



STATE TEACHERS
RETIREMENT SYSTEM
OF OHIO

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House Finance Subcommittee on Primary and Secondary Education
House Bill 64

State Teachers Retirement System of Ohio
Marla Eshelman Bump, Director, Governmental Relations
March 19, 2015

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Good morning, Chairman Cupp, Ranking Member Phillips and members of the House Finance Subcommittee on Primary and Secondary Education. My name is Marla Eshelman Bump. I am the director of governmental relations for the State Teachers Retirement System of Ohio. On behalf of the almost 500,000 members of STRS Ohio, the board and staff, I appreciate the opportunity to appear before you. The system is a trust established 95 years ago for the exclusive benefit of the teachers in the public schools of Ohio. System members now include not only public school K-12 teachers, but also other educators who provide pupil services and are licensed pursuant to sections 3319.22 to 3319.31 of the Ohio Revised Code, and university faculty. This morning I would like to bring to the subcommittee's attention two areas of concern for STRS Ohio with respect to HB 64.

First, is language that allows a high-performing school to hire non-licensed personnel for the purpose of teaching and the fact that in HB 64 there is a provision that would explicitly exclude these teachers from participation in STRS Ohio. Inasmuch as these will be public school teachers, it is the contention of STRS Ohio that they and the schools in which they work should be contributing to the retirement system. Furthermore, I have personally discussed this matter with the advocates for schools being able to hire non-licensed personnel and was told it was not the advocate's intent to have unlicensed teachers excluded from membership in the retirement system. As such, I am respectfully requesting on behalf of the STRS Ohio Board and our members that an amendment be adopted that would provide for the inclusion in STRS Ohio membership for these teachers.



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The other issue I would like to bring to the subcommittee's attention is language that would allow any school district to contract with a hospital or directly with a licensed health care professional but for whom a school nurse license issued by ODE would not be required. It's my understanding that, in part, the goal of this provision is that nurses working in schools under such an arrangement, but not holding a school nurse license, would not be subject to coverage by STRS Ohio. The concern for the system relates to a potential erosion of our membership base and the implications relative to this loss.

In conclusion, Mr. Chairman and members of the subcommittee, I submit that a healthy STRS Ohio is vital to the state of Ohio. In fiscal year 2014 STRS Ohio paid approximately \$6.5 billion in benefits to residents of the state's eighty eight counties. Although the system currently has assets of approximately \$75 billion, the liabilities are close to \$ 96 billion. Additionally, STRS Ohio membership is currently comprised of only 1.1 active educator for every benefit recipient. In order for STRS Ohio to remain fiscally solvent, membership in the retirement system must be preserved not only for classroom teachers, but faculty, administrators, school nurses and the host of others providing academic and therapeutic services to students in Ohio's schools and universities. STRS Ohio has been providing retirement security through a defined benefit pension plan for over 90 years. We, along with our sister systems, play a unique role in helping people achieve retirement readiness, including provisions for lifetime income and survivor and disability benefits. Our mission is to continue doing so for many, many more years.

Chairman Cupp, Ranking member Phillips and members of the House Finance Subcommittee on Primary and Secondary Education, thank you for the opportunity to appear before you and to present the concerns of STRS Ohio. I would be pleased to answer any questions you may have regarding these issues or any others related to the system.