



The 'balanced approach' appears in Kasich budget: John A. Begala



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Any legislation encompassing taxes and spending of more than \$60 billion is bound to generate controversy, and the quibbling over Gov. John Kasich's proposed biennial budget has begun. Yet, however one may feel about any of its details, it ought to be clear that this budget is not business as usual. Indeed, it will be an achievement of historical importance, both for its substance and its break with the hyper-partisanship of recent years -- if it gets through the General Assembly largely intact.

It is hard to imagine a document that better represents the much ballyhooed "balanced approach" that has been so elusive for national leaders the past several years. This balance spans the budget's major components, beginning with real tax reforms. While lowering income tax rates for families and small businesses -- sure to appeal to most conservatives but highly suspect to many liberals -- it also increases business taxes on oil and gas extraction, which runs counter to a four-decade-long trend of higher burdens on families and lower taxes on business. More significantly, it reduces the rate of the sales tax while expanding its base, extending the tax to several long-excluded service industries. These are reforms touted by policy analysts from across the political spectrum.

In the field of education, primary and secondary schools would benefit from more lottery and general-revenue-fund subsidies, and the distribution of funds will more effectively assure fairness. While the first-blush praise from some education leaders has faded as details for their own districts have become known, by focusing on decades-long inequities, the proposed budget constructively frames the legislative deliberations that began last week. Similarly, the more modest increases in funding for higher education are accompanied by changes that would base state support less on body counts and more on degree completion.

In the health care arena, the administration's proposals are extraordinarily comprehensive and forward looking. Most significant is the decision to proceed with expansion of Ohio's Medicaid program. Providing health benefits for low-income workers and their families will benefit well over half a million Ohioans. Covering

low-income individuals -- many of whom have significant behavioral health problems or chronic diseases -- will vastly improve the lives of some of the poorest and most severely ill Ohioans. In combination, the expansion should relieve providers, businesses and the privately insured of most of the cost of uncompensated care, making complex and dysfunctional cost shifting a thing of the past. Further, streamlined eligibility determination promises to reduce bureaucratic snafus and ridiculous difficulties for families negotiating their ways through the public welfare system. Creation of a single cabinet-level Medicaid agency -- proposed to, and ignored by, previous governors of both parties -- promises to strengthen management of the largest program in state government. The concurrent consolidation of mental health and alcohol and drug addiction service agencies will allow the same during a period when access to and funding of behavioral health services will undergo unprecedented expansion.

Beyond the broad outlines of the Medicaid expansion, the attention to details is noteworthy. For example, payment reforms will focus more attention on improving health, preventing disease and managing expensive chronic conditions that drive so much of health care cost. Additionally, directing Medicaid's graduate medical education support to primary care professions and away from subspecialties is a bold first step in addressing the undersupply of general practitioners and oversupply of subspecialists. The administration's effort to reach out to the Obama administration to explore covering a portion of the newly-covered through subsidies to private insurance is a groundbreaking alternative that might set an example for other states that are reluctant to move forward with the Affordable Care Act. And finally, the proposed trigger mechanism aborting the expansion if the federal government fails to fulfill its financial commitments provides assurance that future state leaders will not get hammered with enormous unfunded federal mandates.

Taken as a whole, Gov. Kasich's executive budget reflects both pragmatism and principle. It is broad in its reach and extraordinarily thorough in its detail. It bears the stamp of the governor's conservatism throughout, but borrows from the political left where he sees a benefit for Ohio. It is, in a word, balanced.

As with all legislation, the budget will be the subject of hundreds of amendments, which is business as usual. But this is decidedly not a business-as-usual budget. Nor is it doctrinaire. The thoughtful combination of its major provisions gives it an integrity that is far from the norm. It is a combination worth fighting for as a piece, and the governor should not hesitate to call on Ohioans to make their voices heard if it starts to unravel.

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