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Testimony of Jon Honeck, Ph.D., on H.B. 554
House Finance & Appropriations Committee Hearing
May 19, 2008

Good afternoon Chairman Hottinger, Ranking Member Skindell, and members of the House Finance and Appropriations committee. I am Dr. Jon Honeck, a Senior Researcher in the Columbus office of Policy Matters Ohio. Thank you for the opportunity to testify today about the economic stimulus bill.

Like you, we would like to be sure that the investments contemplated in HB 554 produce the maximum benefit for the people of Ohio. The grant, loan, and loan guarantee programs in the bill should be transparent and include appropriate safeguards and accountability measures.

Under the bill, the new Ohio innovation partnership co-op/internship program would be governed by these principles. We support an amendment that would extend similar language to four other programs. Specifically, new Revised Code Section 3333.75 says that each state institution of higher education that receives an award under the program will sign an agreement governing the use of the award. The agreement will include performance measures and reporting requirements. In addition, an institution that violates the terms of its agreement may be required to repay the award plus interest.

These are minimum necessary safeguards to ensure that Ohioans know how the money is being used, that the recipients are using the funds well, and in those cases where they are not performing as required, that recipients may be obliged to repay it. However, these standards should be applied not just to the co-op/internship program, but also to the other new programs for logistics and distribution, bioproducts, biomedicine, and advanced energy.

Thus, we hope you will support an amendment to the bill that employs nearly identical language from R.C. Section 3333.75 to extend these requirements to the four named programs.

Thank you for the opportunity to testify. I would be pleased to answer any questions that you may have.

