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NOTE 6. NET OPEB ASSET

The components of the net OPEB asset associated with the Sick Leave Insurance Reserve Fund of the participating employers as of June 30, 2021 and 2020, is as follows.

State Members

	2021	2020
Total OPEB liability	$ 104,239,022	$ 93,296,577
Plan fiduciary net position	286,193,340	234,449,486
Employers' net OPEB liability (asset)	$ (181,954,318)	$ (141,152,909)
Plan fiduciary net position as a percentage of total OPEB liability (asset)	275.0 %	251.0 %

School Members

	2021	2020
Total OPEB liability	$ 276,050,086	$ 232,878,651
Plan fiduciary net position	421,270,510	356,009,237
Employers' net OPEB liability (asset)	$ (145,220,424)	$ (123,130,586)
Plan fiduciary net position as a percentage of total OPEB liability (asset)	153.0 %	153.0 %

The OPEB asset is calculated using a discount rate of 5.45% which is the expected rate of return on investments reduced by investment expenses. The net OPEB asset was determined by an actuarial valuation as of July 1, 2021. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net OPEB asset are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Board's adopted asset allocation policy for the Sick Leave Insurance Retirement Fund as of June 30, 2021 was 50% Fixed income, 39.3% US/Global equity, and 10.7% International equity.

Actuarial Assumptions	Sick Leave Insurance Reserve Fund
Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return-net of investment fees	5.45%

The long-term expected rate of return on OPEB plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.