



HOUSE BILL 261  
INTERESTED PARTY TESTIMONY  
Keary McCarthy, Executive Director  
October 24, 2023

Chairman Mathews, Vice-Chairwoman King, Ranking Member Lightbody, and esteemed members of the House Pensions Committee, my name is Keary McCarthy, and I serve as the Executive Director of the Ohio Mayors Alliance, a bipartisan coalition comprising mayors from Ohio's largest cities and suburbs. I am grateful for the opportunity to present this testimony concerning House Bill 261. At this stage of the committee process, we testify as an interested party, fully aware of the uniqueness of the issue that this bill aims to address. Nevertheless, we wish to emphasize the potential risks associated with expanding employer (taxpayer) liability in connection with public pensions.

Public safety stands as a paramount concern for our mayors and police chiefs, and we deeply value the investments made by this General Assembly in supporting local public safety initiatives. For municipalities throughout the state, public safety frequently constitutes the largest single item in their budgets. In some instances, particularly in larger cities, public safety accounts for between 55 and 65 percent of the overall general revenue fund budget.

In Ohio's 30 largest cities alone, the annual expenditure on public safety surpasses \$2.1 billion. To put this figure into context, the entire local government fund allocation in the last budget amounted to \$500 million per year, covering all local governments. This investment is entirely justified, as every Ohioan desires to reside and work in secure communities.

Personnel expenses significantly contribute to these overall costs, and the pressure on cities to attract, recruit, and retain law enforcement professionals has never been more pronounced or challenging. In response to this challenge, cities across the state have increased compensation and benefits for their public safety personnel. These cities are vigorously seeking to fill vacant positions, often resorting to sign-on bonuses as effective incentives.

One significant risk of expanding employer (taxpayer) pension liability is the potential reduction in investments in new recruits and the retention of public safety officers. Communities may also be compelled to contemplate increasing municipal income taxes or making cuts to other citywide programs to offset the increased pension liabilities.

We are genuinely appreciative of the partnership our cities have forged with members of the Ohio House of Representatives on matters related to public safety and local government financing. As the committee proceeds to review legislation pertaining to public safety pension funds, we urge you to consider all potential impacts, including the financial burden on local governments, the ability of employers to recruit and retain staff, and the financial requirements of Ohio's publicly funded pension systems. We eagerly anticipate continued collaboration with the House Pensions Committee on these complex issues. Thank you for your attention and consideration.