; and 3) radically cut expenditures to reduce the ARC.

STRS - BOARD MEETING, SEPTEMBER 16, 17, 2010**Investment Department**

As of August 31, the total market value was \$57.6 billion. This was a 2.4 % decrease for the month of August (reported Sept. 17). The reported total STRS market value as of July 31, 2010 was \$59.2 billion which was a 4.8% increase from the June 30 value of \$56.9 billion.

Member Benefits Department – Health Care

Mike Nehf gave an Executive Summary. Staff has developed three objectives for accomplishing the goal for funding the Health Care Stabilization Fund and the STRS Health Care Program: 1) Develop a long-term Health Care Strategic Plan that includes specific initiatives for 2012 - 2015 by February 2011; 2) Continue to educate members about planning for the growing costs of health care during retirement; and 3) Continue to educate members about better management of their health and their health care coverage.

In November, staff requested that the Board begin its strategic planning discussions so that decisions on the Health Care Program for 2012-2015 can be completed by this spring.

Executive Director's Report

Newspaper stories have generated system responses. These stories were centered on travel expenses. Unfortunately some important facts were omitted. STRS has stringent travel policies for board and staff that recognize collective responsibility to control expenditures.

Also the request for information from member records was declined. Current Ohio law prohibits STRS from releasing personal history information about individual members, such as their monthly benefits amounts. STRS provides much member information in aggregate, as well as information regarding its finances and operations, through various reports and third-party reviews. All of this information is readily available to the media.

Legislative News.

STRS news is available on the web site at www.strsoh.org

Social Security Benefits are increasingly under the spotlight. The Government Accountability Office is reviewing the Section 218 Agreements of the states looking for cases where public employees should be contributing to Social Security. Ohio's Section 218 Agreement (negotiated in the late 1950's) exempts members of the state's retirement systems from contributing to Social Security.

Recently the *New York Times* ran a story indicating that Maine was considering switching from its state pension plan to SS. The story referenced a March 2010 report issued by a task force of the Maine Legislature to consider reforms to the statewide pension system. The task force considered that the current system for public employees in Maine is the most affordable option available for the state. The task force examined various possible pension plan options, including: the current DB plan, Social Security, a DB plan with SS, and an alternative plan as described in the legislation creating the task force. **“Retaining the current State Employment and Teacher Retirement Program provides the lowest cost of the seven options studied by the task force,”** the report states.

Deflation – Why The Concern?

**Dr. Harold R. Williams, Professor of Economics Emeritus
Kent State University**

The Great Recession of 2007-2009 is over and the economy is in the expansion phase of the business cycle. Normally during this phase of rising GDP and job creation the economy experiences a firming up of prices. Recognizing this, some banking officials and economists believe that, due to the massive build up of liquidity by the Fed, the U.S. faces a serious likelihood of high inflation a few years down the road. Others maintain deflation, as occurred in Japan during the past two decades and the U.S., during the Great Depression, is the more serious concern. Those worried about inflation want to mop up the excess liquidity by gradually tightening monetary policy. Those worried about deflation are pushing for further expansion.

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Deflation – Why The Concern?

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sion of monetary policy via quantitative easing.

Since the effects of inflation are basically the opposite of deflation, let's explore the deflation scenario to discover who wins and who loses. The answer depends on many factors, including whether one is employed or unemployed, is living on a fixed income or variable income, and, what categories of instruments are held in one's asset portfolio. To simplify I will deal with basic relationships and exclude the myriad exceptions. In addition, I will abstract from the exchange rate effect and thus international trade and investment.

Deflation entails a fall in the general level of prices over a long period of time. Inflation is the opposite of this. Both can be measured by various price indexes, including the Consumer Price Index (CPI), Producer Price Index (PPI), Gross Domestic Products price index (GDP Deflators), and Personal Consumption Expenditures price index (PCE Index). Moreover variants of each such as the "core" index which excludes the volatile prices of food and energy can be used. Over the years, the U.S. Federal Reserve has used different measures. Currently it relies heavily on the core PCE Index. On the other hand, most business, labor and government contracts use the CPI. The Social Security COLA, for example, is based on annual increase of the CPI for Urban Wage Earners and Clerical Workers.

Deflation is not the same as disinflation, which is a slowing in the rate of price inflation. However, while differing in intensity, the general economic effects of deflation and disinflation are similar. Deflation's major effects are the opposite of those of inflation. The major ones are that it promotes recessions and unemployment, it increases purchasing power of cash and bank deposits, it hurts borrowers and helps lenders, and, it helps fixed income earners while hurting those with variable incomes.

At first reflection a declining price level would seem like a good thing. Lower prices mean you can purchase more goods and services with the same amount of money. Hence your real income has increased. Moreover, if you have a nest egg of cash and bank deposits (CDs, MMs, Saving deposits, etc.) you get a positive return by just holding on to them as long as possible without doing anything. Of course, whether working or retired, it's a wise policy to minimize risk by making sure your deposits are insured by the FDIC or NCUA.

Other assets will also be affected by a price level decline. Assuming no default, outstanding bonds will increase in real value as prices fall via both the price and the interest rate effect (if sold before maturity). U.S. Federal government bonds are very safe, although that is not necessarily true for the bonds issued by foreign governments. Private bonds are subject to default risk and require careful research to determine if the return justifies holding them. Equities and real estate generally will be negatively affected by deflation. Their average value will fall as deflation, or disinflation, occurs, causing negative wealth effects.

Deflation has serious negative implications for economic growth and employment. As prices fall, more and more people ultimately will expect them to continue falling. Once this happens consumers and producers will postpone purchases, especially of big ticket items, so they can buy later when prices are lower. Thus, consumer expenditures and business real investment will decline. Reinforcing this cutback, unless fully anticipated and reflected in a lower interest rate, borrowing by consumers and businesses will decline because the loan would have to be paid back with dollars of greater purchasing power than the dollars borrowed. This negative effect of deflation is especially hard on those people with large debts, such as home mortgages, that are designed to be paid off over many years.

With both consumer expenditures and business investment in plant and equipment falling or growing more slowly, business sales decline and the firms do not need as many workers. The result is adverse. Production falls, profits margins are squeezed, and unemployment rises. This is compounded because wages are sticky and do not fall as fast as prices. For these reasons prolonged deflation tends to have a devastating effect on the economy and is associated with causing recessions and high unemployment.

In short, the real scary aspect of deflation is that it sets into motion a downward spiral wherein falling prices result in falling production; this leads to falling wages (even if sticky), falling aggregate demand, and a further fall in prices. Prior to World War II the U.S. experienced devastating deflation in 1873-97 and in the Great Depression years of 1930-33. We have not experienced any deflation periods since World War II.

In summary, the major effects of moderate deflation are the opposite of those of moderate inflation. Those who gain from inflation typically lose from deflation and vice versa. Deflation tends ultimately to promote recessions and thus job losses while increasing the purchasing power of those having cash and bank deposits. It hurts borrowers and favors lenders and fixed income earners. Since the over-riding national policy objectives are economic growth and full employment, either price level stability or moderate inflation is the best inflation objective.

Currently U.S. prices are rising modestly and inflation is not a major concern. Inflation has been in the range of 1.1 % to 1.5% for the past year. This is below the Federal Reserve's current target inflation rate of 1.7% to 2.0%. Numerous economists and policymakers, including Fed Chairman Ben Bernanke, other members of the U.S. Federal Reserve System, and

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Deflation – Why The Concern?*ONTINUED FROM PAGE 5*

officials at the IMF, think deflation is a distinct possibility. They point to Japan's deflation of the 1990s and note how easy it is for a deflationary spiral to start when the economy is experiencing moderate inflation combined with large excess capacity. They further note that Japan has been suffering this problem for two decades despite implementing extremely easy monetary and fiscal policies that have driven its government debt to over 200% of GDP. To be on the cautious side, they want the Federal Reserve to implement monetary policies that will promote a higher rate of inflation. To this end, they argue for raising the target inflation rate to well above 2% and perhaps to the 3-4% range until solid economic growth is achieved.

Whether the U.S. is in jeopardy of going into a deflationary spiral is unclear at this time. What is clear is that deflation once started is difficult to stop. If deflation is the major concern, expansionary fiscal policy and monetary policy are the major policy weapons for combating it. If, due to the massive U.S. Federal budget deficit and/or the domestic political situation, additional fiscal measures are precluded, monetary policy is the last resort. Unfortunately, given the massive pool of monetary reserves currently in the financial system, it is not clear that further Fed easing will generate much additional inflationary effect in the short run. It will, however, make it more difficult to combat inflation in the longer run.

OUR FEATURED INDIVIDUAL**ROGER ANDERSON****The Hat Man**

In his role as OCHER Secretary, Roger Anderson has established himself as "scribe extraordinaire" in compiling a vivid record of OCHER's organizational proceedings. Joining the Bowling Green State University delegation to OCHER in 2003, Roger has served as the OCHER Secretary for the past four years.

A recent reading of the OCHER Secretary's vita was enlightening for it did not reveal what one would expect of the unassuming individual we observe so diligently recording the happenings at the OCHER meetings. In addition to his current OCHER duties, Roger is a familiar face in the Bowling Green community serving as the Secretary, Wood County Committee on Aging Governing Board; President, The League of Women Voters of Bowling Green; Board member, Bowling Green State University Retirees Association; member, Bowling Green Kiwanis Club, and he and his wife, Betty Jean, have just returned from a trip to Turkey this past June. Roger, are you sure you have retired? The Anderson vita is a real page turner for it provides brief glimpses of the many hats he has worn during those defining, sometimes not so defining, moments of his life: college student, sports writer, college professor, Associate Professor Emeritus of Political Science, six year president of the BGSURA, sports fan, etc.



Roger Anderson, with his Freshman Beanie perched on his head in the prescribed manner, entered the University of Minnesota following his 1959 graduation from Washburn High School in Minneapolis, Minnesota where he was the sports editor for the high school newspaper as well as a member of the National Honor Society and the Quill Club. After receiving the bachelor's degree from the University of Minnesota with a major (Honors) in history and a minor in political science, Anderson attended the University of Wisconsin graduate school with THE Dick Cheney while completing his programs of study for the master's degree and Ph.D. in political science. With his two degrees in hand, Roger looked south and began a teaching career as a member of the Political Science Department at Bowling Green State University in 1967.

As he was becoming familiar with the campus and identifying the locations of his classes in the various buildings, Dr. Charles A. Barrell, Chair of Political Science Department and Bowling Green City Councilman, encouraged Roger to become active in the various civic activities of the community, thus the genesis of the Anderson's long career of community engagement. In his article, PRESIDENT'S CORNER: About a Life of Service, March, 2005, BGSURA Newsletter, Roger reflected upon his development as a volunteer tracing its origin to his selection as one of 16 students to serve in Callao, Peru building soccer fields, basketball courts, and shower facilities for the local villagers. His commitment grew from Dr. Jack Stark's "Wisconsin Idea:" The University's direct contribution to the state is in the form of advice relative to public policy, information technology skills, research solving problems, and conducting outreach activities. Grounded in this philosophy, Anderson has, over the years, proceeded to maintain a full platter of community activities including: fund development for the "Children's Discovery Garden" at Simpson Park, Fourth Ward Neighborhood Association and HURT (Help Us Recycle Trash), Tuesday delivery of Wheeled Meals, Fourth Ward Councilman (1976-1980), Omicron Delta Kappa (ODK) initiation and advisorship (1995-2000), and 2002 congressional candidate running against Gillmor in that November election. This is only a short list of the many hats Roger has worn as he lifted the burden and confronted the challenges of his many civic endeavors.

As you might have assumed, Anderson enjoys grappling with the ideas found in a political discussion and campaign but finds the current negative media of the various political campaigns polarizing and dysfunctional in the process of governance of the country. Being the political scientist that he is, Roger offers a few recommendations:

1. Shorten the campaign
2. Publicly finance campaigns

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ROGER ANDERSON

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3. Write letters to the TV stations telling them how you feel about the negative political advertisement.
4. Turn off those stations during the campaign.

In addition to the multitude of community activities, Roger has found the time and energy to amass a very active and productive academic career at BGSU. Roger's vita reveals many reports and presentations that he and his BGSU students have presented at professional meetings and conferences across the country and in foreign countries. Additionally a count of over 15 books, book reviews, and journal articles are also listed addressing the common threads of Roger's research interests: the environment, Peruvian military and Mexican politics. Of the many "Wow Moments" found in his stellar career, the 2005 Man of the Year Award by the Bowling Green Chamber of Commerce stands at the hallmark of Roger's achievement recognitions.

Roger gains great satisfaction in scanning his grade books from the past while recognizing the names of students who continue to stand out in his mind. Over his 30+ year teaching career at BGSU, Anderson estimates that he may have had over 10,000 students enrolled in his classes. Of those students, many have returned to BGSU to develop careers working for the University in a variety of capacities, while others have gone on to establish careers as judges, lawyers, television news anchors and reporters, teachers, school administrators and political leaders in the various units of the political apparatus across the country while many selected to remain in Northwest Ohio. Of this multitude of students, Jose Trevino and Dave Wottle remain vivid in Roger's mind: Jose Trevino worked with his parents as a migrant worker in the fields of Northwest Ohio until age 15 and became The Coordinator of Recruitment and Retention for the University of Toledo College of Pharmacy after graduating from BGSU. Roger's memory of Dave Wottle was that he was a good, but quiet student; while at BGSU, however, Wottle won the 1500 meter race in the 1972 NCAA Outdoor Track and Field Championships and the 800 meter race at the 1972 Munich Olympics, subsequently establishing an NCAA record setting time for the mile run of 3:57.1 in the 1973 NCAA Outdoor Track and Field Championships.

From his days as a sports writer back at Washburn High School and as a fan at the Universities of Minnesota and Wisconsin, Roger remains a BGSU sports fan in the full regalia of the Orange and Brown pursuing games in rain or shine, win or lose, and home or away rejoicing in the ecstasy of triumph and suffering the agony of defeat. One of the highlights of Roger's travails is best exemplified by his experience during the December, 2004 GMAC Bowl Game between the BGSU Falcons and Memphis Tigers in Mobile, Alabama. Expecting bright sun and warm breezes of the Gulf compared to the December chill of Northern Ohio, Roger was drenched with torrential rain and chilled by 60 degree temperatures as he approached his stadium seats to await the kick-off. Here, abandoned by his wife, Betty Jean, for the warmer, drier confines under the stadium, Roger stubbornly sat encapsulated in his recently purchased raincoats and ponchos watching his beloved Falcons win 52-35. Is this commitment?

Over the years, Roger has found much comfort and enjoyment in the companionship of the Anderson household pets. However, in recent years since the death of his 19 year feline friend, Taffy, Roger has been without a pet, bringing to a close over 40 years of pet occupancy in his life, including Agate, a Norwegian forest cat, and Winnie the Springer Spaniel. Update! Update! Anderson's pet-less intolerance was recently alleviated with the acquisition of, Stella, a Maine coon cat!

From under the many hats that he may wear, Roger Anderson remains the Scribe "*Par Excellence!*"

THE VIEW FROM THE CAMPUS

THE UNIVERSITY OF AKRON

Good news for the faculty at the University of Akron! After months of contentious negotiation on salary raises and health issues, an agreement has been reached for a 4.5% increase next year and a 5% raise the following year for salaries, pending ratification by the Akron chapter of the AAUP and confirmation by the Board of Trustees. According to an annual Ohio State survey the average University of Akron salary for all ranks of professors is seventh highest statewide. There is, however, a caveat. The new pact would include "trigger language" that would decrease the size of the raises if total revenues fall.

The University of Akron continues to make major changes to health care benefits for retiree dependents, changing the type of insurance which may greatly impact out-of-state retirees. Our benefits representative, Linda Sugarman, continues to advocate for accessible and affordable health care benefits for retiree dependents.

Our retirees organization continues its many activities in this new academic year such as monthly speakers' luncheons, social events, faculty senate involvement, scholarship gifts solicited and scholarships awarded. Velma Pomrenke

BOWLING GREEN STATE UNIVERSITY

The Bowling Green State University Retirees Association held its sixteenth annual convention luncheon and program on September 15, 2010 with over ninety present. Emmy winning, news co-anchor Jerry Anderson of television station – WTOL-Toledo gave a thoughtful and inspiring talk on the topic, "What Am I Doing Here?"

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VIEW FROM THE CAMPUS

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BOWLING GREEN STATE UNIVERSITY

Larry Weiss, retired BGSU Alumni Director and retired faculty member Sue Hager, one of the founders of the BGSU women's basketball program, will speak at the BGSURA retirees lunch on November 10 on the topic, "The History of BGSU's Women's Basketball."

BGSU has been recognized once again by **US News and World Report** as one of America's BEST Colleges. The BGSU first-year experience program and the learning communities were cited as outstanding.

The University has record-setting enrollment for fall, 2010 including 3,841 freshmen, the second largest freshmen class in history.

BGSU continues to celebrate its 100th Birthday with centennial-related activities during homecoming week early in October and events planned November through January.

On October 1 the BGSU Trustees vote to provide university employees' same-sex partners health care benefits starting January 1, 2010. Children and same-sex partners will now have access to educational fee waivers and family leave programs as well.

On October 20 votes were counted at the offices of the State Employees Relations Board in Columbus. The BGSU full-time faculty have voted to join a collective bargaining unit under representation of the BGSU Faculty Association 391-293. Eighty-five percent of those eligible to vote participated.

The BGSU rugby club team has been voted number one in the nation.

Roger Anderson

CLEVELAND STATE UNIVERSITY

First, Cleveland State Emeriti Faculty and Associates of the University can now park in any faculty/staff parking area. Emeritus status applies to most retired faculty. Associate status can best be understood as the equivalent of emeritus status for retired staff.

Second, the Nance College of Business at CSU has been awarded an Ohio Governor's Excellence in Exporting Award for helping more than 35 companies in northeast Ohio increase their global exports. Among this year's 20 recipients, CSU was named the Nonprofit Exporter of the year.

Jim Kweder

KENT STATE UNIVERSITY

The Retired Faculty Association of Kent State University has a full schedule of programs for the 2010 Fall semester. The group meets on the third Wednesday during the two academic semesters.

On September 15, 2010 Roger DiPaulo, editor of the Kent-Ravenna Record Courier newspaper presented, "It Takes a Village to Build a College". This was a historical look at the formation of the Kent Teachers College named not for the city in which it was founded, but rather named for the property that was part of the Kent family farm that was bought for the college. This is the centennial anniversary of the founding of the current Kent State University.

On October 20, 2010, Laing Kennedy, recently retired Athletic Director of Kent State, gave a talk on the "Ethics in Sports". Coming up on November 17, 2010 will be a program about the renowned translation program of the Institute for Applied Linguistics by the director of the Institute, Francoise Massardier-Kenney. In December on the 15th, Sarah M. Hull, the Study Abroad Program Officer, will present "See the World: Update on the KSU Florence Study Abroad Program".

The Fall semester program includes the Annual Holiday Luncheon which will be held on December 8, 2010 at the Rusty Nail Banquet Room.

Myra West

THE OHIO STATE UNIVERSITY

If great new facilities are a measure, it is a very good time to be a student at OSU. The third new building to serve all students is the new Ohio Union on North High Street. It follows the major reconstruction of the Main Library and the opening of the extensive Recreation and Physical Activity Center.

Enrollment at Ohio State has set an all-time high with new records in the number of students on the Columbus campus (56,064) and 64,077 across the entire university. This year the freshman class brought an all time high in academic excellence. The campus-wide transition from quarters to semesters is on schedule to ensure a smooth conversion. August 22, 2012 is the date for the first classes of the new Autumn Semester.

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THE VIEW FROM THE CAMPUS

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OHIO STATE UNIVERSITY

The Ohio State University Retirees Association has paid membership at an all-time high (3,215). The 2010 Coping with Change Conference was held October 21 and started off with a very interesting and thoughtful interview with President E. Gordon Gee. Attendees chose among 10 sessions, each packed with useful information on issues of health, fitness, and financial advice.

SHAWNEE STATE UNIVERSITY

Fall Convocation at SSU was opened by an avatar of Dr. Rita Rice Morris, SSU President. Thanks to faculty and students in our new Motion Capture lab, Dr. Morris was able to demonstrate one of the many indications that SSU has moved into the 21st Century! Nearing the 25th anniversary, SSU has also created a Center for Excellence to develop a research component with an emphasis on developing faculty research interests and capacity. Administrators, faculty, staff, and students are making preparations for a year-long 25th anniversary celebration with activities beginning in April 2011.

What's new at SSU? New facts and figures for 2010 include an enrollment increase of 6.1% to 4,600 students—the greatest increase at any of the main campuses of Ohio universities. SSU now houses nearly 1,000 resident students. Eighteen faculty positions were filled including seven new positions. SSU has changed athletic conferences and is now in the Mid-South Conference. The University will graduate its first class of M.Ed. Students this spring.

The Shawnee State University Retiree Association (SSURA) holds fall and spring business meetings as well as social events annually.

Marcia Tackett

WRIGHT STATE UNIVERSITY

Wright State University held its annual Health Fair for faculty and staff on October 20. The Retirees Association (WSURA) had a booth at the Fair in order to have our presence known on the campus and with the hope that retirees-to-be will be aware of our organization when they are contacted upon retirement to join WSURA.

Besides the booth an additional room was reserved to attract retirees and prospective retirees to meet. An e-mail was sent to staff and faculty inviting individuals thinking of retirement to meet and ask questions concerning retirement of the retirees. At the Health Fair the University staff could take advantage of screenings and vendors, such as OPERS, STRS, Social Security, TIAA-CREF, VALIC, Council on Aging, and Long Term Health Care.

At the room reserved by WSURA the prospective retirees could see and hear what the first retirees thought of the University by watching snippets from the Wright State University Oral History Project. There were spread out on tables hundreds (literally) of photographs of the early years (1964-1990) of unidentified faculty and staff. The visitors were invited to go through the pictures to see if they could identify individuals and possibly the event at which the picture was taken. This always brings out a lot of laughter and smiles, particularly when they see a picture of themselves.

Lou Falkner

YOUNGSTOWN STATE UNIVERSITY

Dr. Cynthia Anderson was recently appointed as the seventh President of Youngstown State University. She has taken the helm of an urban university of 150 acres with 15,200 students. YSU has a large number of undergraduate programs, 35 masters' programs, and three doctoral programs, including the most recent, a doctoral program in material science and engineering just announced by Eric Fingerhut, Chancellor, Ohio Board of Regents.

New construction at YSU includes a \$34 million Business Administration building opened for the Fall term and a \$12 million enclosed practice field building that is currently under construction.

George Beelen

OPERS UPDATE

The information found in this OPERS UPDATE is provided by Sara Baker with the OPERS Office.

July Report 2010

OPERS health care plan open enrollment period scheduled for October

Open enrollment for the OPERS health care plan will be held from Oct. 1 – Oct. 31, 2010. During this time, participants in the health care plan may add or change coverage for themselves and/or their eligible dependents. Changes made during the open enrollment period will become effective Jan. 1, 2011. To help plan participants make informed decisions regarding their health care coverage in 2011, OPERS will be sending the following communications:

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OPERS UPDATE

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Open Enrollment Bulletin: scheduled to mail within the Summer 2010 issue of *Ohio PERS News for Retirees* in early August, the bulletin will describe aspects of the plan that are new or changed for 2011 and provide a full list of available open enrollment seminars.

Open enrollment cost statement: personalized cost statements will be mailed with open enrollment packets in early September. The statements advise plan participants of the cost for their coverage in 2011 and also the cost for any alternate coverage options.

Open enrollment guide: the guide will be mailed with the cost statement and will provide in-depth coverage details for 2011. The OPERS website, www.opers.org, will also be an excellent source of open enrollment information. Publications, forms, answers to frequently asked questions and even a video of an open enrollment seminar will be available on the site in early September.

Reminder: New rule affecting health care coverage costs for spouses effective Jan. 1, 2011

Effective Jan. 1, 2011, OPERS will no longer subsidize the monthly health care premium cost for spouses of retirees who are under the age of 55.

This change will affect the spouses of current and future retirees. If your spouse is under age 55, you may continue to cover them under the OPERS health care plan. However, you will be responsible for the full health care premium. Once your spouse reaches age 55, OPERS will again subsidize their health care coverage premium.

The rule does not apply to dependent children, spouses of disability recipients, spouses with early Medicare or any spouse who is receiving a benefit as the surviving spouse of an age and service retiree (joint and survivor annuity) or as the surviving spouse of a deceased working member (receiving a survivor benefit).

If you are currently covering a spouse under the age of 55 who will be impacted by this rule change, the new cost for their coverage in 2011 will be reflected on your 2011 open enrollment cost statement. Cost statements will be mailed to retirees in early September.

Please visit the OPERS website for more information.

August Report 2010

OPERS will modify our retiree health care plan in response to federal health care reform legislation in 2011

Earlier this year, a comprehensive federal health care reform bill was passed and signed into law by President Obama. OPERS has spent the last few months conducting an in-depth analysis to determine what impact the many provisions would have on the OPERS retiree health care plan. We examined all aspects of the legislation in collaboration with actuaries and legal counsel. With our initial analysis complete, OPERS will comply by making three modifications to our retiree health care plan for 2011.

Effective Jan. 1, 2011:

1. Retirees participating in our health care plan may cover eligible children up to age 26 regardless of marital status or enrollment as a full time student.
2. OPERS will remove the lifetime maximum for medical/pharmacy coverage currently in place for retirees not yet eligible for Medicare.
3. OPERS will make slight modifications to our current coverage structure for preventative tests and procedures to align with the provisions of the legislation.

These are the modifications we will make to our health care plan for 2011 in response to federal health care reform legislation. A full description of our 2011 plan design will be available in your 2011 Open Enrollment Guide. Other provisions within the legislation are scheduled for implementation over a period of years. Please continue to read issues of this newsletter and check the OPERS website, www.opers.org, for further updates on the implementation of federal health care reform legislation.

OPERS health care plan open enrollment period scheduled for October

Open enrollment for the OPERS health care plan will be held from Oct. 1 – Oct. 31, 2010. During this time, participants in the health care plan may add or change coverage for themselves and/or their eligible dependents. Changes made during the open enrollment period will become effective Jan. 1, 2011. To help plan participants make informed decisions regarding their health care coverage in 2011, OPERS will be sending the following communications:

Open Enrollment Bulletin: Retirees received this bulletin within *Ohio PERS News for Retirees* in August (summer 2010 issue). The bulletin describes aspects of the plan that are new or changed for 2011 and provides a full list of available open enrollment seminars.

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Open enrollment cost statement: Personalized cost statements will be mailed with open enrollment packets in early September. The statements advise plan participants of the cost for their coverage in 2011 and also the cost for any alternate coverage options.

Open enrollment guide: The guide will be mailed along with the cost statement in September and will provide in-depth coverage details for 2011.

The OPERS website, www.opers.org, will also be an excellent source of open enrollment information. Publications, forms, answers to frequently asked questions and even a video of an open enrollment seminar will be available on the site in early September.

September Report 2010

Online resources for OPERS health care open enrollment

To help plan participants make informed decisions regarding their health care coverage in 2011, OPERS has posted a variety of resources to their website, www.opers.org. The site features:

Seminars –a list of live open enrollment seminars still accepting registrations and also a separate video seminar for both Medicare-eligible and non-Medicare eligible plan participants.

Open enrollment materials to view and print – plan participants can access the 2011 Open Enrollment Guide, the 2011 Vision and Dental Coverage Guide and the 2011 Vision and Dental Coverage Application to view and/or print.

Frequently Asked Questions –answers to a wide variety of common open enrollment questions.

SPECIAL SECTION - Pharmacy Coverage through Express Scripts – this section features a page for Medicare-eligible retirees providing information, copays, resources and answers to frequently asked questions for those participating in the OPERS Medicare Part D plan beginning Jan. 1, 2011.

This section also features a page for non-Medicare eligible retirees detailing prescription drug coverage, copays and coinsurance.

Open enrollment for the OPERS health care plan will be held from Oct. 1 – Oct. 31, 2010. During this time, participants in the health care plan may add or change coverage for themselves and/or their eligible dependents. Changes made during the open enrollment period will become effective Jan. 1, 2011.

October Report 2010

OPERS Health Care Plan Update – Looking to 2011

The following information regarding the OPERS health care plan is designed to address topics that generated a number of questions during the 2011 open enrollment period. More information can always be found on the OPERS website, www.opers.org or by calling 1-800-222-7377.

OPERS Medicare Part D Plan

Beginning Jan. 1, 2011, Medicare-eligible retirees will participate in the OPERS Medicare Part D Plan if they are enrolled in the Humana Medicare Advantage Plan or the Medical Mutual PPO plan at the Enhanced Plan level. Enrollment in the OPERS Medicare Part D Plan is based on individual Medicare eligibility. It is possible that members of the same family will be participating in different pharmacy coverage plans through Express Scripts.

In December, Express Scripts will send Medicare Part D Plan participants a new enrollee packet which will include a new ID card, a formulary list and other materials. The OPERS Medicare Part D Plan provides financial assistance for retirees who meet annual guidelines for income and assets as established by the Social Security Administration (SSA).

Retail pharmacy program –

- Plan participants can receive up to a 31-day supply of medication, plus refills, as prescribed by their physician from a retail pharmacy.

Plan participants can receive up to a 90-day supply of medication, plus refills, as prescribed by their physician from a retail pharmacy. **A 90-day supply at retail will cost three times the single month co-pay price.**

Mail pharmacy program –

Retirees can receive up to a 90-day supply of medication, plus refills, as prescribed by their physician. **A 90-day supply using the mail-order pharmacy will cost two and a half times the single month co-pay price.**

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For more information, please call Express Scripts at 1-800-789-7416 or visit www.express-scripts.com.

OPERS Wellness Programs and Retiree Medical Account (RMA)

A Retiree Medical Account (RMA) for wellness program participants is automatically established once you and/or your covered spouse complete a qualifying wellness event through OPERS and your medical plan administrator. Qualifying wellness events include:

1. Completing a health assessment
2. Undergoing a physical exam
3. Completing a wellness program
4. Successfully participating in a disease management program

An RMA is an account you can use to help pay for qualified health care expenses you incur while covered under the OPERS health care plan. By completing any two of the four events listed above, you and your covered spouse may each qualify for up to \$100 to be deposited into the RMA in a 12-month period. OPERS will make a deposit of \$50 to the RMA when you and or your covered spouse complete any one of the qualifying events. OPERS has a contract with Aetna for the administration of RMA accounts.

To learn more or to enroll in a wellness program, please contact your medical plan administrator:

Humana - 1-877-890-4777, www.humana.com/opers

Medical Mutual - 1-877-520-6728, www.medmutual.com

Federal Health Care Reform

The Patient Protection and Affordable Care Act – PPACA (a.k.a. health care reform) signed into law by President Obama on March 23, 2010 has numerous provisions that may impact the OPERS health care plan from 2011 to 2018. Because this legislation is very complex and few details have been confirmed regarding post-2011 provisions at this time, OPERS has focused on areas that will impact the plan as of Jan. 1, 2011.

The 2011 provisions expand coverage for plan participants, and they include the following:

Preventive care services paid at 100%

Dependent Coverage to Age 26

Removal of Lifetime Maximums

OPERS staff has received many questions regarding the future of Medicare Advantage Plans in relation to this legislation. OPERS continues to be in close contact with Humana, our Medicare Advantage Plan administrator and we are continuously monitoring federal health care and budget legislation in order to determine Medicare Advantage funding levels and network requirements for 2012 (and beyond).

Under 55 spouse rule change

As of Jan. 1, 2011, OPERS will no longer subsidize medical coverage costs for spouses under the age of 55. OPERS will not automatically cancel coverage for any spouse. If your spouse is affected by this rule change and you wish to cancel their coverage for 2011, you must complete a *Health Care Coverage Change Form*. The form is available at www.opers.org or by calling OPERS.

**HAVE A JOYFUL
HOLIDAY SEASON!**