

ORTA ALERT - STATE BUDGET BILL - July 2015

From Ann Hanning, ORTA Director

An amendment into the Senate version of the budget bill (Am Sub NB 64) was promoted by NHA (National Heritage Academies) to EXEMPT their charter school employees from contributing to STRS & SERS. It was removed at the last minute. SERS, STRS & legal counsel are meeting for a couple more weeks to seek a compromise with those who were pushing this.

NHA is a charter school operator. I don't know how many teachers it has in Ohio. NHA claims it should pay only into social security for its "private employees" (who are paid with public tax \$\$ that support charter schools). Currently the 9,000 teachers in Ohio charter schools contribute to STRS. An exemption such as the one proposed for NHA opens the door for exemption for all Charter school employees. This would have a negative impact on our state retirement funds.

An earlier exemption for some teachers in "high performing schools" to be exempt from making contributions to STRS also was removed from the final budget bill. However, a pool of money has been included in the budget to provide a bonus of sort for students excelling in some testing programs; and those schools with higher graduation rates.

Exempting teachers from contributing to STRS is a **NEGATIVE**. This idea is still being discussed with legislators and discouraged. Members are urged to contact state legislators to oppose this.

There continues to be a state and national push for "defined benefit alternatives" (the new name for a defined contribution plan). This also is a **NEGATIVE**. Be aware. This is an effort to replace our current well structured STRS defined benefits program with something that looks like a 401k or 403b defined contribution approach. Members are urged to contact our state and federal representatives to oppose this.