



Ax taken to state jobs
 Strickland will cut spending, up to 2,700 jobs to cover shortfall
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 By [Mark Niquette](#), [Catherine Candisky](#) and [Alan Johnson](#)
 THE COLUMBUS DISPATCH



CHRIS RUSSELL | Dispatch

Gov. Ted Strickland on his budget cuts: "We didn't arrive at this quickly or easily. There have been days and nights of discussions, and we tried to do this as thoughtfully and with as much rationality and common sense as we could find."

Where the state's budget ax will fall
 A breakdown of planned spending cuts at state agencies during the next 17 months announced yesterday by Gov. Ted Strickland, as well as proposed job cuts specifically identified.

AGENCY	SPENDING CUTS	JOB CUTS
Alcohol/Drug/Addictive Services	\$3.9 million	8 to 12
Attorney General	\$1.3 million	
Agriculture	\$1.0 million	17 to 31
Aging	\$39 million	
Board of Regents	\$85 million	3 to 9
Commerce	\$0	
Administrative Services	\$5.0 million	
Development	\$9.3 million	11 to 20
Natural Resources	\$14.0 million	83 to 157
Rehabilitation and Corrections	\$75.5 million	434 to 815
Youth Services	\$1.7 million	
Education	\$102.0 million	Undetermined
Governor	\$1.2 million	
Health	\$480,000	16 to 34
Job and Family Services	\$67.5 million	309 to 574
Mental Health	\$31.7 million	Undetermined
MRDD	\$17.3 million	396 to 540
Budget and Management	\$817,547	
Public Safety	\$1.1 million	4 to 11
Taxation	5.2 million	28 to 40
Transportation	\$4.8 million	Undetermined
Statewide elected officials	\$40.2 million	
TOTAL	\$509.1 million	1,303 to 2,243

Source: Gov. Ted Strickland
 THE COLUMBUS DISPATCH

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Highlights of what Gov. Ted Strickland plans to do to deal with a projected budget deficit by June 30, 2009:

Spending

Cut spending at state agencies a total of \$509 million to help make up for a \$733 million shortfall.

Employment

Close mental hospitals in Cambridge and Dayton and cut between 1,500 and 2,700 state jobs through layoffs, buyouts, early retirements and attrition. Strickland says "several hundred" layoffs are possible.

Lottery

Add new Ohio Lottery games such as Keno in bars to raise an additional \$73 million annually.

Travel/Personnel

Limit all out-of-country travel and all non-essential domestic travel; limit hiring; review all personal-services contracts and limit new ones; stop all purchases of new equipment except for critical functions.

State services will be cut, workers laid off and two mental hospitals closed as part of a host of budget moves that Gov. Ted Strickland rolled out yesterday in response to a souring economy.

Strickland outlined more than \$733 million in spending cuts and other reductions -- partly offset by \$73 million from a state-lottery expansion -- to plug a projected budget shortfall in the next 17 months.

The cuts will include early retirements, buyouts, attrition and layoffs involving up to 2,700 of state government's 60,000-plus workers, as well as the closing of mental hospitals in Cambridge and Dayton.

The governor vowed to protect critical services and will preserve such administration priorities as health-care coverage for children, school funding, services to low-income families and a freeze on higher-education tuition.

"We didn't arrive at this quickly or easily," Strickland said. "There have been days and nights of discussions, and we tried to do this as thoughtfully and with as much rationality and common sense as we could find."

Strickland said last week that with the nation sliding toward a possible recession, the state expects a budget shortfall ranging from \$733 million to \$1.9 billion by July 2009.

The cuts seek to address the most optimistic budget shortfall. The \$1 billion rainy-day fund would be tapped if economic conditions and state-revenue declines prove worse, Strickland said.

The governor is not proposing increases in taxes or fees, and he opposes altering state tax cuts enacted in 2005 that are being phased in. Although they decrease state revenue, he said he thinks they are beginning to help the economy.

The governor couldn't say how many state workers may be eligible for buyouts or retirements instead of layoffs. Asked how many layoffs are possible, he replied: "I would think it would be reasonable to think several hundred."

Although hundreds of employees in the state prison system and at the Department of Mental Retardation and Developmental Disabilities are targeted for cuts, officials said no jobs of prison guards or nurses will be eliminated, and public safety will not be compromised.

"What we have attempted to do ... is ensure that a significant portion of the cuts are taken in central

offices," Budget Director J. Pari Sabety said.

Shuttering the antiquated 48-bed Cambridge hospital, part of Appalachian Behavioral Health, will lead to the loss of 130 jobs and a \$5.8 million payroll, said James Ignelzi, deputy director of the Department of Mental Health.

Some employees will be offered early-retirement buyouts, and others will be offered jobs at other facilities. An undetermined number will be laid off, he said.

"These are very good jobs in a community of our size," said Cambridge Mayor Tom Orr. "It's going to be painful ... you can't even begin to measure the ripple effect."

Cambridge's loss, however, will be Athens' gain. The number of patient beds at Athens' mental hospital is to double, from 40 to 80.

Dayton, meanwhile, will close a 110-bed hospital of Twin Valley Behavioral Healthcare with a staff of 200. Many of those patients and some of the jobs will move to Columbus, Ignelzi said.

John Martin, director of the MRDD Department, will lose as many as 380 employees, including 45 in the central office in Columbus. An estimated 165 to 170 patients at state developmental centers will be released on waivers, allowing them to obtain the same services at local facilities or at home.

Prisons chief Terry Collins will have to cope with \$75 million in cuts, losing as many as 815 jobs without closing prisons or laying off corrections officers.

The Department of Job and Family Services, which oversees Medicaid, food stamps and other programs for the poor, must cut up to 12 percent of its staff of 4,000.

The union representing the largest number of state employees met with Strickland and leaders of various cabinet agencies yesterday.

"We want to be cooperative, but we also don't want to be taken advantage of," spokesman Peter Wray said. "We're trying to determine to what extent, if any, we will oppose some of these measures or find out if there are other alternatives."

Preserving aid to both primary and secondary schools and higher education is an investment that will provide the best chance for improving Ohio's economy, said state Chancellor Eric D. Fingerhut.

Likewise, Strickland said he will not tighten eligibility or eliminate services in the state's health-insurance program for the poor and disabled. In-home care programs for low-income seniors also will be preserved.

The administration will restore dental benefits for adult Medicaid recipients starting July 1. It also is seeking federal approval to expand eligibility in the Children's Health Insurance Program to families earning up to 250 percent of the federal poverty level, or \$42,925 a year for a family of three. The current cap is 200 percent of the poverty level.

Doctors who provide care to Medicaid patients are to receive their first raise in seven years after Strickland announced they will get a 3 percent rate increase July 1.

Dispatch reporter Randy Ludlow contributed to this story.

mniquette@dispatch.com

ccandisky@dispatch.com

ajohnson@dispatch.com

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