



December, 2008

Government Strategies Group:

Charles H. Gerhardt, III

T: (513) 651-4100

C: (513) 379-2547

cgerhardt@govstrategies.com

James T. Benedict

T: (513) 651-4100

C: (513) 543-8694

jbenedict@govstrategies.com

www.govstrategies.com

700 Walnut Street

Suite 205

Cincinnati, Ohio 45202

Tel: (513) 651-4100

Fax: (513) 651-4101

ASK US YOUR QUESTION

Please send us an email with your question about a recent news item, proposed bill or issue.

NEED TO KNOW

LOCAL

Local Budget Pictures

As 2008 comes to a close, many local Southwest Ohio jurisdictions have had to face budget deficits of varying levels. Here are what some communities have seen:

- City of Cincinnati passed its \$1.3 billion 2009/2010 biennial budget on December 17. The City had a \$14.5 million deficit.
- Butler County passed an interim budget on December 18. The County needs to cut \$7 million from the \$98 million 2009 budget.
- Hamilton County has not yet passed its proposed \$241 million 2009 budget, which is a \$30 million cut from last year.
- Clermont County passed its \$57.38 million 2009 general fund budget on December 3 after cutting \$906,746.
- Warren County has not yet passed its proposed \$65.9 million 2009 budget, a 3.6% increase from 2008, its smallest increase in over a decade.

All of these governments have indicated that while budgeting for 2009 has been challenging, budgeting for 2010 will be even more difficult as the economy continues to slide.

Cincinnati Zoo Awarded Federal Research Grant

The Cincinnati Zoo and Botanical Garden's Lindner Center for Conservation and Research of Endangered Wildlife (CREW) has won a National Leadership Grant to research breeding programs for rhinoceroses and small cats. The \$835,000 grant will allow CREW to continue with its efforts to incorporate genome resource banks and assisted reproduction into the breeding and management of the endangered species. CREW operates an 18,000 square foot facility at the zoo, which includes plant and animal research programs.

STATE

Prevailing Wage Guidelines Remain in Effect

After weeks of testimony from business groups and economic development interests that supported legislation to roll back Ohio Gov. Ted Strickland's prevailing wage guidelines, the Administration came to an agreement with Republican leaders to make the change in rule, rather than policy. The Department of Commerce will convert the controversial guidelines into administrative rules through the Joint Committee on Agency Rule Review (JCARR) sometime before June. The October 15 guidelines on the application of the union scale wages for construction projects receiving state funds will remain in effect during the rulemaking process.

Ohio Secretary of State Files Elections Complaint Against Former Attorney General

The Ohio Secretary of State has filed a complaint against ex-Attorney General Marc Dann, his deputy campaign treasurer and former campaign treasurer accusing them of violating state campaign finance law.

The campaign is accused of improperly spending \$40,610.28 on a security system at his Liberty house as well as paying at least \$4,368.63 for cell phones that Dann, his wife and children used for calls not related to the campaign.

127th Ohio General Assembly Finishes Lame Duck Session

The Ohio House and Senate finished its work on Dec 17 and 18, sending a number of bills, some controversial and some not to the Governor for signature. Some of the notable items included: the "Joe the Plumber" bill regarding searches of state databases, a tax credit for filmmaking in Ohio, a bonus program for veterans of Persian Gulf, Afghanistan and Iraq conflicts, and a bill dealing with transparency in state contracts.

NATIONAL

"Smart Growth" Group Lobbying Against Stimulus Package for Infrastructure Projects

While the American Association of State Highway and Transportation Officials (AASHTO) says there are 5,000 ready-to-go projects worth \$64 billion that would support 1.8 million jobs, a new coalition of transit, environmental, and "smart growth" advocates says that it is more of the same. The Brookings Institution and other members of Transportation for America are lobbying Congress to rethink its transportation policy and to support light rail and other transit programs, maintaining the existing highway system and building new bike and walk paths. They say that the AASHTO proposal focuses too much on new projects and will result in more cars, increased dependence on foreign oil and increased greenhouse gases.

OPEC Cuts Production

OPEC says it is cutting 2.2 million barrels a day from its output, the largest ever at one time, to stem crude prices that have dropped over 70% from summer highs of nearly \$150.

Clinton Foundation Releases List of Donors

For the first time since its inception in 1997, the Clinton Foundation released a list of its donors. Funds raised by the former president have financed several different foundation initiatives around the world, such as supplying medicine to those living with AIDS and developing programs for child nutrition in Latin America.

Some of the donors include: the Kingdom of Saudi Arabia; Norway; Wal-Mart Foundation; Duke Energy; Procter & Gamble; Citi Foundation; Bank of America Foundation; Google; Hewlett-Packard; the Bill and Melinda Gates Foundation; the Elton John AIDS Foundation; and Steven Spielberg.



OHIO STATEHOUSE
by Chris Kasson

Leadership of the 128th Ohio General Assembly

Senate

President Bill Harris (R-Ashland)
President Pro Tempore Tom Niehaus (R- New Richmond)
Majority Floor Leader Keith Faber (R-Celina)
Majority Whip Mark Wagoner (R-Toledo)

Minority Leader Capri Cafaro (D-Hubbard)
Assistant Minority Leader Shirley Smith (D-Cleveland)
Minority Whip Ray Miller (D-Columbus)
Assistant Minority Whip Jason Wilson (D-Columbiana)

House

Speaker Armond Budish (D- Beachwood)
Speaker Pro Tem Matt Szollosi (D- Oregon)
Majority Leader Jennifer Garrison (D-Marietta)
Assistant Majority Leader Tracy Heard (D-Columbus)
Majority Whip Jay Goyal (D-Mansfield)
Assistant Majority Whip Allan Sayre (D-Dover)

Minority Leader Bill Batchelder (R-Medina)
Assistant Minority Leader Lou Blessing (R-Cincinnati)
Minority Whip John Adams (R-Sidney)
Assistant Minority Whip Kris Jordan (R-Powell)



Ohio Tops All States in Campaign Visits

Between September 5 and November 4, Democrats Barack Obama and Joe Biden and Republicans John McCain and Sarah Palin held 62 events in Ohio, more than any other state. Florida came in a distant second, with 46 visits, followed by Pennsylvania with 40. 49.3 percent of the events from September 5 to Election Day took place in Ohio and the other two top states.

Ohio ranked third based on spending on TV ads between September 24 and November 4, with \$16.8 million spent. Spending was higher in Florida (\$29.2 million) and Pennsylvania (\$24.9 million).



Ohio's Budget Outlook Grim

Ohio Governor Ted Strickland's administration released a worst-case budget scenario last week, envisioning a complete lack of federal money for states. Forecasting current and future deficits, the Administration is looking at more than \$7 billion in cuts. All agencies were asked to identify what a 25% reduction to their budgets might look like in order to assist the state government in its efforts to advocate for significant federal aid.

Some of the considered cuts under the most drastic circumstances include:

- Slashing K-12 education by \$2 billion in fiscal year 2010
- Eliminating state subsidized early care and education services for some 56,000 children
- Cutting prison staffing by 5,237 positions and closing six institutions
- Other major cuts to economic development, parks and recreations, elderly services, alcohol and drug addiction treatment and MR/DD are contemplated.

HAPPY HOLIDAYS FROM GSG!

We would like to thank our clients and friends for a successful 2008. We wish you and your loved ones a happy holiday season and a healthy and prosperous 2009.

