

Text of Strickland's letter to Obama
Monday, December 1, 2008 3:28 PM

AS PROVIDED BY GOV. TED STRICKLAND'S OFFICE

December 1st, 2008

The Honorable Barack Obama

The Office of the President-Elect

Washington, DC 20270

Mr. President-Elect,

As you know, most states are facing the same economic challenges the national economy is facing. Our economies are deteriorating rapidly with almost all states either in a recession or at risk of one. In Ohio, we are projected to see a reduction in wage and salary income for the first time ever.

As a result of the national recession, most governors are facing significant revenue shortfalls in the remainder of fiscal year 2009 as many work to meet their constitutional requirements to balance their state budgets. In Ohio, even though we have already made nearly \$1.3 billion in budget adjustments this biennium and most agency spending levels have been reduced to 87.25% of their originally budgeted levels, we are still facing a projected shortfall of \$640 million in 2009. Ohioans have sacrificed and have been resilient in the face of the cuts taken thus far. However, additional cuts would be devastating as we are trying to provide basic safety net services during this recession and to stimulate the economy.

As governors prepare to introduce their fiscal years 2010-11 budgets in early 2009, they again face shortfalls. Some of these shortfalls, like Ohio's, are of historic proportions. In the next two years, Ohio will confront the most serious erosion in revenues it has experienced in the last 40 or 50 years. **At flat funding for fiscal years 2010-11, Ohio is projected to have a \$7.3 billion deficit. And even if we fund each agency at 90% for FY10-11, which in and of itself would mean cuts to important services Ohioans depend upon and decreased investments in initiatives that stimulate the economy, Ohio would still have a \$4.7 billion deficit for the coming biennium.**

To avoid drastic cuts in important services states provide and to allow states to continue to invest in activities that will spur economic activity, substantial aid to the states is

needed immediately. Therefore, I ask you to work with Congress to provide the following:

* **\$100 Billion in Block Grants to the States:** Unless federal resources are provided, the severe nature of current and future shortfalls states are facing will have devastating consequences on core services states provide, including education (early care through higher education), healthcare, vaccinations, food safety, and other vital public health and safety net services. Giving states block grants to ensure that these basic services are not compromised and that states can continue to invest in education at all levels is a critical part of any recovery package.

* **\$3.2 Billion in Additional TANF Funds to the States:** With this recession, there is no doubt that more families will need basic assistance, and it is TANF that allows states and counties to meet these families' basic needs. However, many states, including Ohio, will not have enough TANF resources to assist our neediest families in each of the coming years. Since the establishment of the TANF program 13 years ago, there has not been an increase. Additional TANF funds will help with the economic challenges low income families all across this nation are facing. And as states are dealing with revenue shortfalls, the state match to pull down these federal funds should be waived. Additionally, because there are currently fewer jobs available, penalties as a result of TANF work requirements should also be waived during this time of recession.

* **A Recovery Package is Needed Immediately:** Many governors must introduce their budgets in January and February 2009. Assistance is needed immediately if we are to avoid budgeting for and beginning to execute even more painful reductions. I am encouraged by the leadership of Speaker Nancy Pelosi and Senate Majority Leader Harry Reid and their commitment to move legislation quickly, and it is my hope that you could enact a recovery package your first week in office.

I would also be encouraged by other types of assistance, if coupled with the block grant to states and additional TANF funds, including enhanced FMAP, increases in food stamps, infrastructure investments, and unemployment trust fund resources.

Additionally, I am hopeful that by the time you take office in January, Congress will have passed and President Bush will have signed legislation to aid the auto industry and its suppliers. Passage of a \$25 billion package made available to General Motors, Ford, and Chrysler and to companies in the automotive supply chain is vital. Immediate financial support is critical to ensure continued, stable employment throughout the automotive supply chain. This support is also critical for the many other businesses and state and local governments most at risk from the industry's potential financial collapse. The failure of General Motors, Ford Motor Company or Chrysler Corporation would cascade through parts suppliers, materials industries, and technology companies that support the automotive market and, in turn, the services industries that are tied to all those businesses.

There will be no national economic recovery without strong states, and I have no doubt that Ohioans, with their resolve and creativity, will do their part and come together in extraordinary partnerships to meet the challenges before us. It is with this collaborative spirit and resolve that I write this letter asking for your partnership. I stand ready to work with you and your incoming administration on this challenge.

Sincerely,

Ted Strickland

Governor of Ohio

CC: The Honorable Nancy Pelosi, Speaker

The Honorable John Boehner, Minority Leader

The Honorable Harry Reid, Majority Leader

The Honorable Mitch McConnell, Minority Leader

Members of the Ohio Congressional Delegation