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# OHIO FAMILIES FIRST

*CREATING JOBS—AND KEEPING THEM*

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# THERE'S A BIG DIFFERENCE BETWEEN THE OHIO TED STRICKLAND IMAGINES—AND THE OHIO THAT SUFFERED WHILE STRICKLAND WAS GOVERNOR.

In the world Strickland imagines, his tenure in public office was something to be celebrated. He claims he cut taxes, that he was a good steward of the state's economy, and that Ohio was better off under his leadership. But, in reality, that couldn't be further from the truth—and no one knows it better than all of the communities that struggled through Strickland's tenure.

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While Strickland was governor, Ohio lost more than 350,000 jobs. Many of the jobs didn't just disappear; they fled to neighboring states with better business climates, speaking directly to Strickland's record in Ohio.

He halted an income tax cut (signed by his predecessor) that would have let Ohio families keep more of what they earned. He drained the state's rainy day fund, leaving behind just 89 cents by the time he left office. He hiked taxes by at least \$1.5 billion on everything from garbage disposal to birth certificates, disproportionately hurting lower-income families.

Unfortunately, the list goes on.

These harmful policies weren't acceptable to Ohioans, who voted Strickland out of office after just one term. It was the first time in more than three decades an Ohio governor wasn't re-elected. The state's largest newspapers agreed: Strickland had to go. “[He] represents a cautious status quo that lacks the aggressive, business-oriented approach [Ohio] needs,” *The Cincinnati Enquirer* wrote in 2010.

But upon losing re-election, Strickland didn't listen to Ohioans and change his ways—he doubled down. Out of office, Strickland leveraged his political ties to take a six-figure position with an anti-coal group in Washington, D.C., that lobbies for the same failed jobs agenda he pursued as governor: higher taxes and more regulations—only, this time, at the federal level.

Strickland called this new career his “dream job,” underscoring just how disconnected he was—and still is—from the struggles that Ohio families faced while he served as governor.

## OHIO FAMILIES FIRST

A real plan to put Ohio Families First is based on three central proposals:

**1 Expanding Opportunity:** Government officials (elected and unelected) have erected countless regulatory barriers that prevent Ohio families from achieving their dreams. These barriers, oftentimes implemented by well-intentioned but misguided politicians, disproportionately hurt the least fortunate, trapping entire communities in generational poverty and dependency.

Expanding opportunities for families and communities in Ohio by breaking down barriers should be one of the top priorities of the next United States Senator.

**2 Combating Corporate Welfare:** Corporate welfare is one of the greatest threats to a free and fair economy in Ohio. When government officials pick winners and losers by subsidizing, giving favors to, or tilting the scales in favor of politically connected companies, it undermines competition and incentivizes politicians and their friends to engage in corruption and kickbacks.

Ending this broken system in which certain companies play by a different set of rules will increase economic prosperity in a way that benefits everyone, not only those with political ties.

**3 Restoring Fiscal Responsibility:** The national debt has grown by more than \$8 trillion since 2009, now standing at \$19.2 trillion.

Record federal spending under the Obama administration in recent years has led to a debt burden that threatens our prosperity today and in the future. Ohio needs leaders in Washington, D.C., who will restore fiscal responsibility to our nation's capital so that our children and grandchildren aren't left with the weight of that debt on their shoulders.

Senator Rob Portman offers that vision. Portman’s policies help level the playing field, allowing businesses to create jobs. His policies stop the special interests in Washington from tilting the scales in their favor. This is exactly what Ohio needs—and why we can’t go back to Ted Strickland.

## EXPANDING OPPORTUNITY

Expanding opportunity means making it possible for Americans to pursue and achieve their dreams.

It means knocking down burdensome regulatory barriers so that people can find and keep stable, high-paying jobs—leaving their children better off with opportunities they never dreamed of having.

But while Ted Strickland was the governor of Ohio, opportunity—the American dream—was out of reach for too many people.

Strickland was governor for just four years. But, during that time, Ohio lost more than 350,000 jobs. No one is blaming Strickland for the global recession—despite what his campaign likes to claim. However, the fact is Strickland’s administration doubled down on failed policies that only made things worse for Ohio.

The more than 350,000 jobs didn’t just “disappear,” either. Many simply moved to neighboring states with better business climates. Under Strickland, Ohio lost more jobs than 46 other states, which speaks directly to his economic record in Ohio.

- The U.S. Playing Card Company and DHL relocated from Ohio to Kentucky.
- General Products relocated from Ohio to Indiana.

- Axiobionics relocated from Ohio to Michigan.
- Electrolux relocated from Ohio to North Carolina.
- NRC, Novelis, Calphalon Cookware, and others relocated from Ohio to Georgia. (Calphalon had been headquartered in Ohio since its founding in 1963, and NRC was the state’s only remaining Fortune 500 company before it left.)

With these relocations went thousands of jobs.

Joel, a former DHL employee from Wilmington, Ohio, lost his job when the company relocated to Kentucky. Joel was with Airborne Express and DHL for over 25 years. He described losing his job as “devastating” and recalled the loss of hundreds of thousands of jobs under Strickland “when he should have been in there fighting.”

Joel wasn’t by any means the only Ohioan to struggle during Strickland’s tenure.

Keith, an Ohio business owner whose family and community struggled, recalled similar losses under Strickland. “Companies were leaving right and left, taxes were going up,” Keith explained. “Ted Strickland had to be doing something wrong for all these jobs to leave Ohio.”

Why Ohio suffered so much worse than other states during the recession is a fact for which Strickland has not offered an explanation. And the fact that after losing re-election Strickland leveraged his political ties for a lucrative job at the liberal Center for American Progress Action Fund—which lobbies for the same components of his failed jobs agenda—suggests he doesn’t deserve the job of representing Ohio as United States Senator.



## COMBATING CORPORATE WELFARE

We've all seen it happen: A large, well-connected company makes a hefty donation to a politician's campaign, the politician shepherds a favorable law or regulation through the legislative process, and suddenly this company has the scales tilted in its favor—hurting its competitors, consumers, and especially taxpayers.

In fact, we still see it happening in Congress.

When the government picks winners and losers, most hardworking taxpayers (and companies) end up as the losers. It's a broken and unfair system that benefits those with political ties and hurts everyone else, and that's why it's so important that Ohio's next United States Senator work to level the playing field for all people and all businesses equally.

Ted Strickland has given lip-service to “tax loopholes,” but at every turn he supported policies that offer more of the same subsidies, credits, and carve-outs that politically connected companies take advantage of at the expense of hardworking taxpayers.

Three quick examples illustrate Strickland's record on this issue:

1

### **NetJets:**

A main facet of Strickland's economic proposal is “closing the corporate jet loophole,” an issue the former governor explicitly writes about on his campaign website.

But what isn't on his website is the full story. As governor, Strickland's administration “strongly defended” another “corporate jet loophole,” saying his administration would not eliminate it expressly because Warren Buffett's corporate jet company, NetJets, was located in Columbus.

By 2007, Strickland and his lieutenant governor had met with the company's executives on several occasions and, a few months later, the company was offered a more than \$67 million subsidy package, including more than \$37 million directly from Strickland's administration.

Strickland later admitted he only expected a “limited number” of jobs to come to Ohio as a result, but he certainly benefited from the relationship. While

running for re-election, Strickland received nearly \$90,000 from NetJets employees, all of which came from a single fundraiser in New York. A closer examination found more than \$32,000 in additional campaign contributions apparently connected to the company.

2

### **Willard & Kelsey Solar Group:**

Between 2008 and 2009, Strickland's administration awarded \$10 million in government loans to Willard & Kelsey Solar Group. The company also reaped \$700,000 in government grants and a 10-year tax credit for the purpose of creating jobs. Strickland himself called the award a “great example” of how subsidies could help the state's economy. However, by 2012, the company was declared in default—and, despite its promise to create 450 jobs, the company employed fewer than 60 people.

It was later discovered that, in mid-2008, executives at Willard & Kelsey had “cozied up” to one of Strickland's biggest campaign donors, who then set up a meeting between the executives and Strickland's top advisers. One month after that meeting, Strickland's donor was awarded a contract from Willard & Kelsey for more than \$230,000.

3

### **President Obama's Stimulus Package:**

In February 2009, President Obama signed into law the American Recovery and Reinvestment Act, often called the “stimulus package.” The initial cost to taxpayers—already facing a \$458 billion budget deficit from the year before—was excessive, to say the least: \$787 billion. (Years later, the cost has swollen to \$840 billion.)

When *The Columbus Dispatch* criticized Strickland in 2010 for “[relying] on federal handouts and other one-time money” to fix his state budget, the stimulus package is what they were talking about. It was a combination of subsidies, carve-outs, and pork barrel projects under the guise of economic relief. It was also a breeding ground for cronyism and corporate welfare—and Strickland was one of the bill's most outspoken champions.

Politically savvy companies flooded in to stuff their pockets with stimulus funds. Ohioans saw it happen

in their own backyard: companies reaping federal subsidies and not following through on jobs promises.

In 2010, Strickland's administration approved a contract worth hundreds of thousands of dollars using federal stimulus funds to hire Texas-based Parago to process the state's appliance-rebate program. However, the public discovered the company was outsourcing its processing and call-center-related jobs to El Salvador.

At least one official in Strickland's administration had been warned about Parago's reputation for outsourcing even before the contract was finalized. Other officials learned about the outsourcing on the very day that the stimulus program began.

Taxpayers have always spent their money better than the government does. In the case of corporate welfare, that's even more true. Corporate welfare takes money out of hardworking taxpayers' pockets to tilt the scales in favor of politically connected companies, erodes Americans' trust that they can get ahead if they play by the rules, and creates a two-tiered society.

The fact that Strickland has used and abused this problem shows his unwillingness to make sure Ohio companies aren't being undermined by a broken system that favors political ties over quality and service.

## RESTORING FISCAL RESPONSIBILITY

The national debt is now more than 100 percent of our nation's GDP, the highest level in at least half a century. It stands at \$19.2 trillion after years of record federal spending under the Obama administration, and, if sent to Washington, Ted Strickland would only make things worse.

A January 2016 poll by Pew Research Center found more than half of Americans believe reducing the budget deficit should be a top priority for Congress this year. (In previous years, that number was even higher.) A Gallup poll released a few weeks earlier found that for the second straight year Americans see the government as the nation's top problem. And, in April 2016, Gallup found 57 percent of Americans say they pay too much in federal income taxes, the highest percentage in 15 years.

Taxpayers are right to wonder where their hard-earned money goes. Federal revenue has not dipped below \$2 trillion since 2004,

and it has gotten higher every year since 2009 without exception. (Federal revenue is expected to increase to \$3.3 trillion in FY 2016.)

Our government has a spending problem, not a revenue problem. And, if families across the country can balance their own budgets and pay their own bills at the end of the month, why can't politicians do the same?

If Ohioans want to know how Strickland will spend their money in Washington, D.C., all they need to do is look at his irresponsible tax-and-spend record while serving as governor.

In 2007, upon taking office, Strickland pledged he had no plan to raise Ohioans' taxes in order to generate more revenue. He also said he didn't plan to raise fees, adding, "I think higher fees are higher taxes." However, in 2009, Strickland signed a state budget that raised fees by at least \$1.5 billion on everything from hospitals and garbage disposal to birth and death certificates.

*The Plain Dealer* called his fee hikes "regressive" and said they would "hit lower-income Ohioans harder than the wealthy." At a time when incomes were already hard to come by, Strickland's broken promise made it even more difficult for Ohio families to get by.

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Strickland now glosses over these fee hikes, pretending they didn't happen. Instead, his campaign falsely claims that, as governor, he "cut income taxes for all Ohioans."

The truth is, the five-year, 21 percent personal income tax cut to which Strickland is referring was signed into law by his predecessor, Republican Governor Bob Taft. And Strickland didn't just oppose the tax cut—he halted it, raising taxes on Ohio families to the tune of \$844 million.

(You'll notice that Strickland sometimes describes himself as having "overseen" or "presided over" certain tax cuts. There are a number of verbs to describe sitting back, doing nothing, and taking credit for someone else's work. "Oversaw" and "presided over" are two of them.)

Strickland's spending problem took a heavy toll on the state's rainy day fund, too. As of 2009, his administration had

transferred more than \$1 billion out of the fund, a budgetary raid that left behind just 89 cents in the account.

All three of the state’s largest newspapers urged Ohioans—for the good of the budget and the economy—to vote against Strickland’s re-election for governor.

- *The Columbus Dispatch* cited “the failure of Strickland even to begin the process of putting Ohio on a sustainable fiscal basis.”
- *The Plain Dealer* slammed him for having “consistently mistaken talk for action” and for “produc[ing] budgets held together with bubble gum and twine.”
- *The Cincinnati Enquirer* panned his reaction to the state’s economic crisis, concluding that “solutions don’t have to be so slow or tradition-bound.”

Strickland’s empty campaign pledges from 2006—calling himself “the jobs candidate” and pledging to rescue the state’s economy—turned out to be just that, and Ohio’s economy was left worse off for it.

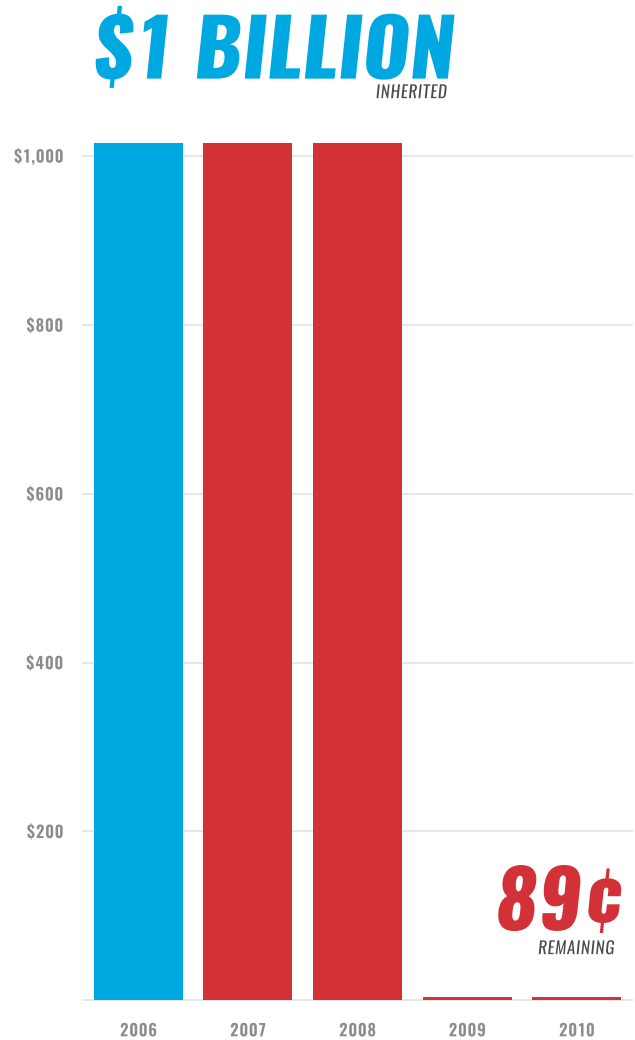
Our government needs to spend smarter.

The fact is that finding solutions to our federal debt and economic stagnation will require hard choices—but choices necessary to put our nation on the right path forward. Ohio needs leaders in Washington, D.C., who will make those hard choices, even if the choices are politically unpopular or inconvenient.

One thing is clear: The status quo won’t restore fiscal responsibility to our nation’s capital, and bringing Ted Strickland’s failed agenda to the front steps of the United States Senate will result in nothing that Ohioans haven’t seen before.

# OHIO RAINY DAY FUND UNDER STRICKLAND

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