

The \$1 billion universal private school voucher program diverts \$1 billion away from public school districts annually, thus, in the range of \$200,000,000 will be lost to the State Teachers Retirement System (STRS).

School districts pay 14% of teachers' salaries into STRS and teachers, likewise, pay 14% of their salaries into STRS.

STRS has, in recent months, signaled that the current percentage of salaries from school boards and teachers paid into STRS is insufficient. The universal voucher law will exacerbate this problem for STRS.

\$1 billion dollars diverted from public school districts to private schools renders \$200 million less for STRS. Other public retirement systems will also be harmed.

Attached is a calculation of the Executive Director, Robin Rayfield, of the Ohio Retired Teachers Association (ORTA) from which the above number of \$200,000,000 was derived.

- 1. I calculated the annual budget for a given district. We did several districts urban, rural, and suburban. Selected at random using the Cupp report.*
- 2. I looked at the annual amount spent on 'salaries listed on the Cupp report. The average of the schools was about 80% spent on compensating employees. Some districts less some greater than 80% of their annual budget. I selected 80% as an average.*
- 3. Of that 80% spent on people in each district, about 70% went towards certificated personnel (STRS contributors) and 30% went towards non certificated personnel. The 'wild card' here is that many schools spend money on purchased services people (ESC and other hired certificated staff). I have no way to know that number but, from experience I know that special ed costs to the various ESC across the state are a big number. That would inflate the number of dollars that are spent on STRS contributors.*
- 4. Ok, so that number estimated (70% of the 80% of the total budget for public schools spend on STRS contributors) is a large number. That number represents the total salary cost of teachers, administrators and other certificated personnel.*
- 5. That total cost of salaries is multiplied by the 14% paid by the individual and the 14% paid by the employer.*
- 6. The 28% of that costs is about 20% (conservatively calculated) of the schools total budget. We calculated that for every dollar that goes to a public school \$.22 (22 cents) is money that the STRS would have received in contributions.*

I have checked this out with Ohio public school treasurers, and they have agreed with what I am proposing as the cost of vouchers to the STRS system.