



# Kasich to Ohioans: ‘Don’t fear big ideas’

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Ohio Gov. John Kasich delivers his State of the State address at Veterans Memorial Civic and Convention Center in Lima, Tuesday. (AP Photo/Rick Osentoski)

LIMA: Gov. John Kasich told Ohioans on Tuesday that the state has seen wholesale improvements since he took office, but now is not the time to “rest on our laurels.”

“We must not fear big ideas. We must embrace them,” the Republican governor said in a State of the State speech before about 1,700 at Lima’s Civic Center. “We can debate them, but at the end of the day, big ideas will renew us, they will restore us.”

Making the case for his latest round of sweeping policy proposals in the upcoming budget, Kasich told lawmakers, statewide officeholders and invited guests that big changes he’s made to government so far are showing results.

“I came into office to build a team that would put Ohio to work and reclaim our rightful place in the United States of America as one of the great states,” he said. “Ladies and gentlemen, today I can tell you with great confidence that we are succeeding in turning our state around — and it is fantastic.”

Kasich is pushing for support of several key proposals, including a plan to overhaul the state’s school funding plan, an expansion of Medicaid under the federal health-reform law and an overhaul in his \$63.2 billion, two-year budget of the state’s tax structure.

Kasich cited JobsOhio, the private nonprofit job creation agency that's faced a persistent constitutional challenge, as a vital economic driver that's diversifying Ohio's economy from just one or two sectors to include bio-health, auto manufacturing, financial services, aerospace, IT, agri-business and energy.

Kasich also said Lt. Gov. Mary Taylor's Common Sense Initiative, a regulatory retooling effort, is making things easier on the private sector without undue risk.

"If you use common sense, you in fact can protect people's safety, you in fact can protect our environment and still have job creation in this state," Kasich said.

The administration has also seen the state work force drop to its lowest levels in 30 years, he said, and reduced redundancy and revitalized worn out programs using private-sector management techniques.

All that, the governor argued, has gotten the state noticed across the globe — including at the recent Global Economic Forum in Davos, Switzerland.

But Kasich said now isn't the time to let up.

"Should we just rest on our laurels? That's what most people think, when we pull out of the depths of where we were, just kind of relax. Should we just put the state on cruise control? Or, I've got another one for you, should we spend the surplus? Just kind of take the foot off the gas?" he asked. "Well, we're going to keep our foot on the gas."

### **Changes in tax policy**

Kasich's plans include overhauling Ohio's tax code to reduce rates for sales, income and small-business taxes, broadening the sales tax base to include a laundry list of new services, and raising the severance tax on high-volume oil and gas drillers swarming the eastern half of the state.

Kasich also encouraged lawmakers to support his decision to expand Medicaid. The state would see \$2.4 billion from Washington to cover those newly eligible for Medicaid over the next two years beginning in July. Kasich said the action is vital to help Ohio's safety net for the poor, and particularly for the mentally ill.

"Some of them live under bridges, some of them live on streets, some of them are in our jails tonight," he said, in a moment that hushed the crowd.

He pleaded with lawmakers, some from his own party who opposed the federal health-care mandate and oppose expanded government, to examine their conscience and keep an open mind.

Kasich further used the speech to defend the merits of his new school-funding formula, which delivers \$1.2 billion more to K-12 education by first raising base funding then providing add-ons for poor, disabled, gifted and other categories of students. He called it an objective plan that applies equally to all districts based on their property tax wealth, residents' income and individual characteristics of students they serve.

All these policies are intended to create jobs, Kasich said — something he characterized as "our greatest moral purpose." In Lima, a city with drastically reduced unemployment and 3,200 new private-sector jobs, Kasich found a "shining example" for the state.

Despite the protests of a handful of union workers outside the speech, he said his tax and spending changes aren't about political leanings — they're practical. "This is not ideology, this is just the way the world works."