PROPONENT TESTIMONY OF RICHARD K. VEDDER
HOUSE BILL 473
OHIO HOUSE OF REPRESENTATIVES
PUBLIC INSURANCE AND PENSIONS COMMITTEE
OCTOBER 22, 2025

Chair Peterson, Vice Chair Teska, and Ranking Member White:

I wish to support the passage of House Bill 473. I am Distinguished Professor of Economics Emeritus at Ohio University. I have authored or edited nine books and hundreds of journal articles, written op-eds for the *Wall Street Journal* and other media, testified before state legislatures literally from Alaska to Florida, worked for the Joint Economic Committee of the U.S. Congress, where I have also testified numerous times including before the U.S. House Committee on Ways and Means. I have consulted with foreign politicians as diverse as Vladimir Putin and Benjamin Netanyahu. Governor DeWine has appointed me to his Economic Roundtable.

I support H.B. 473 for several reasons but primarily on equity (fairness) grounds. In a representative democracy like ours, no person should be above the law, and all citizens should be treated the same. Under current Ohio law, some public employees are given privileges that are denied to others. For several decades, I annually devoted a healthy amount, currently 14 percent, of my salary to the State Teachers Retirement System to help finance the pension I now enjoy. But today, some public employees have their employers pay *their* share of the pension. A school superintendent who rose through the teacher's ranks might be publicly paid $250,000 annually, but the $35,000 additional amount due from her salary for employee retirement contribution is paid by the employer. She may well tell her friends, paraphrasing the late Leona Helmsley, that "only the little people pay retirement contributions."

This bill would not prohibit the school board from explicitly paying this Superintendent the $285,000 or so in salary actually paid now to employ her, but it would require it to be done *transparently*, in accordance with the way we pay all other employees. Moreover, the employees getting these special benefits are not the lower or even middle-wage workers, but rather the more affluent. If there ever were an overtly regressive public policy favoring the better off, this is it. It is remarkable that apparently some public employee unions that often profess outrage at favorable treatment to those in our society that are well off are opposed to this legislation.

Representative Thomas is a former county auditor, and auditors are a group concerned about maintaining financial integrity. In preparing for this, I talked to Jill Davidson, a former graduate student of mine and the long-time Athens County Auditor who formerly headed the state auditor's group. Auditor Davidson assures me many other auditors share Representative Thomas's and her position, increasing my confidence in the appropriateness of H.B. 473.

Good public finance practice includes approving revenue changes that are workable and inexpensive to administer, that are transparent, do not distort the allocation of resources, and are fair. On several grounds, but especially the fairness one, current practice is inappropriate and the remedy proposed in H.B. 473 deserves your full support.

Thank you.