



**JOHN R. KASICH**  
GOVERNOR  
STATE OF OHIO

February 2, 2015

Fellow Ohioans and Members of the General Assembly:

At a time when many states are struggling to maintain healthy, balanced budgets, Ohio's fiscal position is strong. This is due, in great part, to our state's improving economy, continued focus on efficient management in state government and ongoing commitment to fiscal discipline. We must also recognize the benefits gained from Ohio's new emphasis on annual budget reviews, which for the first time in 2012 and again in 2014, provided a mid-biennium analysis of state agency spending, programs and policies. The result has been a continuous, comprehensive and business-like process aimed at restraining the growth of state spending, improving services for Ohio taxpayers and enhancing the climate of economic competitiveness that builds and maintains job opportunities in our state.

Ohio's two mid-biennium budget reviews and the entire budget-writing process we have employed have been underscored by my firm belief that state government must work to innovate each and every day – and, with those innovations, find value and efficiencies for taxpayers.

Ohio's return to sustainable fiscal stability that a more rigorous approach has made possible has not been lost on outside observers. Each of the nation's top credit-rating agencies continues to give Ohio a positive credit outlook. Also, job creators, far and wide, are making decisions to invest in our state because they now see Ohio as a promising place to do business. The stability afforded by our strong fiscal health is part of what makes Ohio attractive.

With all this in mind, the Executive Budget I present to the General Assembly today maintains fiscal restraint and builds on much of the work that we began in the last four years – addressing areas that are so critical to long-term economic success such as education, tax cuts to improve competitiveness, and opportunities for those most in need of assistance. We know this path is the right one because Ohio is winning once again.

To help more Ohioans share in our economic success and ensure we continue building a strong jobs-friendly climate, this budget will pursue transformational policies that create more opportunities for each and every Ohioan:

- **Ensuring That Students Are Ready for College and Careers:** To best serve Ohio's children and young adults, we need a world-class education system built at the local level that helps prepare students for careers or college. Our budget helps more students earn credit in new, flexible ways, strengthen opportunities for high school students to earn college-level credit, and ensures that more resources overall are provided to those districts with the least capacity to raise revenues locally.
- **Helping More Students Get Degrees:** Ohio's public colleges and universities are national leaders after adopting a performance-based funding formula that rewards student success and graduation, but affordability remains the nation's top issue impacting higher education. New strategies will help universities find ways to control costs, so college can be more affordable to students and their families.
- **Cutting and Reforming Taxes:** Ohio's \$3 billion in tax cuts over the past four years has helped fuel our economic renaissance and my Administration's budget builds on this proven strategy by cutting the income tax rate by 23 percent and eliminating income taxes altogether for virtually all small businesses. New tax relief for low- and middle-income Ohioans will also help people move up the economic ladder by keeping more of the new money they earn. This budget's tax reform proposals will help move Ohio away from its traditional, excessive reliance on taxation of income, which stifles investment, savings and economic growth.

- Helping Ohioans Move Up and Out of Poverty and into Jobs: Our new Office of Human Services Innovation is bringing badly needed reforms to the state's array of programs to help break the cycle of poverty. This budget creates the framework for a person-centered case management system where services are based on an individual's needs in order to better support them as they move toward self-sufficiency. An initial focus will be on low-income teens and young adults, ages 16-24, where we can have the greatest impact on helping those with some of the highest unemployment rates.

The reforms in this budget will help create opportunities and jobs for all Ohioans – keeping us on the road toward solid, sustained prosperity throughout this great state. Together, we have done so much to lift up Ohioans, much remains to be done and I know we can continue to make Ohio the best place to work, live and raise our families.

Sincerely,

A handwritten signature in blue ink that reads "John R. Kasich". The signature is fluid and cursive, with the first name "John" being particularly prominent.

John R. Kasich  
Governor