

GOVERNOR JOHN R. KASICH
2013 STATE OF THE STATE ADDRESS
LIMA, OHIO
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[OPENING PROGRAM OMITTED]

GOVERNOR KASICH : Thank you . Thank you, Mr. President. Thank you, Mr. Speaker. Thank you, members and colleagues from the General Assembly, members of my Cabinet, the great people of Lima. We love the way you welcomed all of us here today. Am I right, Members of the General Assembly?

(APPLAUSE)

And, of course, my wife, Karen Kasich. Sweetie, would you stand and say hi?

(APPLAUSE)

GOVERNOR KASICH: I believe that jobs are our greatest moral purpose. And when I say it, I have a couple of thoughts in my head, a couple of videos that run through my mind. Think of a dad who goes home one day. Mom's at the dinner table. Maybe she just got home from work. Kids are gathered around. Dad says to the family, "I've got some news for you. I lost my job today".

Maybe the kids don't all understand it. Maybe one of them begins to cry. Think about the mom. Single mom, dad ran out on her, two or three kids, struggling every day, she hears word of layoffs. She says, "How am I going to make it?" She doesn't tell the kids.

Let's switch that picture just for a moment.

Put that same family at that table, and dad comes home, and he sits with his family. Says, "Honey, kids, I got a job today". And the kids start to squeal and clap.

Or the single mom who gets the oldest daughter and takes her up to her bedroom and said, "You know, honey, I thought it looked pretty bad for us, but I got a promotion. We're going to make more money. Things are going to be better for our family."

That's what I think about every day when I get up, and my mission has been to create a growing economy that allows people to realize their hopes and their dreams and their purposes. Because it's through our work that some of our life has meaning.

It's about our mission. It's about the purposes that the Lord set out for us.

And my mission is not just to give some people work. My mission is to make sure that everybody in our state has the chance to realize their hopes and dreams and that their families can do much better. Because it's not good enough for some to do well while we leave others behind. And so we must work every day to make sure that everyone has a chance in Ohio.

When I came into office, I came in and built a team of really great people, including Members of the Assembly that would put Ohio to work and reclaim our rightful place in the United States of America as one of the great states. Ladies and gentlemen, tonight I can tell you with great confidence - we are succeeding here in Ohio in turning our state around, and it is fantastic.

(APPLAUSE)

Today we are up 120,400 jobs--120,400 families that have a better life. We're number one—number one—in job creation in the Midwest, and number six in job creation in the United States of America.

(APPLAUSE)

Our budget is balanced. In two and a half years at the end of this fiscal year—this is pretty breathtaking—we have gone from \$ 0.89 in our rainy day fund to a \$1.9 billion surplus.

(APPLAUSE)

And our credit outlook has improved. When they downgraded countries all over the world - in fact, even downgraded the United States of America—Ohio's credit outlook has improved.

And as you know Lima and Allen County, right where we are tonight, of course, are shining examples of a community that is coming back strong. Thanks to the hard work of the people here, thanks to their creativity, and you've learned about it today from manufacturing to advance manufacturing, to the ability to move things through this area because of their strategic location. We're doing better here in Allen County. The unemployment rate has fallen from 10.8 percent to 7 percent in the past two years, and right here in Lima, 2,200 new private sector jobs have been created.

(APPLAUSE)

Lima is winning, and Ohio is winning.

This took a lot of effort; it took a special partnership with you, the General Assembly. The first thing we had to do was restore confidence and respect in our state. I mean, we had to balance the budget. No more smoke and mirrors. No more moving things around. We needed to have a structural balance and it had to be done for no other reason than common sense.

Hey, folks, I know many people have lost their way in Washington, D.C., but you can never spend more than what you take in. Overtime, it makes no sense. If a state can't manage its money—if it can't balance its budget—what can it manage? How can people have confidence in it if we can't get the common sense things right?

Well, in the process of balancing this budget, I hope you all note, we didn't just cut, we re-engineered many of our programs. Thanks to the great work of Greg Moody and John McCarthy, we reformed Medicaid.

For 25 years, this state wanted mom and dad to have the resources to stay in their own homes if they were able and not be forced into a nursing home – where they could stay in their own homes, where they could be more independent, more healthy, more independent at a much lower cost. For 25 years, this was, this effort was made to fix this. We did it, didn't we? We got it done. And now mom and dad can stay in their own homes, and they can be healthier and more independent. We won that battle.

(APPLAUSE)

We moved to coordinate care. You know, 4 percent of Medicaid recipients drive over 50 percent of the cost. Their care was not coordinated. It didn't make much sense to them. And you know how

complicated it is for all of us to be in a position to be able to understand health care, and the ins and outs. We're now coordinating the health care of that 4 percent so their care is not just coordinated, but logical, and where they are healthier. And the whole country now is looking at our program.

We have slowed the growth of Medicaid to 3.2 percent – unthinkable in many places in this country – and we're now one of the great leaders in the country for Medicaid reform. Other states are looking at what we have done in Ohio to not cut people off, not to reduce their benefits, but to make the system work better. And that's the way you move to balance a budget.

We've also reengineered state government. We've used the private sector techniques of Six Sigma, Kaizen and many other reforms.

Joe Testa – over at the Tax Department – Joe figured out folks here in Allen County and across the state who are watching, that many businesses have been over paying their tax bill. And you know what the government did? Never told them. Kept their money in a drawer somewhere. Kept the secret from them because after four years, that money became the property of the state of Ohio.

Well, Joe figured it out through his team's efforts and we have returned millions of dollars to over 3,500 businesses who had overpaid their taxes, and Joe is just getting started. It is time that the government treat the taxpayers with respect and help businesses when they pay their bills.

(APPLAUSE)

We've reduced the number of state employees to the lowest level in 30 years, and you know how we've done it? Teamwork. We don't need to fill all the positions. We can get people to think differently. We have a way to go on all that, but we're making progress.

And we needed to lower taxes, and we needed to make our state more competitive. Ladies and gentlemen, this is not ideology; this is just the way the world works. You know, it is necessary to grow an economy and to create jobs by reducing that income tax. I just want you to know, I talk to these CEOs all the time – I talk to them through in the state, and I talk to them around the country, and not long ago, I talked to them in other parts of the world – and when you tell them that you are reducing taxes and reducing the taxes on income, they get it. It sends a message and a signal that Ohio's open for business.

And at the same time we killed the death tax. The driver behind that—Bill Batchelder. And you know why? The heirs of our entrepreneurs – the owners of these small businesses and our great small farmers – they shouldn't have to sell the farm and sell the small businesses to pay the death tax for their parents who built something. They should be able to pass this on to next generation.

(APPLAUSE)

We also created JobsOhio because the government agency that was created 50 years ago for the purpose of business development, it became antiquated and it became slow. You know, in the 21st century you must move at the speed of business. You cannot move at the speed of the statute. You must be out there every day understanding what the job creators are saying, and JobsOhio has allowed us to think about defining our economy and, in fact, we are.

Think about Ohio. When you leave Ohio, you say to people, "what do they do in Ohio?" Well, you know, they're all manufacturing. Well, we love manufacturing or agriculture, we love farming, but JobsOhio has led us begin to think about things like bio-health, automotive, advanced manufacturing, polymers and chemicals, financial services -- number two in property and casualty in the country. IT—

there's nothing that's happening more exciting than in the area of IT. Aerospace, where we're now beginning to work in the Dayton area thinking about being able to fly unmanned vehicles. In the area of agribusiness and, of course, energy, which has us all excited, and logistics.

You see, if you have many different areas that you target, when one part of the economy goes down, it doesn't mean it sinks your state. And so JobsOhio has been able to work to diversify us and it's clearly working. And now that we're funded, we think we're even going to get more out of Jobs Ohio than we've seen so far.

We also moved directly in the direction of common sense regulations. Mary Taylor—Mary, stand up—our Lieutenant Governor of the State of Ohio.

(APPLAUSE)

Mary's husband, Mary's husband is a small businessman. He knows about the regulations and how they can kill small businesses, particularly the smallest businesses that are really fragile. Mary runs the Common Sense Initiative.

And let's just talk about our philosophy in one area - - oil and gas. We believe in having an environment where we can prosper the oil and gas industry, but we also believe that in the process of doing it, we cannot endanger people and we cannot endanger the environment. And if you use common sense, you, in fact, can protect the public safety. You, in fact, can protect the environment and you can create jobs, and we are doing it in Ohio. Thank you, Mary, for your efforts at bringing common sense.

(APPLAUSE)

For me, there was always something unique about Ohio, something special. I can't help but smile when I think about coming to Ohio as a kid, as a little boy, seeing Cleveland. Cleveland rocks. Literally.

(AUDIENCE LAUGHTER)

Been to the Hall? Lake Erie. Every time I fly up there, I look at that lake and I say, boy, are we lucky to have that Lake Erie right here in Ohio. We've got to take better care of it and we have to tell people more about it.

You know, I loved Ohio then, but then my father took me to Columbus to visit Ohio State University. A lot of dads, a lot of moms took their kids to visit Ohio State. I fell in love. You know, I sensed Ohio's excitement then, I felt its opportunity. I knew Ohio was going to be my home, and nobody was going to drag me away from this place because it's just so, so awesome.

But, folks, we have all seen our state drift over time. We've seen it get old. We've seen it begin to misfire and fall behind. But like a great old home, I knew Ohio could be restored to its grandeur, to its greatness. You see, Ohio is a land of hope and opportunity -- realize dreams for our families. We're safe, we're friendly, we're filled with the potential to pursue our passions. We take care of our neighbors. You know, Ohio is a place where we can work, contribute, build a better community. We can be a shining example of how when people get together, they can get it right. And not just for ourselves, but for our children, of course, most especially.

But, folks, the rebuilding has to continue. We can't rest on our gains, we haven't tapped all of our potential. There are too many challenges that haven't been met and we move forward with this vision

in mind and therefore, we must continue to build our economy, continue to build the new and exciting 21st -century jobs, and we must rebuild our roads, and our highways, and our bridges. We must provide for our children the opportunities that we all had. We need to lift, we need to lift the poor, we need to lift the beleaguered, and we need to have America follow us because I think they're beginning to, and perhaps one day they may even join us here in the great State of Ohio.

(APPLAUSE)

This is our vision, and our budget is the next step in that vision, but I would ask all of you to keep your eyes focused on the mountaintop. Don't get distracted or discouraged by the twists or the turns or the detours along the road. I really believe our legacy depends on what we do.

You know, Ohio is getting it right and it's being noticed. As most of you know here and some that are watching may not know, I recently traveled to Davos, Switzerland for the World Economic Forum. I really wasn't that excited about going until I got there because I had the chance to meet with scores of job creators, CEOs. You know, they all wanted to meet with me. And you know why? Because they couldn't figure out why we were figuring it out.

All over the world, things aren't working. There's so much dysfunction. There's so much falling apart, and they asked me one simple thing: how are you getting these jobs created? What are you folks doing in Ohio? And not only that, they're saying how can you go from \$0.89 to a \$2 billion surplus, from \$8 billion in the hole to a surplus? How is it happening? Because this is something we have to pay attention to because we may want to come to Ohio.

It was so fantastic to be there and to be a person that could represent everyone here. I wish you were all there. Because we think some of them are going to come to Ohio. We think we do have them excited because of the work that all of us have done.

Well, what do we do now? Should we rest on our laurels? That's what most people think when you pull out of the depths of where we were—just, you know, kind of relax. Should we put the State on cruise control? Oh, I got another one for you—why don't we just spend the surplus? Things are good, just go ahead and, you know, take your foot off the gas. Well, we're going to keep our foot on the gas here in this Administration, and we hope you will join us.

And when we look at the great companies around the world, companies that continue to innovate, continue to embrace change, companies that have leaders with vision—think about this, folks—the ones that are the most exciting in the world today: Apple, Cardinal Health, Amazon, Google, the Cleveland Clinic, IBM, and right here in Northwest Ohio, Marathon. These companies strive for change every day and the State of Ohio must do it as well.

We cannot rest on our laurels. These companies—

(APPLAUSE)

--the companies don't fear big ideas. We must not fear big ideas. We must embrace them. Oh, yeah, let's debate them. And that's the fun part of being in the government, debate them without the personal attack, debate them on the merits, but embrace them, because at the end of the day, big ideas, it will renew us, it will restore our youth, it will give us excitement.

We will have a sprint in our step because big ideas renew people. The only thing that can stop us, ladies and gentlemen, is the fear of change, the fear of big ideas. Let's not go there. We're starting to hit on all cylinders.

Our program of innovation and common sense policies, we believe, does create success. Just like the first budget helped us to dig out of the hole and set the stage for growth, this allows us to shift into higher gear. Our budget is designed to come together and create jobs and let's not forget, to provide help for the most vulnerable.

First and foremost, Ohio's taxes are too high, and they are particularly punishing to our small businesses. We punish our small businesses with too high of taxes in our state.

(APPLAUSE)

Flat out, end of story. They are the engines of job creation in our state. And let me be clear, this is a comprehensive program to cut taxes by \$ 1.4 billion, and I'll talk about a few of the specifics. We propose lowering the sales tax from five and a half to five percent.

We've also proposed broadening the base. And we've done—and in doing so, we will be able to provide a 50 percent tax cut to our small businesses, a 50 percent tax cut.

For example, if a business has \$40,000 worth of income, they will only pay taxes on \$ 20,000. What a shot in the arm. And remember something: these are the people who create nearly 50 percent of the jobs.

You know, when we think about job creation, we tend to think about all the, the big companies, the big operators. Over 50 percent of the jobs that are created in our state and across our country are those small business people. A 50 percent tax cut for them will spur economic development in our state and we have also proposed cutting the personal income tax by 20 percent over the next three years.

And look around the country and see how many states are trying to wipe out their income tax. Yeah, it 's a race to see who can create the best business climate .

You know, and we did all of this with the income tax to avoid driving some of our best and brightest out of our state. And in case you don't believe me, talk to your friends. See how many people escape Ohio to go to a place where the taxes are lower. We don't want to drive our best and brightest out of our state. We don't want to drive them out because they take their charity and their ideas and their innovation. We need to stop it, and it will breathe new life into Ohio's economy.

You know, we've also proposed modernizing the severance tax so that all Ohio can benefit from the oil and gas discoveries in our state.

I know many of you are concerned about that. Since we started talking about it, I think the amount of money invested in our state in our reserves is about \$4 billion. People are coming here. The State of North Dakota has a severance tax of eight or nine percent. They're exploding. They can't even find enough workers out there. The problem is oil companies only pay two dimes of tax, 20 cents, on a \$90 barrel of oil. It's not sustainable. And I want us to think about that.

What does it all mean? Well, maybe two business owners said it best in regard to this program. Kathleen Dewey from the Mt. Carmel Brewery in Cincinnati said, "These tax cuts mean a lot to us. What means more to us at Mt. Carmel Brewery Company is that our government is behind us."

And Cindy Woodward of Early Express in Dayton said, "the real thing this means to me is it brings hope because we have someone in power who cares about small business, who understands that we are the engine that fuels the economy, and I haven't felt that way in a while."

Look at our tax cut plan, and keep that family sitting around that table in mind as we move forward on this issue.

I'd like to talk about another job creation program, our plan to improve the infrastructure, our roads, our highway, our bridges. We're within 600 miles of 60 percent of the country. It is an incredible economic advantage when I talk to CEO, I said you want access to the North American market, you want to be in Ohio. We've got the size, the skill, the people, but we got the location. We can move things so quickly through our state because we're improving our infrastructure.

You know, the fact is when you make things here, you got to be able to move them. But here's the problem. We have significant infrastructure needs. Under the current system, we fall way short of funding those needs. So we figured out a creative way to leverage one of our great assets, the Turnpike. By bonding against the tolls of the Ohio Turnpike, we're going to be able to raise one and a half billion, and when combines with other federal, state, and local funds, we will have \$3 billion, \$3 billion to fix our roads, our highways, and our bridges.

And we will bring some projects that were going to be executed 20 years from now into a six-year window. And at the same time we do all of that we estimate that this will create a minimum of 65,000 jobs for people who help to rebuild our State.

(APPLAUSE)

Folks, JobsOhio just went into the market and did a bond deal at four percent money. Members of the Legislature, we're going to debate all these different things, let's try to move it as quickly as we can. Because we have a window out there, we have a window out there of cheap money. We got to go and get it, and as quickly as we can move it.

I know what's going on, I know the debate about where's all the money going to be. You know, we work through all this to make sure you get what you expect, and we'll work together and we'll get it done, and we'll capture some of that really good money to help put people to work and make Ohio an even stronger state.

You know, in the 21st Century when we have job opportunities, we need to make sure that we have the skills to take advantage of them and nothing's more important than our K-12 education system. We're going to reflect on the school reforms that we've achieved before we get into the details of what we're doing next.

We enacted Third Grade Reading Guarantee. I really want to thank you all for that. Look, in my opinion, you can't have a kid that can't read, a student that can't read at the third grade level pushed to the fourth grade. You just can't do it. Okay.

(APPLAUSE)

Now, it's not good enough just go test them. You got to start early. You got to make sure that they have the skills starting, you know, pre-K, kindergarten, first, second, third grade. We will intervene and we will help to make sure these children can pass, can really have good quality. Because, you know, in the early years, when you go to school, a young child learns to read so that later in their lives they can read to learn.

And the studies indicate that if a child does not have good reading skills by the tenth grade, going to drop out. It's like going to a country and not speaking the language. Thank you for what you did on this.

We also have created the A through F Report Card, and also a building –by-building comparison. So, look, not only do moms and dads know how their school's doing, but also inside the school, school boards, teachers, administrators.

We can figure out where we're strong and where we're weak, and then get about trying to fix it. That's why we need this A through F. And I want to thank the Legislature for giving it to us. And we delayed it for a year because I thought your request was reasonable, and so we're going to move forward with this program, and we're going to monitor it, and I want to thank you for what you have done there.

We've also, of course, expanded school choice for parents with children in failing schools. And in our new budget, we have proposed expanding school choice for kindergartners who live in poverty. It is an expansion, this program, and we're excited about it.

(APPLAUSE)

We know about education. You got to have it. It unlocks your future. You don't have it, it's not going to work. You're going to fall behind. And you think about GEDs and that's great, we've got to take care of that problem, but we've got to have good education.

We have proposed a plan – I want to be clear about this, and I will put this out so you can read it – we have proposed a plan to help every boy and girl, regardless of where they live. Our plan provides a total of \$1.2 billion in new funds over the next two years. That means that by the end of the next budget cycle, Ohio will actually be providing our K-12 system more in state aid than they received at the height of the one-time federal stimulus money in 2011. That is an unbelievable amount of money according to anybody's calculation.

(APPLAUSE)

When it comes to school funding, we have one common sense guiding principal: Ohio must help those schools that do not have the resources to help themselves. Schools that are poor, or schools that have growing student enrollment, they need more help than those who are getting richer, or those that are getting smaller in terms of student population.

Every school deserves help to meet the individual needs of its students, because on top of the basic formula we know that we've got to help schools who have children who are disabled, students who are poor, students who are learning to speak English, students who are gifted, or students who have limited access to early childhood programs. This school funding plan does all of this.

Under our plan, Ohio's poorest and urban districts get more money than Ohio's wealthiest districts. They get a bigger share of overall school funding than the wealthiest districts. They also get more per pupil before funding guarantees are factored in.

Additionally, the poorest schools in Ohio receive \$1.1 billion while the wealthiest receive less than half of that. The very poorest district will receive \$7,500 per pupil--\$7,500 per pupil in the very poorest district--and the wealthiest will receive \$110. It's an objective plan that applies equally to all districts based on their property tax wealth and residents' income, as well as the individual characteristics of the students they serve. And most important, this is driven by the needs of students, not by the needs of adults. This is driven by the needs of students, not by the needs of adults.

The simple fact of the matter is—

(APPLAUSE)

—now, this plan also guarantees that no school district will receive less state formula funding than they did last year. No one receives less, even if they have fewer students or growing wealth. You see, we would believe it would be destabilizing for schools to suddenly allocate funds strictly by the formula where all dollars follow the student. And districts only receive funding for the students they are teaching. We're not moving on this now, but we're in a period of transition, and over time, Ohio must begin to look at this guaranteed funding to find a way forward that delivers resources in the way that helps our boys and girls the most.

The simple fact of the matter is we're going to have to work together to make sure that we are moving our resources to those districts that have unique students, that are not as wealthy—those districts that do not have the population—we've got to do it together, because the current system is not serving the boys and girls in our state as effectively as we could be doing it, but we're going to have to do it together.

Also critically important, we're giving a significant increase to vocational education.

(APPLAUSE)

And somewhere Jim Rhodes is smiling. You know, he came up with the whole idea of vocational education and somehow we got away from it. We're going to give a 16 percent increase to vocational education. And we know this—look, if a student has a passion to make things or do things, and doesn't want to follow the traditional academic route, God bless them. I like to say my plumber makes more than my lawyer.

Okay. The fact of the matter is, feed kids' passions. Whatever they want to do, let them have it. If they want to go home at 4 o'clock in the afternoon to work on a car, let them work on the car in school, and teach them about advertising because they're not going to sell their services if they can't write English. Talk to them about math because they're going to want to charge for the work that they do, but don't cut them off from the possibility of a two - year or four - year education. We're going beef up the academics in those vocational schools so you can have it all.

(APPLAUSE)

Higher education. These community college president s and four-year presidents, they're heroes. You know, what they decided for the four-year schools that only 50 percent of the money they get from the state to run their operations will go to them upon a student's graduation, not on enrollment, on graduation, because we want kids to graduate. That is something they stuck their necks out on. It would have been easy to try to say no, we don't need to do that or come up with excuses. They're saying when a child, a student, or an adult enters our schools, our hallways, we want to make sure that they're going to graduate. And the same is true for our community colleges. When they go there, you get reimbursed on, on completion of courses, not just walking in the door. Because can you think of anything worse, two or three years in a four-year school, huge debt, you quit. You got big debt, got no job, got no certificate. It doesn't work. And so these community colleges and university presidents have stepped up and they have answered the bell.

You know, a lot of places in this country, they cut this higher education. We love higher education. It is one of the great assets for the state of Ohio, and I never talk to a job creator where I don't stress the fact that our colleges and universities can pinpoint and prepare our kids for the 21st - century jobs. They need an amazing amount of credit for what they have done and we are now leading the country in stressing graduation over enrollment. It is going to strength en the economy of the state of Ohio.

(APPLAUSE)

We got to integrate business with academics. I mean, this is a big challenge and it's a big challenge worldwide. Some countries get it better than others. Germany does a pretty good job at this. America's floundered on this. You see, if we can bring our business community, our job creators in to K-12 and the two-year and the four-year schools and help to design the curriculum and help to give people a view of what it means to work in those different entities, we're going to turn kids on for education.

And it's all this business of job training, and all of you in the General Assembly, you get it. I appreciate and thank you for your attention. I understand the first two bills of the Ohio Senate are on job training. And we're going to work on this day and night until we fully integrate it. We are making great progress, but we have a way to go. And it involves changing the culture of our state, changing the culture of academia and convincing businesses that working with us, we will produce the kind of worker that can answer the bell in the 21st century.

Thank you for your work in this area, and we are going to stay on it, and we're going to be aggressive and together, if Ohio solves this problem of having skilled workers, it will be another incredible arrow in the arsenal of what we do to attract jobs and bring companies, not just expand in Ohio, and not just somebody in Indiana, but somebody that might even come from India. Let's do it together. Okay?

(APPLAUSE)

Let me remind you of my background. I was in Congress for 18 years. Of those 18 years, I spent 10 years fighting to balance the budget. Tom Sawyer was there during some of those years. I even worked against the president of my own party when I thought he wasn't being aggressive enough.

It wasn't comfortable. But I felt we needed to balance the federal budget. Because of all that work I became Chairman of the House Budget Committee. Pretty amazing. And in 1997, I was one of the architects of the Balanced Budget Agreement, and our budget was truly balanced for the first time since Neil Armstrong walked on the moon. We had large surpluses, we paid down large amounts of the publically - held debt, and we were growing jobs. It was bipartisan. A lot of meetings, a lot of long hours, a lot of yelling and shouting. We all kind of liked one another though, respected one another. And we got it done. And I'm proud of it. I understand programs like Medicaid and Medicare. I worked on them. I understand the issues that are involved in reforming Medicaid and Medicare.

My staff helped create some of the direction that we were going to fix some of the problems. I know that Medicaid and Medicare have to be transformed, there's no question. And transformed in some ways along the lines of what we have done with Medicaid in the State of Ohio. And when they finally, the federal government, finally figures out how to begin to solve the problems of Medicare and Medicaid, we will be ready to navigate those changes. But in the meantime, while we're waiting for answers, we should not shoot ourselves in the foot and send our tax dollars to another state to be spent. It is not fair to the taxpayers of the state of Ohio, plain and simple, because if we don't do what we should do on Medicaid, they'll be spending it in California.

You count on it.

(APPLAUSE)

We have unprecedented opportunity to bring 13 billion of Ohio's tax dollars back to Ohio to solve our problem. Our money coming home to fix our problems. It's a unique opportunity. We've never gotten our fair share. Well, I think it makes sense to bring this money home. And this money can provide health coverage for the poor, a great number of them who are working poor individuals who make less than \$15,415. They can't afford health care. What are we going to do, leave them out in the

street, walk away from them when we have a chance to help them? The program provides a pathway for these individuals to get basic health care from a doctor. You know where they get their healthcare now? They get it in an emergency room. Try going getting primary care health care in an emergency room.

First of all, it's not efficient, it's effective. It costs everybody more money when they do that because the emergency room's the highest cost operation you can get for health care. And it's not fair for them because they don't get healthier, so they're sicker and we pay for that as well. We need to get them primary care basic coverage. Furthermore, the federal government's going to end this aid to hospitals that serve the uninsured right now. The federal government's going to phase this out. You know what this is going to do to rural hospitals? Do you know what this is going to do to urban hospitals if we turn this down?

I come into Lima today, one of the first buildings I see is the big hospital up there. We don't want to take a chance on wrecking that place. Going to make sure that they're healthy, they're an integral part of our community.

You know, I'm not a supporter of Obamacare. We rejected the federal government telling us to run the state - run exchange. They didn't give us the flexibility that would have been best for our state. Mary and I sat down, we weren't going to go for that. Didn't make sense for us. We - - I don't believe in the individual mandate. I don't like a lot of the programs that are going to drive insurance rates up.

But in this case, extending Medicaid benefits will help us on many levels, including the positive impact this decision can have on the mentally ill, and the addicted. Some of them live under bridges, some of them live on streets, some of them are in our jails tonight. One of the sheriffs that I was with the other day told a story of a man whose life had gone really pretty perfectly. He got sick, started living in the woods. He's now in the jail. He wraps scriptures around his fingers to ward off evil. The sheriff told me, he doesn't belong in our jails. It's a chance to rebuild the safety net that we've all wanted to since we have released people from, from these mental hospitals.

My personal faith in the lessons I learned from the Good Book, they're like, run my life. I mean, I'm serious, they're very important to me. Not just on Sunday, but just about every day. I got ta tell you, I can't look at the disabled, I can't look at the poor, I can't look at the mentally ill, I can't look at the addicted and think we ought to ignore them.

For those that live in the shadows of life, those who are the least among us, I will not accept the fact that the most vulnerable in our state should be ignored. We can help them. And I want all of you to think about this.

(APPLAUSE)

I know it's controversial. I just want to take you one place. One day your son comes home, your daughter comes home, says, mom, my brain's not working right - - put it in your family. Put somebody that is in your family who becomes the wayward child. They come home one day, they can't get a job - - put it on your doorstep, and you'll understand how hard it is.

I respect the decision you're all going to make. I know it's controversial, just please examine your conscious, keep an open mind, and I think we can work and get there. I sure hope so.

You know, we're an administration that thinks no one should be left behind. And, look, I think what's so great is we're growing jobs, our economy is stronger, we're running surpluses, our credit is up,

we've got industries thriving, but we're not ignoring the weak. Jim Buchy, the Lord doesn't want us to ignore them.

I want to thank the Legislature for agreeing to mandate the autism coverage for families. I called a lady right before we announced it. She burst into tears, she was the Joan of Arc of fighting for autism coverage. She made me cry. You know, these families are under so much stress. They all play by the rules, and they're hurting. They called it the Christmas Miracle.

Kevin, thank you. Where's the Mayor - - right here - - thank you. They called it the Christmas Miracle, didn't they? Thank you for

helping the families who have children with autism. They are better in the State of Ohio now because of what the legislature has done.

(APPLAUSE)

We gave \$ 5 million to the food banks to alleviate hunger. Oh, my wife, God bless her. She goes to the Backpack Program, think about this, on a Friday night, for kids who are embarrassed to take food home on Friday night, stick the food in the backpack. They go home and they can eat because when we didn't do this, they went to school on Monday - - am I right, Senator Lehner - - they went to school on Monday, they couldn't learn. Five million dollars for food banks.

Two million dollars in that special grant for Children's Hospital. I mean, what a great organization that is, and they're working together all over the state. I think we have the best Children's hospitals in the country, if not the world.

And I also want to tell you, I remember the day we announced that, and the look on the parents' face, these moms and dads who have the severely disabled children, and you know what we did, we said your kid doesn't have to work in a sheltered workshop, they can work in a normal business setting. Oh, these moms and dads were so excited. I'm just excited thinking about it.

Last year we gave Teresa Flores the Governor's Courage Award for what she did on human trafficking. I want to thank the Legislature. We passed a bipartisan comprehensive human trafficking law. Thank you, Representative Fedor. And I'll tell you, it's been only six months, there have been five traffickers indicted in central Ohio alone. And we are - -

(APPLAUSE)

- - we're dedicated to surrounding the victims and they're pretty awesome people.

Again, my wife works with them at the Catch Court in Franklin County. And these ladies, I'll tell you, you ought to hear them talk, they're fantastic. And some of you, the press was there over Christmas and I had them tell their stories unannounced. They can heal and they can have a chance, too.

Big agenda, isn't it? A lot of stuff here: turnpike, and higher ed, and K - 12, and tax reform, and, wow, right, wow. I mean, things are happening in Ohio. You may not like it all, but it's pretty cool and look at the total picture.

It's a big lift, it's a big lift to get this done.

And we need inspiration, and we get it from people right here in our state. You know, I started this Governor's Courage Awards - - I just love this thing to tell you the truth - - because what it does is recognize a lot of people that would never be recognized if we hadn't created the awards.

This year I hold up the example of Wapakoneta's own Neil Armstrong, who's an inspiration to all of us. Remember? Some of you are too young in the Legislature, but remember, "One small step for man, one giant leap for mankind. "

But what people will tell you about Neil Armstrong, he never looked for the limelight. He never wanted to get on the top of the mountain and shout, you know, "look at me."

I met him once. He was so gentle. If you talked to his neighbors, he was just as good a guy as you could ever find, and he had the gift of humility. I think it was because he realized that even though he walked on the moon, and it was so historic, he stood on the shoulders of thousands of other people. That's what he did.

His sons, Rick and Mark, are here tonight. And they are here to accept this award on the basis of that fantastic achievement, but also on the basis of what we can learn from a great man's humility. Please join me in welcoming Rick and Mark, the sons of Neil Armstrong.

(APPLAUSE)

Well, this one, this is going to get you out of your chairs, too. Sondra Williams, she spent a large portion of her life being misdiagnosed and misunderstood. As an adult with high - functioning autism she fought through the uncertainty and the lack of understanding that surrounds autism spectrum disorders, and established herself as an advocate for the condition.

Her mission has been to break the mold of ignorance, to educate the public, and offer guidance and support to those who are dealing with similar struggles. She's not only talking the talk, but, you know, she's walking the walk, let me tell you. She is currently the Director of Autism, Research Institute's Youth Division. She mentors young people who have as autism and gives them hope and courage and strength. She's a member of the OCALI Advisory Board, she's on the Autism Society's panel of advisors, she's even an author. She wrote a book called "Reflections of Self."

This is a special lady, ladies and gentlemen, and she's getting the Governor's Courage Award for what she has done to serve all of us and particularly those that have been in need in the State of Ohio. Please welcome Sondra Williams.

(APPLAUSE)

Later this month, Ohio commemorates the first anniversary of a school shooting that took the lives of three students and injured three others in Chardon High School. I was there for a couple of days. The principal, the superintendent, the teachers, the guidance counselors, the staff - - what a privilege for me to be able to have a chance to spend time with them and learn from them. They're unbelievable.

It's not easy there, even today. It's still tough. And they're trying to put the pieces back together. Some of the pieces are gone. We know they're never going to be quite the same.

I went there and I could sit there with them because as many of you have in this auditorium, I've looked in the black hole. The tragic and sudden death of my mother and father put me there, but I've healed. The Lord's grace has healed me. And when I pray for this great, incredible group of people, and when I think about the staff and the students, some of whom are still struggling, and I think about the people of Chardon, I pray they're going to heal, they're going to heal. They're going to because they are tough and compassionate and smart. They're going to make it.

But what courage they showed on that fateful day, and what courage they have shown ever since. It was appropriate to honor today, with the Governor's Courage Award, those leaders, those staff members who've worked day and night to bring peace, to bring understanding to all the people of Chardon so that at the end of the day, those killings and that shooting will not be lost in vain. It's going to make them somehow through the tragedy better for it.

But we will remember those who have lost their lives and those who have been injured, and we'll pray for them. But in the meantime, I'd like to take a second to honor the great staff from Chardon High School for their great work.

(APPLAUSE)

How about all the winners? Huh, how about all the winners?

(APPLAUSE)

Ladies and Gentlemen, we are in a transformational stage in Ohio. A lot of Ohioans feel it. You know, we can debate the details, but we can never lose sight of the vision. If we look around the country, we see so much dysfunction, so much anger, anger. I've been in politics a long time. I've been the target of some of this anger. I got to tell you, fortunately, it doesn't bother me, it just doesn't. Because when you're about a mission, you don't get stuck by it.

But what does bother me is the tone we communicate to our children, the tone we communicate to each other. Too many people are losing faith in our government. They're tired of the name calling and the personal attacks and the partisanship, and I'm right and you're wrong, and that's okay to have that debate. But it starts to get into name calling and personal. Let me tell you something, the public's sick of it. They reject it.

You know, in, we see it sometimes in Ohio, but all across America if anger, vitriol, partisanship prevail, our children, our state, and our country will continue to suffer. People never remember positively those who tear down. Un - huh, they don't. I've been around a long time, folks. They don't remember those who seek to destroy or tear down.

Do you know who they respect? Those who build up. The builders are what's remembered. People sent us here to solve problems and improve their lives. That's why they sent us here. What a unique opportunity that we have to do that.

You know, I walk outside the State Capital - - I can't wait till the birds are chirping out there - - and I look over the north, and I see a man in a hurry over there carrying a briefcase, a big statue of a man carrying a briefcase who was always in a hurry. He was one of Ohio's greatest men and greatest problem solvers. His name was James A. Rhodes. I knew him, he was something. You think I'm something with all these things, you should have met him. He was a guy always on the move.

And then when I go in, you know, I go up those escalators to where my office is located, "pawdnah" is there - - the big statue of Vern Riffe. Vern was something, he was really something. And as I got older and as he got older, we became friends. I got to know him better and better and better.

Rhodes and Riffe - - they worked together, they solved the problems, and they built a stronger Ohio.

There have been times when we worked together. Some don't like to think about it, but it's true. Collateral sanctions where we're giving a person the chance to redeem themselves and get work, a chance to redeem themselves and have another chance.

Cleveland Schools plan. Boy, I haven't seen two groups of legislators work harder together than that little group, that little cabal that put that plan together in the House and the Senate, and struggled. And I remember bursting into your office that night, Bill Batchelder, and how excited everybody was about that plan - - it's going to fix Cleveland in my opinion.

Human trafficking, I've mentioned.

Sentencing reform - - can't lock them up, can you, forever? Can't do it. So we're giving them another chance there as well. And I want to thank the prosecutors for working with us.

And JobsOhio, too. Who would have ever thought that at the beginning of JobsOhio, that JobsOhio, too, would receive bipartisan support.

And the energy bill where we put the regulations in place. Old Sean O'Brien, I mean, I got on a call, they said, well, O'Brien wants all these amendments. I said, well, give them to him, let's pass the darn thing. And we've got the best rules and regulations in the country on fracking.

You know, we've got to look for ways to work together. If we do, we can reduce poverty, give opportunity, we can grow jobs, we can educate our children. And you know the great thing is, when they find out about Ohio, when they come here and they spend the weekend, they start thinking about moving here. And it's because we get it right.

If we unite and we stay together, nothing, but nothing can stop us from becoming the greatest State in the greatest country in the world. God bless you, God bless Ohio, and God bless the United States of America.

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