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## GOP takes on Strickland over Building Ohio Jobs plan

Business First of Columbus - by Jeff Bell Business First

Given the stakes, Baiju Shah and Bill DeMora are closely watching the political game unfolding over Gov. Ted Strickland's proposed Building Ohio Jobs plan.

Shah, the CEO of BioEnterprise, a Cleveland-based developer of bioscience companies, is in an industry that stands to gain \$300 million from Strickland's \$1.7 billion economic stimulus package. That includes \$200 million for the biomedical field and \$100 million for bioproducts using renewable sources instead of oil.

DeMora, executive director of the Ohio League of Conservation Voters, an environmental advocacy group in Columbus, is especially supportive of the \$400 million that would go to extend the life of the Clean Ohio Fund. The seven-year-old program, popular with environmentalists and developers, has pumped \$400 million into revitalizing contaminated industrial sites and funding so-called green projects, such as farmland preservation and recreational trails.

But Shah and DeMora also know Strickland, a Democrat, faces a big challenge in persuading a Republican-controlled General Assembly to pass legislation to put a bond issue on the November ballot that would fund Building Ohio Jobs.

The top two Republicans in the legislature, House Speaker Jon Husted of Kettering, and Senate President Bill Harris of Ashland, oppose using bonds to fund the program, saying it would mortgage the state's future. Republicans plan to introduce their own jobs-creation plan - probably this month - that will employ what Husted called a more responsible "pay-as-you-go" funding approach.

One of the options, Husted said, is tax increment financing. For example, the state could invest 25 percent of the tax revenue from a company that creates jobs in Ohio in efforts to boost that business' industry.

"We want to use an approach in which the only way to get that revenue is through growth in the economy," he said.

Also in the coming weeks, the Strickland administration will finalize its Building Ohio Jobs bill so it can be introduced in the General Assembly, said Keith Dailey, the governor's spokesman.

Strickland has said his proposal would help create more than 80,000 jobs within four years, boosting Ohio's struggling economy in the process.

"We're waiting with bated breath, just like everybody else, to see what the bill will look like and what the legislators will do," DeMora said.

Strickland has vowed to lead a petition drive to put the issue before voters in November if the legislature doesn't put it on the ballot.

Bipartisanship hope?

DeMora hopes the debate doesn't turn acrimonious, but the Ohio League of Conservation Voters is ready to help collect signatures to put the proposition on the ballot.

BioEnterprise is not taking sides in the debate, Shah said. Instead, he said it wants the governor and legislature to find common ground and provide funding to keep Ohio's growing bioscience industry competitive while making sure the money is spent wisely and creates jobs in the near term.

"I feel hopeful something can get done," Shah said, "because of a general spirit in which both parties and branches of government recognize the importance of doing job stimulus."

That could happen, given the bipartisanship seen in the General Assembly since Strickland took office in January 2007, said state Rep. Larry Wolpert, R-Hilliard.

"Both sides really need to do something on a jobs program," he said. "The top priority in the General Assembly is

the economy, and I like to say that when the country's economy gets a cold, Ohio's economy gets pneumonia. We're already seeing it left and right."

But Wolpert opposes Strickland's plan to stimulate the economy by adding to the state's long-term debt. Such a strategy, he said, would push the state debt load close to the constitutional limit of 5 percent and imperil funding that is paying for last year's expansion of Ohio's Homestead property tax exemption for seniors.

Some \$1.5 billion of the debt to pay for Strickland's job creation plan would be payable from the state's general revenue fund, according to the administration. The remaining \$200 million, which would be used to clean up brownfield sites through the Clean Ohio Fund program, would come from the state's profits on liquor sales.

Recalling Third Frontier

Despite the criticism, the administration remains convinced state government can afford the Building Ohio Jobs program, Dailey said.

The administration's calculations show the annual debt service on the bonds would account for less than 0.5 percent of future general revenue fund budgets and keep the state below its authorized debt limit.

"The governor believes this is necessary to ensure the long-term economic success of Ohio and strengthen the economy in the near term through the creation of 80,000 jobs," Dailey said.

But Husted charged it is irresponsible to strap future generations with debt for a short-term jobs package. He also said it is puzzling that the Strickland administration wants to boost state debt just months after it completed the \$5.46 billion sale of Ohio's future proceeds from a national tobacco lawsuit settlement. That strategy is expected to save the state about \$257 million annually in interest costs.

"So now he would take out the state credit card and max it out again," Husted said. "It's Washington government come to Columbus. You borrow from the future to pay for things politicians want today."

Dailey said he finds it interesting that Husted speaks harshly about Strickland's plan when Husted supported a bond issue to help pay for Ohio's Third Frontier high-tech research program.

Third Frontier was a pet project of former Gov. Bob Taft, a Republican.

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