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BUDGET SOLUTION STILL IN LIMBO

No discernible progress was made this week toward filling the \$851 million state budget shortfall for FY 2010-11. The House has already passed HB 318, Gov. Strickland's plan to fill the budget gap. It would delay the last 4.2 percent of a 21 percent personal income tax cut. But, Senate Republicans are unwilling to support the bill unless long-term budget reforms, like public construction and prison sentencing reforms are included.

As a result, pressure is mounting on both Republicans and Democrats to end the impasse, agree on a compromise and avoid potential cuts to K-12 education. If HB 318 isn't enacted by both the House and Senate by the end of the year, no changes can be made affecting 2009 taxes in calendar year 2010 and the estimated revenue from the proposed delay of the tax cut will not be collectible.

Higher education and administration officials made a strong case this week in support of the proposed construction reforms. Ohio State University President Gordon Gee, Board of Regents Chancellor Eric Fingerhut and Department of Administrative Services Director Hugh Quill were among the proponents of construction reform but did their best to steer clear of the partisan debate over whether to include the reforms in HB 318 or in separate legislation.

Another proponent, Inter-University Council President Bruce Johnson summarized why construction reform is needed now, saying, "To accomplish what we've been asked to do, to meet the expectations set for us, to continue to be the key to Ohio's economic recovery, Ohio's public universities must have the ability to save money and cut costs. These savings can be used to help keep higher education affordable, creating even greater opportunities for access, and they can be put into new projects stimulating even more growth."

Ohio Chamber Contact: Daniel Navin, dnavin@ohiochamber.com

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