



**OHIO HOUSE PENSIONS COMMITTEE
OPPONENT TESTIMONY ON HOUSE BILL 296
November 28, 2023**

Chair Mathews, Ranking Member Lightbody, and Members of the House Pensions Committee, thank you for the opportunity to submit opponent testimony on House Bill 296. The City of Columbus shares your commitment to support our police officers and firefighters, and we thank you for the opportunity to discuss the impacts of this bill. As I will outline shortly, the costs of this bill are both binding and substantial, and will negatively impact our city's ability to support our current and future police force. As such we oppose HB 296 in its current form.

As you know, HB 296 proposes to significantly increase the employer share of pension contributions to the Ohio Police and Fire Pension Fund (OP&F). Currently, this contribution rate is calculated at 19.5% of total police payroll. As proposed, this employer contribution rate would be ratcheted up over the next four years, increasing approximately 1% per year to a final rate of 24% taking effect in 2027.

HB 296 will increase operating costs for the City of Columbus by approximately \$15.1M annually when fully phased in. Public sector budgeting is a zero-sum proposition, with cost increases in one area requiring offsetting cost reductions in others. In fact, City Charter requires a balanced budget just as the Ohio constitution requires of state legislature. As such, our current city budget cannot absorb these extra costs without making structural changes to the overall general fund budget. For example, the City budgeted for three incoming police classes in 2024, totaling \$11.7M; a community safety investment similar in scale to the mandatory cost increases associated with HB 296. Currently, Public Safety comprises 64% of the city's total general fund expenditures, and making significant cuts to our city budget without impacting public safety is increasingly challenging as state support for local governments has decreased radically over the past 15 years.

A financially secure Police and Fire Pension fund is important, and Mayor Ginther and City Council have invested significant municipal tax dollars over the past few years in increasing wages and other benefits for our current police department, as well as incoming officer classes. In addition,

employer contribution rates for OP&F are currently higher than most other Ohio pensions. For the City of Columbus, HB 296's costs could ultimately result in the reopening of contract negotiations, curtail plans to hire new officers, and undermine current investments in public safety.

In closing, the mandated cost increases reflected in HB 296 reduce local budgeting control and impact a city's ability to fund programs that best meet the needs of their community. These cost increases would come at a time when many cities are dealing with inflationary and supply chain cost pressures that further stress local budgets. In essence, it could result in reduced investments in community safety and related services. Because the potential costs outweigh the unclear potential benefits, we oppose HB 296 at this time, and we ask you not to advance the bill out of committee. Thank you for your time and consideration of this issue, and for your support of our public safety forces. The City of Columbus is happy to answer any questions or provide any additional information you need to fully evaluate the costs and impacts of this bill.