



**House State and Local Government Committee  
HB 450 Interested Party Written Testimony  
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Ohio Association of School Business Officials  
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Chairman Wiggam, Vice Chairman Stephens, Ranking Minority Member Kelly, members of the House State and Local Government Committee, thank you for this opportunity to submit written, interested party testimony regarding HB 450. Today's comments are submitted on behalf of the members of the Ohio Association of School Business Officials, who are the treasurers/CFOs and other school business officials working in the public school districts around the state. The provisions in HB 450 would apply to the treasurer/CFO members of our association.

We want to begin by saying we appreciate that Auditor of State (AOS) Keith Faber met with a committee of OASBO members (school treasurers/CFOs) before seeking legislative support for the proposal that is now contained in HB 450. The committee members provided feedback about the proposal. We appreciate that the bill includes the recognition that under current law, outgoing school treasurers already have the duty to turn over "all books and papers in the treasurer's hands relating to the affairs of the district..." (Ohio Revised Code (ORC) 3313.28). The bill's new requirement for a Letter of Representation must follow this section of existing law for school treasurers.

We appreciate Auditor Faber's and the bill sponsor's (Vice Chairman Stephens) willingness to clarify in that same section of law, that educator licenses and reports of school statistics not be specifically named as required information to be turned over to a treasurer's successor. HB 491 passed by the 132<sup>nd</sup> General Assembly, removed responsibility for maintaining records on educator licenses from the school district treasurer. The current language in ORC 3313.28 assumes the treasurer is still in possession of this information. HB 450 removes this language.

We also want to express appreciation for the bill's requirement that the state auditor must consult with treasurers and fiscal officers, or from their affiliated groups, before prescribing the appropriate Letter of Representation for each local government entity's fiscal officers.

However, we would be remiss if we did not mention a few comments and concerns expressed by our members when presented with the proposal now contained in HB 450. First, we want to assure the committee that we do not believe the impetus for proposing HB 450 was due to problems arising when school treasurers exit a school district; refusing or neglecting to turn over the required documents as contained in ORC 3313.28. In fact, feedback from OASBO committee members and organization leaders indicated the new requirement for a signed Letter of Representation is not necessary for the school district setting.

School treasurers are most often either retiring, or leaving to take another position in another school district. The propensity for an exiting treasurer, 1. to leave without cooperating to provide relevant information to his/her successor, or, 2. to be unwilling to be available for consultations even after moving on to another position, etc., is low. School treasurers are not elected to office, so the same tensions that might be present with a transition to a new elected fiscal officer are not an issue.

Second, several OASBO members expressed concern over the provision in the proposal that reads: “The auditor of state may test the accuracy of any letter of representation described in this section and report any discrepancies or findings described in sections 117.28 and 117.29 of the Revised Code.”

The concern is that the provision creates a new liability for treasurers. Mistakes happen, yet this could result in negative public attention for the school district, and unnecessarily cause problems for the treasurer who left to move on to another district. If the treasurer has retired or left the profession, it is unclear what purpose this provision serves.

Generally, feedback from OASBO members indicates they would prefer the legislative proposal not apply to school district treasurers, but rather an AOS bulletin be made available with best practices for the utilization of a check list for exiting treasurers to follow. However, if the bill is to move forward, we request that the provision that allows the AOS to “test the accuracy” of the Letter of Representation be removed.

Thank you again for the opportunity to share our thoughts on HB 450. Please feel free to contact us with questions.