



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. S.B. 20 of the 129th G.A.

Date: May 12, 2011

Status: As Reported by Senate Government Oversight & Reform

Sponsor: Sen. Grendell

Local Impact Statement Procedure Required: No

Contents: To terminate the disability benefit of a state retirement system member convicted of certain felonies committed while serving in a position of honor, trust, or profit

State Fiscal Highlights

STATE FUND	FY 2012	FY 2013	FUTURE YEARS
Retirement Systems and Alternative Pension Plans – PERS, SERS, STRS, OP&F, SHPRS			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase or decrease	Potential minimal increase or decrease	Potential minimal increase or decrease

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- No direct fiscal effect on the state.
- Any disability benefits forfeited under the bill would reduce the systems' liability, thus creating a minimal decrease in the retirement systems' or plans' expenditures to provide such benefit.
- The bill may minimally increase the systems' or plans' administrative expenses.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2011	FY 2012	FUTURE YEARS
Cincinnati Retirement System			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase or decrease	Potential minimal increase or decrease	Potential minimal increase or decrease
Counties and Other Local Governments			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The provision that requires a court to hold a hearing regarding the condition for which an offender was granted a disability benefit and provide written notice of such hearing to specified entities may minimally increase the counties' and other local governments' administrative expenses.

Detailed Fiscal Analysis

The bill specifies that a public retirement system or an alternative retirement plan must terminate its member's existing disability benefits payment if such member becomes disabled in the commission of a felony offense of bribery, engaging in a pattern of corrupt behavior, or committing theft in office while serving in a "position of honor, trust, or profit." The bill applies to all members of the Public Employees Retirement System (PERS), Ohio Police & Fire Pension Fund (OP&F), State Teachers Retirement System (STRS), School Employees Retirement System (SERS), State Highway Patrol Retirement System (SHPRS), or Cincinnati Retirement System (CRS), and to participants in an alternative retirement plan (ARP).

The bill expands the definition of "position of honor, trust, or profit" under current law for purposes of forfeiture of the right to receive future retirement benefits for a member of a public retirement system or an alternative retirement plan, who is convicted of a felony offense or pleads guilty to bribery, a pattern of corrupt behavior, or theft in office. The definition is expanded to include "a position in which, in the course of public employment, an employee has control over the expenditure of public funds of one hundred thousand dollars or more annually."

The bill requires the system or plan to provide a notice, upon receiving notice from the prosecutor assigned to a case related to an individual being charged with a felony while holding a "position of honor, trust, or profit," specifying whether that individual has been granted a disability benefit while serving in such a position. The bill also requires a court to hold a hearing regarding the condition for which an offender was granted a disability benefit prior to the sentencing to determine whether such offender became disabled in the commission of such a felony offense. The bill specifies that the retirement systems may recover any such disability retirement benefits that were already paid.

The bill expands the Public Records Law to include residential and familial information for probation officers and bailiffs. Under the bill, records related to probation officers and bailiffs would no longer be accessed or available for public inspection.

Fiscal impact

The bill provisions regarding the disability benefit have no direct fiscal impact on the state. The provisions requiring a court to hold a hearing regarding the condition for which an offender was granted a disability benefit and the related notification requirements may have fiscal impact on local governments. The requirements may increase counties' and local governments' administrative costs. However, any increase is expected to be minimal.

In addition, the bill may have minimal fiscal impacts on the retirement systems. The systems' or plans' liabilities would decrease due to any forfeited disability benefits and essentially generate minimal savings to the systems or plans. In addition, the bill may minimally increase the systems' and plans' administrative expenses.

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