



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 2011

Volume 4, Issue 1

Ohio Council of Higher Education Retirees

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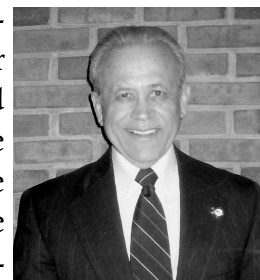
FROM THE PRESIDENT

LOU DIORIO



As most of you know, this is my second term as president of OCHER. Things have changed since that first term: first, concerns about health care subsidies, then media attacks on pension funds in general, and now defined benefits.

Defined benefits is the current target by the media and some legislators who think public educators are overpaid, over pensioned, and underworked. They claim that tax-payers' dollars are paying for our pensions, what we call a defined benefit. In actuality it is a defined pension. Yes, taxpayers are paying for our pensions but only through our paychecks and negotiated packages. In most cases, taxes pay for our jobs. For some in higher education and research, research grants foot the bill. Our goal is to dispel this image to the public where the media can launder the words to give the message to the public that educators (and other public service workers) are a burden on the tax-payers of Ohio. We have contributed our dollars along with a sum of money put into the pension system on our behalf by employers - a negotiated pay package along with working conditions. There is no freebee for us - the pension funds are our money invested collectively through the pension systems. This is not too dissimilar to having an individual IRA which is also a benefit for the individual. No one attacks the individual with an IRA.



On Tuesday, October 11, I attended a meeting of the Healthcare Pensions Advocates. We discussed issues about staying together as a coalition. As a representative of OCHER, I took the position that it is important to do so, because I believe that is what our OCHER representatives wanted. We need numbers and it has to be apparent to legislators that we are together on the issues regarding pension reform and how we keep the defined pension program viable. At that meeting we defined the HPA purpose and discussed decision-making by consensus. There was an initial agreement that consensus means overwhelming support and that consensus is reached when all member organizations agree they can live with a decision, after every effort has been made to meet any outstanding interests. Guiding principles were stated such as "the continuation of the defined benefit pension plan for current and future employees is essential for economic security in retirement".

Continued on Page 2

**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

Ted Foster
Ohio University

FROM THE PRESIDENT

CONTINUED FROM PAGE 1

Some of these issues will reach final agreement at one of the ensuing meetings.

OCHER is vigilant in looking at the issues that affect our retirement for current retirees and future retirees who are currently employed. Through the efforts of the Legislative Advocacy Committee and its chair, Dick Hill, we are focused on a number of retirement issues: reform legislation, defending defined benefits, mandatory Social Security, higher education support, federal health care, and the new tax deferred account (TDA) rules. Regarding higher education support, Gordon Gee (OSU president) pointed out in a recent message to OSU faculties, that universities must be more creative in the approach to support higher education. He said “We must find new ways to fund the core academic purposes”. As this plays out through discussions in the university senate and town hall gatherings, the outcomes remain to be seen. We as higher education retirees should be ready to assist our respective universities in any way we can.

These are but some of the concerns that OCHER addresses in our quarterly meetings and conferences. Hopefully these are not just my observations but also the consensus perspectives of OCHER representatives.

OCHER ADVOCACY REPORT

**DICK HILL
OCTOBER 2011**

THIS ARTICLE APPEARED IN THE OSURA NEWSLETTER

Waiting for Godot . . . , And Pension Reform in Ohio

Samuel Beckett once described an exercise in hope, wherein two characters wait expectantly (but in their case, in vain) for a man called Godot. To pass the time, speculations to sustain hope played out between them as a way of dealing with circumstances beyond their control.

For many retirees in the public pension systems of Ohio, certain elements of Beckett’s saga are recognizable. Here, instead of two parties there are five, and their missing “Godot” is a much needed solution for rebalancing and assuring the safe futures of their pension systems.

Ironically, ready and responsible solutions are at hand. They are the products of careful actuarial design. Yet, they languish, now mired in yet a third cycle of delay (autumn, 2009; winter 2011; and now an added RFP). Unfortunately, every day of delay further weakens the fiscal security of each of these five systems on which several hundred thousand Ohioans have invested their futures. The system boards recognize the need for periodic adjustments - indeed they are natural and expected of any healthy financial enterprise, private or public. State retirement systems are no exception.

Yet, the wait continues, this most recent RFP phase being described by one

Continued on page 3



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.

2010-2011 OCHER COUNCIL MEMBERS

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

OCHER ADVOCACY REPORT

CONTINUED FROM PAGE 2

system executive director as “cost-prohibitive and time-prohibitive”, while another foresees this process pushing a solution well into 2012. A third, very pragmatic, alternative has been suggested, *i.e.*, to have ORSC invite the actuarial authors of the current five plans to meet with them so any questions remaining can be quickly answered, or specifically researched. Considering the depth of these analyses, their ready availability, and the considerable resources already expended by the systems to provide them, that initiative seems an eminently logical next, and possibly definitive, step to take.

Meanwhile, we wait for “Godot” - not to be seen now it would seem until sometime next year.

OUR FEATURED INDIVIDUAL

NANCY WARDWELL

Nancy Wardwell, your current OCHER Vice President, is a “can-do person” coming to OCHER with rich experiences in retiree organizational development for she served as the 2009-2010 President of The Ohio State University Retirees Association (OSURA) and currently is the Editor of the Association’s newsletter, OSURA News.

Wardwell was born and educated under the glow of the influence of the fabulous Progressive education system of Battle Creek, MI, ala; John Dewey and the University of Chicago. In 1950 her family moved to Columbus where in 1954 she graduated from North High School. She followed a family tradition and entered Ohio Wesleyan University in Delaware, Ohio majoring in Biology and Physical Education. Earning her B.A. in 1954, she began teaching General Science, Biology, and Physical Education at the Radnor Union Local Schools in Delaware, Ohio.



One of the rewards of a happy teaching career is that she still maintains contact with those first students. While at Radnor she began graduate work completing her M.A. at The Ohio State University.

Continued on page 4

Our Featured Individual

Continued from Page 3

Sport and Leisure Studies occupied Nancy's teaching focus while she and her graduate students conducted much historical research focused on the Rise of Women in Sport, Leisure, and Recreation. Of particular interest is a series of papers on the Chautauqua Movement in the United States and Canada. As a sports historian, Wardwell was the personification of the OSU presence in the North American Society for Sports History. In addition to the duties of her faculty and professional position, she was an active participant in the Columbus and Central Ohio community maintaining memberships in The Torch Club of Columbus and the Central Ohio Council of Camp Fire, USA.

In her 39-year career, Wardwell also held temporary teaching positions at Denison University and Ohio Wesleyan University. The other really enjoyable enrichment to her career has been an involvement with Camp Fire Boys and Girls on many levels, but serving many years as director for Camp Wyandot in Ohio's Hocking Hills has been the most rewarding.

Now retired from OSU as Professor Emeritus – College of Education, Nancy finds much enjoyment in travel, no matter how local, and the hours spent with her two daughters and four "practically perfect" grandchildren at her retreat among the lakes and woods of Michigan. Among her many activities, she does carve out time in this busy retirement calendar to pursue her passions, for Nancy is an avid bird-watcher and tree hugger.

Financial Security?

Howard Gauthier

The Ohio State University

According to a recent national survey, financial security is a growing concern by retirees who are fearful they do not have sufficient wealth to support their current style of living. The years since the onset of the Great Recession have seriously challenged retirees' financial planning and wealth management. There has been the loss of accumulated wealth as a result of the subprime loan debacle. There are international challenges, e.g. the European Euro Zone, where some nations may default on their sovereign debt. Equally disturbing is the prospect that this may only be the beginning of a long period of international financial instability and volatility.

At a recent OSURA conference, Bill Rives, a Senior Lecturer in the Department of Finance at Ohio State University, discussed four financial challenges to a successful retirement-- inflation, market volatility, longevity risk and long-term health care.

While inflation has historically been a threat to retirees on a fixed income, the current rate is very low and likely to be so for the immediate future. This is a plus if one has considerable debt. The downside is that interest rates also are low, generating lower returns on investments and providing less income. Current investment returns are the lowest in a generation.

Volatility in the financial markets increases personal risks at a time when retirees are seeking to minimize risk. Planning a strategy for withdrawing necessary funds from investments for living expenses becomes more difficult and uncertain. The traditional cash-and-bond portfolio may not be enough to support one's income needs in retirement. We can't expect the cost-of-living adjustments in our retirement plans to cover the shortfall.

It is easy to overlook the fact that the increase in our longevity may pose financial challenges to providing a sustainable retirement income. One threat is a long-term illness for which we are not financially prepared. If you are self insured you may have to deplete your assets to pay for medical expenses that are not covered by Medicare. It is unlikely that traditional Medicaid will be available as eligibility requirements are more restrictive and medical benefits have been reduced.

Continued on Page 5

Financial Security

Continued from Page 4

As evident in my summary of Bill's remarks, the financial climate is not only challenging but threatening for retirees. There may not seem to be many options for us to consider in dealing with these threats. Relatively low rates of return seem to be the new normal in investing. With this in mind, Bill offers the following suggestions:

Invest for total returns. Consider short to medium term bonds. Search for long term CDs that offer an annual return of 3 percent or higher. Consider annuities for their combination of insurance and income.

If you like equities, invest in large companies that have maintained their dividends, or even increased them, in spite of the financial markets' overall performance.

Be careful of investments in emerging market economies. The returns may be higher but so are the risks.

Pay off outstanding debt as interest rates will likely stay low for an extended period of time.

Buy long-term health plans (LTC) that are designed to enable you to stay at home. The premiums are tax deductible. If you buy LTC, consider the Ohio Partnership Program in which the State is an insurer of last resort.

Annually review your investment withdrawal strategy to determine any necessary adjustments to maintain a sustainable retirement income.

THE VIEW FROM THE CAMPUS

THE UNIVERSITY of AKRON

Hank Nettling

The University of Akron continues to have a very successful soccer program and as a result of last year's NCAA National Championship, some significant up-grades have been made to the soccer field including a naming rights to First Energy for the stadium and to Cub-Cadet for the field itself.

Football not doing so well but "getting better" according to second year coach Rob Ianello.

The university has finalized the campus governance process, by reestablishing a University Council, which has mostly administrators and a few faculty representatives. Its primary job will be such things as the periodic strategic plan. The Faculty Senate will continue, but will be primarily responsible for academic issues.

The campus continues to evolve physically, with many green spaces being created. The recent demolition of Memorial Hall (old basketball arena) was scheduled to become the spot for the new College of Education building. However, that project has been put on hold subject to a full review of how course work will be delivered i.e. maybe by internet. In the meantime, a green space has been developed on the Memorial Hall footprint.

The university had a record fund raising effort in 2010-2011 of \$46.7 million, an increase of 14.3% over the previous year and 27% more than the 5-year average of \$36.6 million.

The university continues to move ahead on the University Park Alliance. The alliance is revitalizing the diverse neighborhood in a 50-block area immediately surrounding the campus.

The newest building project is for the College of Engineering and will open in winter 2012. The building will house a National Center for Education and Research in Corrosion and Materials Reliability. In spring 2012, classes will begin at UA-Lakewood, a new project in UA's outreach effort to meet educational needs of the region, joining such projects in Brunswick, Medina, Orrville and Millersburg.

Continued on Page 6

THE VIEW FROM THE CAMPUS

CONTINUED FROM PAGE 5

BOWLING GREEN STATE UNIVERSITY

Roger Anderson

Dr. Mary Ellen Mazey took office as BGSU's new president, July 1, 2011. Previously she was Provost at Auburn University, Dean of Arts and Sciences at West Virginia University, and Chair of the Department of Geography and Urban Affairs at Wright State University. Dr. Rodney Rogers, Dean of the College of Business was appointed interim provost in May of 2011. Also in May Dr. Sara Bushong was appointed Dean of Libraries. In March, 2011 Dr. Jeffrey Showell was appointed Dean of the College of Musical Arts. Previously he was Dean of Musical Arts at James Madison University.

For the sixth year in a row BGSU was named as one of America's Best Colleges by **U.S. News and World Report** for its focus on the undergraduate experience.

In August the Stroh convocation and athletic facility opened for business. It will house men's and women's basketball, women's volleyball, and commencements, concerts and special events.

In August two state-of-the-art residence halls opened, Centennial Hall and Falcon Heights, as well as two new dining facilities, The Oaks and Carillon Place.

The Wolfe Center for the Performing Arts will open in early 2012.

The B.G.S.U. Retirees Association held its annual convocation luncheon on September 7th. Dr. Rodney Rogers, Interim Provost, was the featured speaker. On October 5 new B.G.S.U. President, Mary Ellen Mazey was welcomed and spoke to the Retirees Association at a luncheon.

CLEVELAND STATE UNIVERSITY

Jim Kweder

A new neighborhood is scheduled to be built at Cleveland State University beginning in 2012. Called Campus Village, the development is aimed at CSU faculty, staff, graduate students and young professionals. It will include 308 units in nine buildings, a parking garage, outdoor pool, clubhouse, cyber café, stores and restaurants. The \$45 million public-private project is on property owned by CSU and leased to Polaris Real Estate Equities.

Over the past three and a half years the school has built a new student center, a College of Education building, and two new dorms, all along Euclid Avenue. These developments contribute not only to a transformation of the CSU campus, but to downtown Cleveland as well. CSU's penetration into the downtown area will increase this year as about 500 students and faculty begin using classrooms, studios and offices in Playhouse Square for its theater, dance and visual-arts programs.

KENT STATE UNIVERSITY

Myra West

The Retired Faculty Association of Kent State University meets on the third Wednesday of each month during the academic year. A social time with coffee, tea, and cookies begins at 3:30 pm. in the regular meeting room, Rm 122 in the University Main Library. At 4:00 pm the meeting begins with announcements and then onto the program of the month. Note: There are some changes in the meeting time and/or location as indicated in the program. The Fall 2011 programs include the following:

September 21, 2011 at 10:00 am. A Tour of the Kent Historical Society's New Home (at 237 E. Main Street), Meeting Chair is Gene Wenninger and the Meeting Hostess is Shirley Dubetz,

October 19, 2011. Tour of the Kent Free Library by Stacy Richardson, new library Director. The tour will start in the 2nd floor meeting room of the Kent Free Library. Meeting Chair is Christine Bhargava and the Meeting Hostess is Doris Simonis,

November 16, 2011. Transitioning University Technology by William Doane, Director of Kent Displays. The Meeting Chair is T. N. Bhargava and the Meeting Hostess is Saroj Sutaria ,

December 14, 2011. Annual Holiday Luncheon at the Rusty Nail Banquet Room. Hot cider at 11:30 a.m. and lunch at noon .

Continued

THE OHIO STATE UNIVERSITY

Tom Sweeney

Ohio State is looking to shed itself of activities that are not in its core mission. The thought is that if we devote all of the considerable management skills of the administration on core academic matters, it will benefit everyone. However, some faculty are said to feel that the University would be better served if the administration concentrated on peripheral matters, leaving the academic matters to the academic practitioners, i.e., the faculty.

There are a number of potential targets for this new initiative and the President has hinted at selling the airport and the golf course and investing the proceeds into the educational mission of the University. Both of these functions have many powerful supporters and there may be some difficulty in actually unloading them.

Fortunately, the operation of the University's Traffic and Parking Office has few supporters. So, going considerably beyond hinting, the Board of Trustees has authorized a call for bids to exchange the next fifty years of the University's parking revenues in exchange for an immediate cash payment. The faculty, not having been consulted on this matter, are concerned, especially on hearing reports that the parking fees would be rapidly escalated to entice potential bidders. (Emeritus faculty members are also concerned since at present they are not charged for an annual parking hang tag. We are willing to have our current rate doubled, but no more than that.)

Some cynics see the hundreds of millions of dollars, the expected range for the parking concession, and its subsequent spending in the near term as just one more way of our generation requiring succeeding generations to pay for what we want to buy now. Others see the move as a way to invest now for the long term benefit of those who will eventually pay for parking in, say, 2061. Maybe by that time all will work from home and use jet packs to move around if they have to come to campus.

We are unaware of whether or not the sale of football revenues for the next fifty years in exchange for an immediate cash payment has been considered by the administration. If it has, we suspect that this would be a very bad year in which to go out for bids. Maybe next year.

OHIO UNIVERSITY

Ed Baum

Ohio University is the site of the **OCHER E-Mail Program (aka listserv)**. The following information may be of value and informative to the members of the OCHER family:

What is a Listserv?

A listserv is a way for a member of an organization to disseminate information and announcements to other members who are on the list.

How is the Listserv used by OCHER?

The number of announcements is very small, and has been used primarily to report on possible changes to the pension system as well as upcoming meetings of OCHER.

How do I join (aka subscribe)?

To subscribe (or to unsubscribe) go to: <http://listserv.ohio.edu/mailman/listinfo/OCHER> The listserv is maintained at Ohio University. If you have a question, contact Ed Baum ([740-593-8675](tel:740-593-8675) or baum@ohio.edu).

Continued on Page 8

VOTE "NO" ON ISSUE #2!

THE VIEW FROM THE CAMPUS

Continued from Page 7

SHAWNEE STATE UNIVERSITY

Marcia Tackett

Shawnee State University continues to grow as we celebrate our 25th anniversary. The year-long anniversary celebration continues and is connected to nearly every activity on campus. This fall the enrollment was an all-time high at nearly 4600 students and new student housing has added to the campus and Portsmouth landscape providing 25% of all undergraduates a home away from home. Graduate programs expanded this academic year to include a new strand for the M.Ed. program: Intervention Specialist (Mild to Moderate) with the possibility of K-12 licensure. The Vern Riffe Center for the Arts plays host this season to the National Acrobats of the People's Republic of China and the Moscow Festival Ballet as well as Broadway productions of "My Fair Lady," "Beauty and the Beast" and "In the Heights." Shawnee State University retirees are enjoying the fantastic fall foliage that envelopes the beautiful rolling hills of our river community in southern Ohio.

WRIGHT STATE UNIVERSITY

Lou Falkner

Wright State University has recorded its second highest enrollment in school history, with 19,600 students at the Dayton and Celina (Lake Campus) this Fall. The enrollment has resulted in a record number of student credit hours. Undergraduate enrollment at the Dayton campus increased 0.3% to 14,408 students. University-wide enrollment in the College of Engineering and Computer Sciences increased 39.3% to 14,408 students. All 50 states and 64 foreign countries are represented in the student body.

The WSU Engineering program celebrated its first 100th PhD graduate in September. The doctoral program in Engineering began in 1998. The program can boast that more than 50% of the graduates are employed in Ohio and 30% of the first 100 graduates currently work for the Air Force Research Laboratory at Wright-Patterson Air Force Base. More than 50% of its graduates are US citizens.

The Lake Campus in Celina has approval to offer undergraduate degree programs in both mechanical and manufacturing engineering.

The University continues to prepare for the change to the semester system, Fall, 2012.

Beginning Fall, 2012, the University will offer only one class in remedial math and one in remedial English. Agreements are being made with Clark State Community College and Sinclair Community College to offer support classes for the students in need of such courses.

The U.S. Air Force has awarded a contract of up to five million dollars over five years to WSU for research related to unmanned aerial vehicles (UAV). It's the third million-dollars-plus contract WSU and the Human Performance Consortium have won under a technology collaboration program of the Air Force Research Laboratory's Human Effectiveness Directorate at WPAFB. Last December, WSU announced the award of two other human-performance grants worth up to \$6.4 million.

YOUNGSTOWN STATE UNIVERSITY

George Beelen

The Youngstown State University faculty organization (OEA) and the classified personnel (ACE), after considerable discussion and debate with the YSU Board of Trustees, ratified a new three-year contract early in October. Negotiations started last February, the parties arrived at impasse late in the summer at which time a mediator accepted the faculty plan, which the Board of Trustees rejected. OEA took a strike vote calling for a strike just before classes resumed in the fall. The strike was called off, however, so that classes could begin and students could receive their financial aid. Negotiations resumed, and a three-year contract was agreed to. It is the most concessionary contract YSU/OEA and YSU/ACE have ever negotiated. It calls for 0%, 0%, 2% for each of the three years; for considerable increases in faculty participation in health care premiums; and for decreased pay for summer teaching.