



Public Insurance & Pension Committee

Proponent Testimony HB 280

President Steve Stein

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Chairman Peterson, Vice Chair Teska, Ranking Member White, and distinguished members of the House Pensions Committee, thank you for the opportunity to address you regarding House Bill 280 on behalf of the Columbus Fire Fighters Union. My name is Steve Stein, and I am honored to represent the men and women who serve as Columbus Fire Fighters, a force committed to safeguarding the people and property of our growing city.

Today, the recruitment and retention of qualified firefighters and police officers stand at the heart of public safety in Ohio. With increasing demands on emergency services and a growing population, maintaining a robust and dedicated workforce is not just a goal ... it is a necessity.

A central pillar of this effort is the Ohio Police and Fire Pension Fund. Retirement stability is the tool that allows Ohio to maintain experienced and motivated public safety professionals. Early in my career, retirement security may have seemed distant, but as responsibilities grow at work and at home, the certainty provided by a healthy pension is essential. Not just for each individual, but for the quality of service delivered to our community.

The Pension Fund as a Workforce Tool

The Ohio Police and Fire Pension Fund is more than a retirement plan - it's a promise to those who serve. It assures new recruits that a career in public safety will be rewarded, and it convinces experienced officers and firefighters to stay when private sector opportunities may tempt them away. Unlike many jobs, police and fire work asks for decades of physical and emotional commitment. The pension stands as a covenant for those sacrifices, and enables the retention of expertise that cannot be replaced overnight.

Ohio's full-time police officers and firefighters covered under the Ohio Police and Fire Pension Fund (OP&F) generally DO NOT participate in Social Security, as Ohio is classified as a non-Social Security state. Instead, these public safety employees contribute exclusively to the OP&F pension system, which serves as our primary retirement plan.

Ohio's Urgent Imperative

Ohio must heed these lessons. Each actuarial report has warned that delay and inaction risk destabilizing the system that supports the frontline of Ohio's public safety. The pension is not

only a matter of financial security for retirees. It is the foundation for attracting and retaining top talent in our most vital professions.

Ohio's Police and Fire Pension Fund (OP&F) currently shows the following key solvency and stability metrics as of January 1, 2024:

- Funded Ratio: 68.14%. This indicates that the Fund has assets to cover about 68% of its long-term liabilities.
- Unfunded Actuarial Accrued Liability (UAAL): \$8.4 billion. This is the gap between promised benefits and what is currently available in the fund.
- Funding Period: 29.77 years. This is just below Ohio's statutory maximum requirement of 30 years to pay down pension debt at current contribution levels.
- Employer Contribution Rate: Increasing incrementally for police employers from 19.5% to 24.0% of pay by July 1, 2030, matching current firefighter employer rates. This addresses previous rate inequities between police and fire departments.
- Impact of Proposed Legislation (HB 280/SB 239): If adopted, the new employer contribution schedule would reduce the funding period to 24.90 years, substantially improving long-term stability.

Lessons from Other States

Unfortunately, other states offer sobering reminders of what happens when this promise is broken. Illinois exemplifies the deep risk of underfunded and shifting public safety pensions. Chicago's police and fire retirement funds are among the worst funded in America, with funding levels hovering around just 24.5% as of the end of 2024, and a projected \$11.1 billion in new unfunded liabilities added by recent legislative changes. The actuarial shortfall for all state-level pension funds reached \$144 billion in fiscal year 2024, the lowest funded ratio in the country. Placing direct pressure on cities and taxpayers and undermining workforce morale. These conditions have a clear effect on recruitment and retention:

- Many young firefighters and police officers now seek employment in neighboring states or suburban departments with stronger, more stable pensions, leaving Illinois agencies understaffed.
- Recruitment efforts in Illinois must confront not only the danger and stress of the job, but also widespread concern that public safety workers' retirement security is not guaranteed.
- Undermined retirement expectations have contributed to higher turnover rates, as new hires are less likely to stay for a full career, and experienced staff retire as soon as eligible or seek out departments with more robust pensions.

A persistent recruitment and retention dilemma now looms over Illinois public safety: funding crises crowd out spending on equipment and training, create uncertainty for new hires, and diminish the professionalism and continuity of emergency services. This sets a warning for states considering pension reductions or failing to resolve pension funding challenges

Recruitment via Pension Stability

Many states actively use the stability and generosity of their public safety pensions as a recruitment and retention tool for firefighters and police officers. States facing pension crises, while those restoring or strengthening pensions (like New Hampshire) have seen renewed applicant interest and improved retention.

- Stable Defined Benefit Plans as a Recruitment Tool: States like Wisconsin, Washington, and Texas, which have well-funded, secure defined benefit pensions, highlight these retirement packages in recruitment materials to attract experienced fire and police personnel from states with less certain plans.
- States Gaining Transfers: There are numerous accounts of public safety workers transferring from states with weak pensions (e.g., Alaska, Illinois) to states with better-funded systems. Secure pension States are successfully recruiting experienced first responders who wanted more retirement security.
- Restoration and Expansion: New Hampshire recently restored and expanded firefighter pension benefits in direct response to recruitment/retention challenges, framing improved benefits as an explicit workforce strategy.

As you consider HB 280, let us remember that advancing the security and sustainability of our police and fire retirement fund is how we ensure Ohio's emergency services are staffed by the nation's best.