

The **Association** report

from the **Capitol**

February 20, 2008

An increase in the state's contribution to the deferred compensation program moved a step closer to reality last week in a house committee. On Wednesday, (Feb. 13th) the House Appropriations Committee for General Administration recommended raising the maximum state contribution from \$25 to \$50 a month.

Committee members had been reminded that legislation passed in 1998 had raised the statutory ceiling on deferred comp from \$25 to \$75 a month. (HB1229, a law that was signed by the governor but never funded.) It is a high priority of our Association to raise the benefit to the maximum allowable. And several members of the committee agreed with that. After some consideration by the committee it was determined that the \$50 figure was a compromise that would have a more realistic chance of remaining in the budget.

A spokesman for the governor's office said their budget planners had considered recommending an increase in deferred comp because it would seem to be a personal saving incentive for state employees. However a survey of several state employees, he said, indicated that few employees would actually take advantage of the increased benefit. Because of this perceived lack of interest, he said, a deferred comp increase was not included in the governor's budget recommendation.

Members of the house committee had a different opinion on the importance of the deferred comp issue. An unwavering advocate in the committee was Rep. Ray Salva of Sugar Creek. Rep. Salva on several occasions emphasized to fellow committee members that loyal and dependable state workers deserved an expansion of the benefit that had been delayed so long.

The next step in the process is for the General Administration Appropriations Committee's recommendation to be forwarded to the House Budget Committee for its consideration. The Budget Committee is expected to take up the issue in late February or early March.

**From Harry Hill, Lobbyist
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