

Detailed Fiscal Analysis

S.B. 35 would permit boards of education to establish a program whereby persons sixty-two and older would receive property tax compensation for their volunteer work in the district. The compensation would be predetermined and payable jointly to the volunteer and county treasurer. The bill is permissive, as each school district would decide on its own if such a program were to be offered.

A person volunteering in such a program would not be considered an employee of the school board and thereby exempt from state and local taxes, including worker's compensation and unemployment insurance. But, the person would be considered an employee by federal standards, making both the volunteer and the school district responsible for their relevant portion of federal income taxes and Federal Insurance Contributions Act (FICA) payments. The school district must also adhere to federal minimum wage guidelines.

Data on the number of persons sixty-two and older who volunteer in school districts is not readily available. It is also difficult to determine how many boards of education will establish a S.B. 35 program. Table 1 depicts a possible scenario for a board of education adopting the S.B. 35 program. The table presents the maximal impact of S.B. 35 by assuming the wage income is subject to FICA taxes and minimum wage must be paid. This volunteer would work one-half hour each day over the course of the 180-day school year, for a total of 90 hours.

Table 1: Total Cost of S.B. 35 for Three Average Income Levels of Volunteers			
Income Level	\$11,454 ^(a)	\$14,586 ^(b)	\$29,210 ^(c)
Property Tax Bill ^(d)	\$1,043	\$1,043	\$1,043
Property Tax Payment ^(e)	\$463.50	\$463.50	\$463.50
Federal Tax Withheld ^(f)	\$69.53	\$69.53	\$69.53
F.I.C.A (OASDI) Withheld ^(g)	\$28.74	\$28.74	\$28.74
F.I.C.A (Medicare) Withheld ^(h)	\$6.72	\$6.72	\$6.72
Net Property Tax Check	\$358.51	\$358.51	\$358.51
School District: F.I.C.A. (OASDI) Payment	\$28.74	\$28.74	\$28.74
School District: F.I.C.A. (Medicare) Payment	\$6.72	\$6.72	\$6.72
Total Cost of One Volunteer to School District	\$498.96	\$498.96	\$498.96

(a) 1996 average income for a male sixty-five and older in Ohio, U.S. Census Bureau.

(b) 1996 average income for a female sixty-five and older in Ohio, U.S. Census Bureau.

(c) 1996 average income for a married couple sixty-five and older in Ohio, U.S. Census Bureau.

(d) 1996 median home property tax bill in Ohio, Ohio Department of Taxation.

(e) There are 180 days in a school year. Assume a board of education pays \$5.15/hour and the volunteer works one-half hour each day for each of the 180 days of the school year, or a total of 90 hours.

(f) Assume fifteen percent for each income level above standard deduction of \$6,450.

(g) Assume 6.2%.

(h) Assume 1.45%.

The total cost of paying one volunteer \$5.15 per hour to work one-half hour a day (180 days or 90 hours) is \$498.96 in this example.

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