

## Facing The One-Armed Bandit

Things continue to prove horrendous in Ohio. A continuing resolution is in place that funds state operations at 70% of last year's budget. In effect, Ohio libraries already get to feel the burden of the proposed cuts.

On Twitter, the Save Ohio Libraries folks are now pushing for the Ohio Republicans to drop their objections to Governor Strickland's budget and get it passed. It was already [1]reported that state offices are looking at possibly not being able to make payroll under the thirty percent across-the-board cut the continuing resolution has created. Also noted was Republican objections to the installation of video slot machine terminals at Ohio's seven race tracks.

Governor Strickland's financial estimate [2]contemplates the installation of video slots generating revenue of nine hundred and thirty three million dollars. That is problematic. Gaming revenue at established locations is already facing problems. Revenue is down in Macau as well as at certain properties in the entire Las Vegas Valley. The group behind the Sands is [3]losing money on their latest acquisition in the Pennsylvania community of Bethlehem. A gaming trading index [4]also recently lost ground. An editorial writer with the Hartford Courant had few positives [5]about gaming in Connecticut. While an analysis in [6]The Plain Dealer seemed to approve of slots it also notes that the horse race tracks that would receive those slots are not in the best of financial health themselves.

The Republican opposition seems rooted in cold reality. If the Governor of Ohio were trying to put slots in at a business he owned here in Nevada under similar circumstances, the Nevada Gaming Commission would have rejected the permit application. A key principle in Nevada gaming is that while you can add slots and other such things to places like grocery stores and restaurants, such is not supposed to be used as a financial crutch to keep operations going during lean times. Outside outright casinos, gaming activity is only supposed to be a supplemental activity rather than an integral part of business.

Putting hopes into gambling as a way of resolving budget deficits is akin to hoping people smoke more cigarettes so that a sin tax could bridge the gap. This is a fairly unstable budget fix. Other possibilities do exist.

Some possibilities for cuts to bridge the funding gap instead of video slots:

- \* Consolidate graduate programs across state institutions of higher education. Does every institution have to offer graduate instruction at the doctoral level in certain subjects? [7]NEOUCOM can be used as an example for inter-institutional collaboration in offering a single program in lieu of three institutions offering duplicative programs.
- \* Consolidate institutions and create savings through reducing administration. With Cleveland State University, University of Akron, Youngstown State University, and with all its branch campuses Kent State University operating within the same multi-county region, consolidation into a single administration would help reduce duplication and save money in the end.
- \* Stop offering remedial coursework to students in the universities. If those students are not up to par, they should be at the community colleges which are funded off of property taxes instead of state dollars. There is nothing shameful about 2+2 transfer.
- \* Reduce the amount of state offered scholarships

## Facing The One-Armed Bandit

- \* Scale back the academic offerings of The Ohio State University and leave such programs to other institutions. Move faculty to other institutions as possible.
- \* Consolidate the profusion of school boards throughout the state by merging local boards into their county level boards and reduce the amount of state money to be transferred downward.

Those are merely ideas for alternatives to slots. Ohio is known for having quite a large higher education sector with a rather large number of public and private institutions to be found in the state. Due to the maintenance of effort requirements enunciated in the American Recovery and Reinvestment Act of 2009, even those possibilities are going to be limited. Other areas may be possible for cuts consideration but that is left for the creativity of others.

A rush to slots may well result in returning to the chopping block. With casinos noticeably less occupied in Las Vegas, gambling may not necessarily be a cure-all. There are no easy answers to this dispute that continues.

[8]Creative Commons License

Facing The One-Armed Bandit by [9]Stephen Michael Kellat is licensed under a [10]Creative Commons Attribution-Noncommercial-Share Alike 3.0 United States License.

## References

1. [http://www.10tv.com/live/content/local/stories/2009/07/06/story\\_budget.html?sid=102](http://www.10tv.com/live/content/local/stories/2009/07/06/story_budget.html?sid=102)
2. [http://www.10tv.com/live/content/local/stories/2009/07/02/story\\_budget\\_hearings.html?sid=102](http://www.10tv.com/live/content/local/stories/2009/07/02/story_budget_hearings.html?sid=102)
3. <http://www.casinocitytimes.com/news/article.cfm?contentID=178774>
4. [http://www.globest.com/news/1444\\_1444/lasvegas/179592-1.html](http://www.globest.com/news/1444_1444/lasvegas/179592-1.html)
5. <http://www.courant.com/news/opinion/editorials/hc-states-gambling-problem.art.artju105,0,1931780.story>
6. [http://www.cleveland.com/horseracing/index.ssf/2009/06/analysis\\_gov\\_ted\\_stricklands\\_s.html](http://www.cleveland.com/horseracing/index.ssf/2009/06/analysis_gov_ted_stricklands_s.html)
7. <http://www.neoucom.edu/>
8. <http://creativecommons.org/licenses/by-nc-sa/3.0/us/>
9. <http://www.linkedin.com/in/stephenkellat>
10. <http://creativecommons.org/licenses/by-nc-sa/3.0/us/>