



HOUSE STATE INSURANCE COMMITTEE – Opponent Testimony, HB 512,
November 16th, 2022

Chairman Brinkman, Vice Chair Lampton, Ranking Member Miranda, and members of the committee, thank you for holding this hearing and for the opportunity to provide testimony.

My name is Jeff Dillon, and I am the Ohio Legislative Director for Americans for Prosperity (AFP). As one of the largest grassroots organizations in the country, AFP is driving long-term solutions to some of the country's biggest problems. Our organization, and its thousands of activists across Ohio, are dedicated to breaking barriers that stand in the way of people realizing their full potential. Removing or reducing these barriers, in whatever forms they take, helps move our society toward one of mutual benefit, where people succeed by helping others improve their lives and by transforming their communities. Accordingly, I am here to express opposition to House Bill 512.

One form a barrier or burden can take is that of the unnecessary tax increase, which is what HB 512 will lead to, unless local governments start slashing their budgets in other departments to cover the increased costs for the mandated increased employer pension contributions put forward in this bill, which seems highly unlikely. In their own sponsor testimonies, Reps. Baldrige and Abrams acknowledged that the enactment of the legislation would be burdensome to local governments, which is another way of saying it would be burdensome to taxpayers.

AFP's opposition to this legislation should not come as a surprise. Our organization has a lengthy record of advocating in support of taxpayers' best interests. AFP is not indifferent to the arguments put forward in favor of HB 512 regarding solvency of the pension funds, and recruitment of the next generation of police and firefighters. However, one has to ask: when is enough enough? The employer (taxpayer) contribution for police officers' retirement is currently 19.5%, and 24% for firefighters. HB 512 seeks to raise that to 26.5% for both

professions. The average American private employer contribution for employee 401k plans, for those fortunate enough to receive that benefit, is 6%. If HB 512 is enacted, and it doesn't do the trick in solving the problems of fund stabilization and bolstering recruitment, will there be another bill before a legislative committee in a decade seeking to raise the employer (taxpayer) contribution to 30% or more, while the average Ohioan, who doesn't have a pension of any kind, is expected to get by with less while funding the increase?

Lastly, contemplating passing legislation like this, with its considerable long-term fiscal ramifications in the lame-duck session, is not good governance. At the very least, it would be more sensible for this legislation to be reintroduced early in the 135th General Assembly so there is ample time for robust conversation with stakeholders, like local government organizations, before such an important policy decision is made.

At a time when inflation is putting family budgets under significant strain, and while the overall economy remains in a precarious state, enacting legislation that would, in all likelihood, force local governments to raise taxes seems like a recipe to more economic strain for everyone, except the for beneficiaries of this bill.

Chairman, thank you again for the opportunity to offer testimony today, and AFP would urge you not to call a vote on HB 512 in the coming weeks. I'm happy to do my best to answer any questions the committee might have.

Americans for Prosperity (AFP) exists to recruit, educate, and mobilize citizens in support of the policies and goals of a free society at the local, state, and federal level, helping every American live their dream – especially the least fortunate. AFP has more than 3.2 million activists across the nation, a local infrastructure that includes 36 state chapters, and has received financial support from more than 100,000 Americans in all 50 states. For more information, visit www.AmericansForProsperity.org.