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Six big questions for Ohio candidates

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COLUMBUS: Ohioans will elect their governor, all members of the Ohio House, and half of the Ohio Senate this November. Only six issues really matter, because Ohio confronts a fiscal crisis of epic proportions about which neither the current governor nor the General Assembly has done much. Most voters are unaware of the magnitude of the coming debacle. This column is intended to raise awareness and urge the press and voters to focus with laser-like precision on the candidates' ability or willingness to address these issues.

First, Ohio's current two-year operating budget of \$50 billion rests on nearly \$8 billion of one-time money — money that will disappear in the next budget, much of it from the federal stimulus. Never in Ohio history has economic growth been robust enough to make up an \$8 billion hole in less than two years.

Without any new programs, or one dime of increase for any existing ones, we will be \$8 billion short come June 2011 when the next budget will be put in place. The budget must be balanced per the Ohio Constitution. What do our candidates propose to do about that?

Second, Ohio's unemployment compensation fund is completely broke. In fact, we will owe the U.S. government over \$4 billion in 2011, and Uncle Sam will start charging interest on that debt in 2011. This problem exists independently of the \$8 billion problem described above. How will our candidates propose to repay that staggering debt?

Third, Ohio's five public pension systems are all underfunded. The "good news" is that they are not as badly underfunded as are most other states' pension systems. But the bad news is that three of the five cannot meet their obligations payable in the next 30 years (the standard for actuarial soundness), and the other two are able to do so only by eliminating any payments for retiree health-care benefits.

Each fund recommended legislation last fall to restore the funds' actuarial health, and these suggestions have been presented to the Ohio Retirement Study Council, the independent umbrella commission that oversees all the funds. Yet neither the legislature nor the governor has taken any steps to enact the recommendations.

It is now May. Do the candidates support the recommendations? If not, what specific steps would they support?

Be careful, candidates — you are walking into a minefield that affects hundreds of thousands of retirees and a like number of actively working state and local government employees, not to mention every taxpayer employed in the private sector who may be called upon to share the cost of keeping the funds safe.

Fourth, Gov. Ted Strickland successfully advocated for an revamp of our K-12 education system and its funding. The trouble is, the cost of the reforms will add between \$3 billion and \$4 billion per year to the state's K-12 education budget by 2019, when the changes are fully phased in.

An analysis by the Columbus Dispatch found that there will have to be an 82 percent increase in the state K-12 education budget from 2011-2019 to pay for this. But no funds (beyond some one-time federal stimulus funds) have been earmarked to pay the piper. This multibillion problem is on top of the \$8 billion operating budget problem and the \$4 billion unemployment compensation problem.

If we're going to stick with this model, how will it be paid for? If not, how should it be scaled back?

Fifth, most Ohioans are not aware that part of the federal health-care law that narrowly passed Congress requires the states to substantially expand their financial outlays for Medicaid. The federal bill pays the states to do this for only a few years. After that, state taxpayers pick up the tab for the federal mandate on the states. Precise cost estimates will depend on how many Ohioans earn less than 133 percent of the federal poverty level when the mandate kicks in.

Reasonable estimates are that this will cost Ohio at least an additional \$250 million per year, added to all the other problems listed above. Just prior to final passage of the bill, the National Council of State Legislatures estimated the cost to Ohio at \$349 million for calendar years 2017-2019. Should Ohio fight Obamacare? If not, how will the candidate come up with the state money to pay for this federally mandated largesse?

Finally, most state workers (including all the legislators) have gone without a salary increase for the past several years. Some of the union contracts now in place require added benefits to resume in 2011. Neither the management nor rank and file workers can be expected to supinely accept flat to declining wages forever.

How do the candidates propose to address the coming restive work force, or fund the benefit increases that the current administration has already committed to? Any increase in pay or benefits will be an expense on top of all the problems identified above.

Surely, candidates' views on all of the other issues of the day are important — be it expanded gaming, abortion, guns, taxation, economic development, energy independence, school curriculum, capital punishment, election and campaign finance reforms or the foreclosure crisis. But voters will be electing charlatans if they elect candidates who won't address — or cannot address — the six issues that collectively conspire to put the state in a fiscal straitjacket from which Houdini himself would have trouble escaping.

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