

Written Testimony of Daniel Tanoos  
Superintendent of Vigo County School Corporation  
Before the U.S. House Committee on Education and the Workforce  
Subcommittee on Health, Employment, Labor and Pensions  
September 4, 2014

Chairman Roe and Members of the Subcommittee, thank you for the opportunity to provide testimony today. My name is Daniel Tanoos, and I am fortunate to serve as superintendent of Vigo County School Corporation in Terre Haute, Indiana. Vigo County School Corporation is the 5<sup>th</sup> largest school corporation in the State of Indiana. My comments today will focus on how the employer shared responsibility penalties under the Patient Protection and Affordable Care Act impact Vigo County School Corporation.

On April 23, 2013, I traveled to Washington, D.C. to provide public comments to the Internal Revenue Service and the U.S. Department of the Treasury on the proposed rule regarding employer shared responsibility penalties. I informed the panel that the shared responsibility provisions under the Patient Protection and Affordable Care Act would “hurt children and substantially undermine the quality of education that we can provide in our public schools.” Similar comments were made during the hearing by Rick Allen, superintendent of Southeast Dubois County School Corporation, and Kathy Friend, representing the Indiana Association of School Business Officials.

In addition to our public comments, representatives of Indiana public schools sent approximately one hundred thirty (130) letters to the IRS and Treasury expressing similar concerns. I am submitting with my testimony copies of the letters that were submitted in 2013 by representatives of Indiana public schools.

I very much wish that I could report to you today that the IRS and Treasury respectfully considered our comments. I also wish that I could point to a detailed response in the IRS final rule addressing the issues that we presented. Unfortunately, I cannot. The IRS dismissed our pleas in a single sentence in the two hundred twenty seven (227) page final regulations. I continue to be gravely disappointed that the IRS failed to acknowledge and address our concerns.

Today, I am here to provide specific examples of employees in my school district who have been hurt by the prospect of employer penalties under the Patient Protection and Affordable Care Act. I appeal to this committee to find a bi-partisan solution to fix this significant, ongoing problem that is negatively impacting the children in many of our communities.

- The principal of Consolidated Elementary, Suzanne Marrs, reports that one of the school’s bus drivers is in desperate need of another job to supplement her family’s income after her husband lost his job. Ms. Marrs wanted to offer the bus driver an aide position; however, she could not because the school has imposed a 29.5 hour cap on hours for classified employees. Combining the bus driver position with the classroom aide position would have pushed this particular employee over 30 hours per week. Mrs. Marrs stated that the employee is a “hard working lady who is dedicated to her job. I was

very sad to have to turn her down, when I know she would have been an excellent fit for our students.”

- Our Director of Facilities, Support and Transportation, Franklin Fennell, tells me that his staff believes that the Affordable Care Act works against them. His bus drivers previously were allowed to work up to 39 hours per week. However, as a result of the potential penalty, these bus drivers are restricted to 29 hours per week and cannot take field trips, academic trips or athletic trips to earn more money. Instead of working for our school corporation, these bus drivers have to obtain other employment if they wish to work extra hours.

The most significant impact is on our special needs students. These students need and want consistency. It is difficult for a student with autism or special needs to get comfortable with a driver and for the driver to understand all the needs of the student. It is best for our special needs students to have the same bus driver for their routes. Unfortunately, we now must split the route between two drivers. By using different drivers for the same route, our special needs students are subject to constant change which is uncomfortable for our special needs students and not in their best interests.

- Faithful, dependable workers have been penalized due to the Affordable Care Act. One of our twenty year special education teaching assistants, Nancy Icenogle, who rarely misses work, has been negatively affected by the potential employer penalties. For at least 10 years, Nancy has worked taking tickets at our extracurricular activities. She counted on this extra money in her budget for taxes, insurance and to assist her at-risk grandchildren. Now she can no longer work the extracurricular activities because the extra hours put her over the limit.
- At Farrington Grove, the prospect of the employer penalty prompted the school to reduce both Debbie Lane and Amanda Lyttle from 6.5 hours per day to 6.0 hours per day. Both individuals previously assisted the school with dismissal supervision. Both are single parents with limited to no child support for their children. The reduction in hours results in the reduction in pay which directly impacts their ability to provide for their children.
- Last winter, we had to charter a bus to transport 40 needy children from Farrington Grove to Terre Haute South Vigo for a Christmas Party. Our own bus drivers were not permitted to drive for the field trip due to the risk of going over the 30 hours a week. Forty children nearly lost out on numerous Christmas gifts due to a transportation issue with hours. The bus cost the school more than \$300.00 to transport the kids less than 5 miles one way.
- Sarah Gore, the principal at Otter Creek Middle School, told me about how the 30 hour threshold created an unnecessary emotional disruption for a special needs student. Ms. Guy is an educational assistant in the functional classroom. As a result of the Affordable Care Act, her hours were reduced to 6 hours per school day. Accordingly, it is now necessary for another educational assistant to serve the children in the functional

classroom for the remainder of the day. One particular child did not adjust well to the change and has struggled with more behavioral issues as a result.

- The principal at Ouabache Elementary asked me to tell you about Eric Quade. Mr. Quade is trying to put himself through college, work, and raise a toddler. Mr. Quade is an educational assistant and he loves his job. He wants to stay in education for his career. He also wants to put in time volunteering and helping the kids; however, he can no longer come to family nights and evening events to support the kids because of the hour restrictions. He is struggling to find another job due to the restriction on hours and he is really frustrated with the entire system. In essence, the Affordable Care Act is preventing Mr. Quade from making a living doing what he loves to do.
- At Sarah Scott Middle School, the hours for educational assistants had to be staggered to cover the day. Different staff members now have to be utilized to staff the nurse's office. Some students are dropped off at school before 7:30 a.m. but the school is unable to test their blood sugar levels until 7:45 a.m. due to the lack of staffing. Hillary Shepard had to stop coaching cheer and dance due to the hours worked which added to her total weekly hours. Others have had to stop working at after school activities such as ball games and detentions which allowed them to earn more money. The hour restrictions impact the time and the number of days each week we can hold our alternative education program.
- We had a secretary at Otter Creek, Debby Davis, who took tickets at the ball games for years. Due to the potential employer penalties, she is no longer able to do ticket sales. She knew our students/families and this was a great connection with the community. She also needed the extra money to help with her grandchildren. After years of dedicated service, she was no longer able to make this extra income.
- Lonnie Sapp has been coaching football at Terre Haute South High School for twenty plus years. He wanted to be our alternative educational placement individual. He would have been a great addition to our day staff. He is a positive male role model and already has connections with our students. He was unable to perform both positions, due to hour restrictions. When we told him this, he had tears in his eyes. He needed the position and wanted to be with our students. He had to choose and chose to do football and sub each day through Kelly Services.

The thirty hour threshold devalues the worth of a person. Our employees love their jobs and love kids and when they are told that they can no longer contribute it makes that person feel less of an employee. The consequence of the Affordable Care Act is that many of these very proud people feel demoralized because they can no longer contribute as they did in the past.

The experience of Vigo County School Corporation is not unique; almost all school corporations in the State of Indiana are experiencing the same issues. On behalf of Indiana children, I urge you to fix the employer shared responsibility penalty to allow our good, dedicated employees to get back to work.