



## **Ohio Retirement Study Council**

**Written Statement by Greg R. Lawson  
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Thank you Chairman Wachtmann and Members of the Ohio Retirement Study Council for the opportunity to come before you to provide information concerning pension transparency. I am the Statehouse Liaison and Policy Analyst with the Buckeye Institute for Public Policy Solutions, a free market research and education think tank.

The Buckeye Institute supports the Request for Proposal for an independent review of Ohio's five public pension systems. As an organization devoted to the idea that transparency is the key to good and effective governance, it stands to reason that an independent examination of something as complex and fiscally at risk as the state's pension systems is good.

An independent review can offer a fresh perspective free of any particular ideological predispositions. Furthermore, the timing of such a review is critical considering that reforms to the pension plans are clearly going to be coming soon. Indeed, a number of proposals have already been advanced by the pensions themselves. For a variety of reasons, the Buckeye Institute is skeptical that these proposals go far enough in defending taxpayers from being on the hook should unfunded liabilities overwhelm the current systems.

Indeed, because the statutory maximum taxpayer matches have been reached, the risk of a bailout via a higher statutory maximum is a very real risk. As recently as 2009, several pensions sought an increase in the statutory rate, so fears of a taxpayer bailout—casually dismissed by the pensions—is not a hypothetical idea manufactured by pension fund critics. Your work must last beyond the next election cycle and economic downturn. This council should seize the opportunity before it today to safeguard taxpayers from future bailouts approved by future legislators.

While it would be useful to rely solely on what the pension funds are offering without further analysis, our experience seeking true transparency from them undermines that conclusion. More importantly, the well-documented inability of Ohio's newspapers to gain transparency and accountability from the pension funds raises even more serious questions about the completeness and veracity of the information the funds provide. From outright hostility evidenced in refusals to cooperate to misleading pension figures, it is your fiduciary duty to shed much-needed sunlight into the pension funds. Rather than oppose this review, the pension funds should see it as an opportunity to vindicate their statements and work.

An independent review of the pension funds is vital so that the debate over pension reform can be comprehensive and lead to reforms that protect taxpayers today and into the future. I am happy to answer questions you might have for me.