



## **OHIO TOWNSHIP ASSOCIATION**

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### **HB 564 – Part-Time Township Employees Proponent Testimony March 30, 2022 House State & Local Government Committee**

Good afternoon Chair Wiggam, Vice Chair John, Ranking Member Kelly, and members of the House State & Local Government Committee. My name is Marisa Myers, and I am the Director of Governmental Affairs for the Ohio Township Association. On behalf of the Ohio Township Association (OTA), I appreciate the opportunity to testify as a proponent of House Bill 564, which alters the definition of part-time township employee for purposes of healthcare on a temporary basis and allows townships additional flexibility in managing staffing requirements.

For many employers, employee healthcare coverage can be a significant cost, which continues to increase year over year. The OTA often hears of these concerns from our members, and frequently receives questions on how townships can provide benefits to their employees and continue to deliver services at an affordable rate.

This is particularly true of safety services, more specifically fire and EMS services. Although the number is dwindling, many townships still utilize volunteer or part-time first responders because it is the only way to keep services operational. In fact, volunteers comprise 67 percent of firefighters nationwide. These individuals cumulatively save communities of all sizes billions of dollars per year. However, the number of volunteers is declining each year and could lead to a real crisis in provision of safety services, particularly in rural areas. While not the direct subject of this bill, these financial pressures, coupled with the effects of the pandemic, have contributed to the suggested changes in HB 564 regarding the definition of part-time township employee for purposes of healthcare coverage.

Under current Ohio law (R.C. §505.60), townships may, but are not required to, provide health insurance to part-time employees. For purposes of healthcare coverage, a part-time township employee means an individual working under 1,500 hours per year. If you calculate that out per week, it would be just under 29 hours per week (or approximately 28.85 hours).

Notably, federal requirements for healthcare are different than Ohio's under the Patient Protection and Affordable Care Act (ACA). The threshold between part-time and full-time is generally 30 hours per week. Additionally, the ACA makes a distinction for large and smaller employers. An "applicable large employer" is an employer with 50 or more full-time equivalent employees. Under the ACA, large employers must provide healthcare to full-time employees (those working an average of 30 or more hours per week) or face a penalty.

Under this framework, HB 564 makes temporary changes to the definition of part-time township employee under Ohio law. These changes would sunset 12 months from the effective date of the bill, if passed. I will note that the OTA testified last week on SB 299, a very similar piece of legislation that would make these changes on a permanent basis.

For townships that qualify as a large employer and would face a penalty under the ACA, HB 564 simply raises Ohio's threshold to match federal requirements – roughly 29 hours per week up to 30. While this may not seem like a significant change, it does allow an additional 60 hours per year and creates more uniform requirements between state and federal law.

For townships that do not qualify as large employers and are not subject to the ACA requirements, HB 564 would raise the threshold to 38 hours per week. This change targets the small to medium-sized townships across Ohio that may be struggling to staff public services with the financial constraints of their jurisdiction.

Townships value their employees and the services they provide to the community – often with little recognition. They aim to offer them incentives and benefits wherever possible. However, townships must also operate in fiscal reality and strive to provide services that the community is willing and able to fund with their tax dollars. House Bill 564 makes changes that will allow townships additional, temporary flexibility in meeting staffing requirements and ultimately serving the needs of the community.

The Ohio Township Association supports HB 564, and we strongly encourage your support as well. Chair Wiggam, thank you for the opportunity to testify before you this afternoon. I would be happy to answer any questions you or the committee members may have.