



# OHIO TOWNSHIP ASSOCIATION

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## **House Health & Aging Subcommittee on Pension Reform Tuesday, February 22, 2011 HB 69 Pension Reform**

Good evening Chairman Schuring and members of the Subcommittee. My name is Heidi M. Fought and I am the Director of Governmental Affairs for the Ohio Township Association (OTA). On behalf of the OTA, I stand before you this evening to express our opposition to the proposed changes to ORC §145.016 in House Bill 69, the pension reform bill. Specifically, we object to increasing the monthly minimum earnable salary to earn full-time service credit from \$250 per month to \$1,000 per month. This language can be found in lines 624-672.

By altering the monthly minimum amount, the majority of township trustees will not be eligible to receive a full-year service credit; instead the majority of trustees will only receive partial credit. Township trustee and fiscal officer salaries are set by the *Ohio Revised Code* (trustees - ORC §505.24; fiscal officers - ORC §507.09) and are based on the annual budget of the township. Township officials, like all elected officials, are prohibited by the Ohio Constitution (Art. II, §20) from receiving an interm increase in compensation, therefore, they cannot adjust their salaries. The proposed language in HB 69 will impact almost every township *except* those with budgets over \$3.5 million. That is, of the 1,308 townships across the state, only a few dozen will be unaffected by these changes. All township officials work just as much and as hard as larger budget government officials and deserve a full year's service credit.

As a compromise to the current provisions in HB 69, the Ohio Township Association proposes that the monthly minimum earnable salary be altered from \$250 to \$500 per month. By reducing the proposed amount from \$1,000 to \$500, all township elected officials would earn a full-year of service credit. The OTA believes this is a fair compromise, in light of the profound impact that this provision of HB 69 has on the majority of Ohio's township trustees.

Mr. Chairman, I appreciate the opportunity to express our concern with HB 69 and appreciate your consideration of our proposal to alter the bill. I would be willing to try and answer any questions you and the Subcommittee may have.