

Ohio Council of Higher Education Retirees (OCHER) summary March 25, 2025

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STRS March Board summary: The Board met in Executive Session with representatives from the Attorney General office about the Target lawsuit. They persuaded the Board that under Ohio law, their fiduciary duty is to protect STRS investments regardless of social, environmental, & governance (ESG) issues. STRS will be the lead plaintiff in the Target lawsuit to recover as much of the \$5 million loss as possible. Interim Executive Director (ED) Aaron Hood explained that as the reason his initial refusal to join the lawsuit was overruled. Also, based on his 19 years on Wall Street, it is not unusual for large investors to seek legal action to recover losses, and this is no different. OCHER members were unhappy about the ethical implications of a lawsuit based on the legal argument that Target's DEI efforts resulted in the loss. ED Hood said the issue was moot given Ohio law. Still, OCHER is drafting a letter of concern.

STRS investment returns continue to outperform the STRS goals, according to outside consultants. At the April Board meeting, the Board will decide about future COLAs and 13th check. There is an upcoming Board election of new members.

New STRS personnel are being hired and vetted, such as an interim investment director. A search firm for the new ED is beginning. Given the negative publicity from the STRS board in the last couple of years, as well as a comparatively low salary, the pool of serious candidates is of less quality than expected.

STRS & OPERS are continuing to lobby the Ohio legislature for increased employer contributions, which seems unlikely in the near term.

STRS continues to work toward improving retiree health benefits and lowering member premiums, which they have done since 2010.

OCHER spent about an hour with interim ED Aaron Hood. He is a no-nonsense former military officer & Wall Street professional. His goal for STRS is to "get back to boring." Despite outside groups such as ORTA continuing to promote misleading information, in the last few meetings the Board has been more on task with factual information and is functioning more effectively. He has little tolerance for fantasy over fact (his terms), and apparently the Board is responding without the previous drama.

The Ohio University and The Ohio State University gave brief campus updates. Both universities are wrestling with anti-diversity, equity, and inclusion initiatives from the federal and state governments. Student protests have occurred recently on both campuses.

OCHER spent some time discussing the implications of SB1, especially the negative effect it will have on diversity, equity, and inclusion and how it will harm students. OCHER asked for each retirement association to provide a brief response.