



JOHN R. KASICH
GOVERNOR
STATE OF OHIO

Taking Ohio to the Next Level for Jobs and Opportunity

2015 Accomplishments

Consistent with their priorities during the previous four years, Governor John R. Kasich and Lieutenant Governor Mary Taylor continued to tackle reforms to improve Ohio's business climate and set the stage for long-lasting economic growth. Since 2011, more than 385,000 private-sector jobs have been created and the state's unemployment rate continues to be significantly lower than the national rate. Accomplishments of the past year have been achieved through strong partnerships between the Kasich Administration and members of the General Assembly on both sides of the aisle, with educators, local officials, and business and community leaders, allowing Ohio to improve upon the positive momentum that's been built over the past four years.

KEEPING THE STATE'S FISCAL HOUSE IN ORDER

- Maintaining Fiscal Discipline: After hard work and tough choices helped get Ohio back on its feet, many have called for relaxing Ohio's budget discipline, but Gov. Kasich has been through this challenge before and adhered to his fiscally conservative principles. As chair of the U.S. House of Representatives Budget Committee, Kasich was the architect of the first balanced federal budget in a generation, but watched with frustration and amazement as, after he left Congress, Washington backslid from conservative budget principles and blew a projected \$5 trillion surplus in a few short years. He is committed to making sure Ohio does not go down that same path. As governor, his state budgets have been built with conservative revenue estimates and spending projections, tax cuts and a stronger rainy day fund. At a time when many other states are struggling with fiscal challenges, Ohio's new state budget is among the strongest, thanks to John Kasich's fiscal discipline. The result is an economic climate friendly to job creators and a formula for future prosperity that helps more Ohioans participate in our state's economic revival.
- Rebuilding Ohio's Essential Budget Reserves: Finding a mere 89 cents in Ohio's emergency savings account when he came into office, Gov. Kasich was determined to rebuild the state's depleted rainy day fund to a healthy level. With an initial deposit of \$247 million in July 2011, the governor's three biennial budgets have produced more than \$2 billion in surpluses for the rainy day fund – the strongest emergency reserves in Ohio history and a convincing sign to taxpayers and job creators alike that Ohio's economy is back on track. At the end of 2015, those meager savings of 89 cents have grown to \$2,004,568,922.44.

CREATING A STRONGER CLIMATE FOR JOB CREATION

- Helping Small Businesses Grow: The governor worked with the Ohio legislature to improve the state's business climate by phasing out income taxes on many small businesses. Small businesses earning under \$250,000 in business income will no longer pay taxes on income earned in 2016 and income above \$250,000 will now be subject to a new, low flat tax rate of three percent. Through these tax reforms, Ohio has created opportunities for business growth and job creation that will keep our economy growing.

- New Businesses are Being Created: So far in 2015, Ohioans have created 83,215 new businesses – a pace that puts Ohio ahead of last year’s record. The 83,215 new businesses are 23.4 percent more than had been created at this same point in 2010.
- Spurring Job Growth: During the first three quarters of 2015, JobsOhio finalized 233 projects for a total of 14,480 new job commitments and 31,768 retained jobs for a total of \$2.3 billion in annual payroll. Additionally, new and existing companies made \$4.7 billion in total capital investment. (JobsOhio’s final 2015 metrics will be available in March 2016.)
- Ohio Sets New Record for Minority Purchasing: For the first time ever, Ohio achieved the goals of its Minority Business Enterprise program by purchasing a record 19 percent of eligible goods and services through minority-owned businesses while spending a record \$228.5 million. Established in 1980, the program mandates that state agencies set aside 15 percent of their annual purchases for goods and services for certified minority-owned businesses, but for far too long state government failed to live up this expectation.
- Job Creation Continues to Improve: Ohioans have created more than 385,000 new private sector jobs since Gov. Kasich came into office in January 2011 and Ohio continues to be one of the top ten job-creating states in the nation. Additionally, Ohio’s unemployment rate is 4.5 percent, much lower than the nation’s rate of 5.0 percent. Wages for Ohioans also continue to grow at a faster rate than the rest of the country.
- Incentivizing Companies to Invest in Ohio: Ohio is setting records in job creation through economic development thanks in part to job creating incentives. Companies are investing in Ohio and compliance with commitments has improved each of the past five years in every incentive category, as verified by independent review by Ohio’s Attorney General.
- Reforming Ohio’s Regulatory Environment: Led by Lt. Gov. Mary Taylor, the Common Sense Initiative (CSI) was one of the first initiatives of the Kasich Administration, charged with eliminating excessive or duplicative rules and regulations that stand in the way of job creation. Since 2012, CSI has reviewed more than 7,700 rules with more than one-half being amended or rescinded.
- Lowering Income Taxes: Thanks to the new state budget, personal income tax rates are now at their lowest rate since 1982. With nearly \$2 billion in net tax cuts this past year, Ohio will have reduced taxes by \$5 billion since Gov. Kasich took office, with income tax rates for all Ohio taxpayers lowered by another 6.3 percent this year. This means Ohio’s top marginal income tax rate will have been cut from 5.925 percent when Gov. Kasich came into office in 2011 to 4.997 percent in 2016.
- Reducing Workers’ Compensation Costs: Ohio continued to reduce workers’ comp costs for both public and private employers, decreasing rates by nearly 11 percent for private employers and 9 percent for public employers. Since January 1, 2011, private employer rates have been reduced 21 percent and public employer rates are 26 percent lower. This is in addition to \$2 billion in rebates in 2013 and 2014 and an additional \$1.2 billion in credits to help transition Ohio to a modern workers’ comp billing system, which already is supporting lower rates for employers.
- Ohio Forms Agreement to Maximize Growth in Shale Gas Industry: In an effort to maximize growth in the shale gas region, Ohio entered into an agreement with West Virginia and Pennsylvania to collaborate on areas critical to the success of the growing industry. As part of the new agreement, the three neighboring states within the Appalachian Basin will discuss ways to cooperate in marketing efforts to attract new businesses, strengthen workforce development programs, spur investments in expanding infrastructure and delivery of natural gas and liquids, and encourage their academic institutions to expand and collaborate on research.

MEETING OHIO'S INFRASTRUCTURE NEEDS

- **Ohio Takes on 1,600 Highway Projects:** Building upon the progress made in the governor's first term to address critical transportation needs, the governor signed a transportation budget that brings Ohio's total investment over the past three years to nearly \$6.7 billion for almost 3,000 projects across the state. These projects have put thousands of people to work and helped expand and maintain our transportation system to meet the needs of Ohio's growing economy.
- **Making Significant New Investments to Ohio's State Parks and Dams:** A record 118 projects have been completed or are in the planning and construction process at state parks and state-owned dams, as the Ohio Department of Natural Resources works to catch up on infrastructure repairs that had been postponed for decades.

CONTINUED STRONG SUPPORT FOR K-12 EDUCATION

- **Record Support for K-12 Education:** Ohio increased funding for K-12 education to record heights. Most significantly however, Gov. Kasich has emphasized not only increasing funding for schools, but ensuring money is going to the schools that need it the most and supporting the needs of students in the classroom.
- **Improving the Way Ohio Helps Struggling Schools:** To help students stuck in struggling schools, Ohio revamped its Academic Distress Commission process to accelerate change in districts that have fallen into academic trouble. The new plan gives the district leader the freedom to innovate and requires clear, measurable goals that will ensure students get the education they deserve.
- **Ensuring a Quality Education:** Ohio's Educational Choice Scholarship Program has been giving students from under-performing public schools a choice to attend another school for almost two decades. This past year, Gov. Kasich ensured its continued success by increasing EdChoice scholarship amounts to \$4,650 for K-8 and \$5,900 for high school in FY16 and \$6,000 in FY17. By expanding these scholarships, the governor is ensuring students have access to a quality education.
- **Strengthening Oversight and Accountability of Ohio's Charter Schools:** Ohio now has new tools to dramatically increase oversight and accountability for all charter schools and their sponsors. Ohio will hold charter sponsors to a strong set of consequences based on quality practices to ensure their schools help students grow academically and comply with state law. Ohio's focus on quality choice options for students is protected by the state's ability to revoke the right of the poorest-rated sponsors to authorize and oversee schools, while clamping down on low-performing schools by making it harder for poor-performing charters to switch sponsors. Thanks to tougher new laws, equipment purchased with state funds for use in a charter school maintains its public status and belongs to the school, not a private school operator.
- **Helping Students Advance at Their Own Academic Pace:** It is important to understand each student learns differently and at a different pace. Creating space for individuality in a structured learning environment can sometimes be difficult, but is vital for successful students and schools. Ohio will create as many as five pilot programs that advance students when they master course material, not just after they have spent a set amount of time in a class.
- **A Continued Commitment to Mentoring:** Ohio's Community Connectors mentorship effort has sparked much interest in communities across the state, bringing together parents, schools, communities, faith and value-based groups, and businesses. In 2015, Ohio awarded nearly \$10 million to 117 community partnerships for new mentoring initiatives. To further support the program, Gov. Kasich successfully sought \$20 million in new funding over the next two years to jumpstart additional mentorship programs in our schools.
- **Expanding Early Childhood Education:** Gov. Kasich doubled the number of preschool opportunities in his first term for economically disadvantaged children by expanding the program from 5,700 to 11,090 children. This year, Ohio added

an additional \$40 million to provide preschool for 6,125 additional children, which will bring the total number of children served to more than 17,000 by 2017 – more than a threefold increase from 2013 in both children served and funding. Additionally, because we know that most brain development takes place in the first five years of life, Ohio is taking steps to ensure that children, of all ages, who attend quality-rated childcare facilities, have access to at least 12.5 hours of educational instruction each week. This will align childcare standards with preschool education.

- Helping Ohio Adults without Diplomas Get Back on Track: In today's society, obtaining a high school diploma is becoming increasingly necessary, and a lack of a diploma can provide a road block to many of Ohio's job opportunities. However, after the age of 22, adults are no longer eligible for traditional high school diplomas. In 2014, the governor's Mid-Biennium Review launched a pilot program allowing two community colleges and three Ohio technical centers to create new initiatives to help adults earn credits toward a high school diploma, while pursuing in-demand job training coupled with industry-recognized credentials. The recent budget provided an additional \$1.25 million for up to five additional pilot sites at Ohio community colleges and Ohio technical centers to help adults without diplomas get over the hurdle. This will provide increased venues for Ohio adults to better themselves and prepare for Ohio's in-demand jobs.
- Straight A Fund: Two years ago, Gov. Kasich created the Straight A Fund to help improve student achievement, increase efficiency and tear down barriers to college and career training. The program sparked a wave of creativity in our schools and so the program is continuing with \$30 million in new funding over the biennium.
- Revolutionizing School Programs: In the 2015-2016 school year, the state superintendent of public instruction will be able to grant 10 additional waivers to districts that allow them to explore new, innovative ways of assessing student learning and evaluating teacher effectiveness.

STRENGTHENING HIGHER EDUCATION

- Creating More Learning Opportunities: Building upon previous reforms to help students earn college credit in high school, \$10 million has been allocated to credential more teachers for college-level instruction and provide competitive grants to universities for teachers to become credentialed for college credit plus courses. With more high schools able to offer college-level credit, students can get a jump start on college at no cost and reduce their overall college education costs. Students will also have access to College Credit Plus during summers.
- Making College More Affordable: Ohio has frozen tuition and general fees at two- and four-year state supported schools, assuring Ohio remains a leader in holding down the growth of tuition and general fees. At the same time, a nine-member Task Force on Affordability and Efficiency appointed by the governor, provided a report detailing how public colleges and universities can further reduce costs and pass those savings on to students. Ohio also will establish a new \$10 million grant program to promote educational excellence and economic efficiency to stabilize or reduce student tuition rates. In addition to efforts to minimize tuition rates, Ohio will invest an additional \$13 million to enhance several scholarships, including the Ohio College Opportunity Grant, War Orphans and Ohio National Guard funds.
- Reaching Out to Communities: To help low-income community college and regional campus students accelerate their coursework, the recent state budget gave students access to funds from the Ohio College Opportunity Grant (OCOG) to fill a gap in the federal Pell Grant, which does not fund year-round studies. Through this effort, Ohio's college campuses can be put to greater use during the summer months, to help low-income students succeed.
- Preparing Students for the Workforce through Work Experiences: While time in the classroom is invaluable, the best way to prepare Ohio's students for their future careers is to partner in-class education with real-world experience in the workforce. Ohio is working with its public and private colleges and universities and the business community to embed

work experiences into the curriculum of degree programs. This will include co-ops and internships for in-demand jobs, such as computer science.

- Strengthening Ohio's School Counselor System: To help more students get the college and career advice they need to succeed in the workplace and to compete for Ohio's in-demand jobs, Ohio developed first-ever standards for school counselors, which will include Ohio-specific knowledge of career counseling. At the same time, Ohio's colleges and universities were tasked to put in place a career counseling program by December 31, 2015.

PROTECTING OHIOANS

- Strengthening Community-Police Relations: Ohio's Task Force on Community-Police Relations, appointed by the governor, presented a report with recommendations on how to strengthen relationships between communities and law enforcement. These recommendations are based on the underlying belief that both the community and law enforcement have a responsibility to improve community-police relations. To begin to implement these recommendations, Gov. Kasich created the Ohio Collaborative Community-Police Advisory Board. The board developed Ohio's first-ever standards for the proper use of force, including deadly force, and the recruiting, hiring and screening of potential law enforcement officer candidates. All of Ohio's law enforcement agencies are being asked to adopt these policies.
- Making Campuses Safer: Campus safety is a leading issue among colleges and universities throughout the nation. With recent issues centered around high rates of sexual violence on college campuses, Ohio is dedicated to taking steps to make campuses safer. To help address this problem, Ohio identified best practices for preventing and responding to campus sexual violence and allocated \$2 million to implement these new strategies.

PRESERVING OHIO'S ENVIRONMENT AND NATURAL RESOURCES

- Protecting Lake Erie: In partnership with the General Assembly, as well as conservation and agricultural organizations, the Kasich Administration achieved historic changes to improve Lake Erie's water quality. In early 2015, Kasich signed legislation to aggressively tackle water quality issues in and around the Lake Erie basin by making it illegal to put manure or fertilizer on frozen, snow covered, or rain soaked ground unless proper farming techniques are used; eliminate the disposal of dredge material in Lake Erie by 2020; and modify new and existing wastewater discharge permits for major wastewater plants while expanding monitoring and continuing to limit phosphorus in state waters. Ohio also reached an agreement with Michigan and the Canadian Province of Ontario to achieve a 40 percent reduction in the amount of phosphorus entering Lake Erie's western basin by 2025.
- Keeping Buckeye Lake Residents Safe and Fixing a Long-standing Safety Problem: Buckeye Lake has long been a popular outdoor recreation area, but its dam was deemed by the U.S. Army Corps of Engineers to be in danger of catastrophic failure due to decades of inaction by the state to make needed repairs. The Kasich Administration took swift action to keep those in the flood zone safe and began construction of a new dam to restore tourism in the area as quickly as possible. Also, an additional \$25 million in capital funding was allocated in the state budget to get the project started.

CARING FOR OUR MOST VULNERABLE OHIOANS

- Improving the Lives of Nursing Home Residents and Caregivers: More than 300 Ohio nursing homes signed up to participate in the Ohio Music & Memory Quality Improvement Project. Music & Memory is an innovative approach to dementia care that uses personalized playlists to help residents reconnect with cherished memories and the world around them. It also builds lasting, caring relationships, provides a calming effect, improves the care experience for all involved, and may reduce the use of certain medications. Since July 2013, Ohio nursing homes have been required to participate in at least one quality improvement project every two years. Music & Memory is one of several projects

approved by the Department of Aging. In November, 2015, the department announced a second phase of the project aimed at recruiting as many as 150 additional nursing homes in the program.

- Supporting Ohio's Disabled: The governor has taken great strides to ensure every Ohioan with a developmental disability who wants to live and work in the community can do so by investing \$286 million over the next two years to increase home- and community-based services, support community work opportunities and create new options for individuals who want to leave institutions. Gov. Kasich believes all Ohioans should be able to choose the setting for care that is right for them and has continued to build on the success of his first term to improve the quality and accessibility of home- and community-based alternatives to institutional placements. Today, more than 50 percent of long-term care spending is directed to home- and community-based options, rather than institutional settings. This year's budget instituted unprecedented new investments in services to ensure that more Ohioans with developmental disabilities who want to live and work in the community can do so.
- Empowering Prescribers and Pharmacists to Prevent Opiate Abuse: Ohio became the first state in the nation to provide funding to integrate the state's prescription monitoring system directly into medical records and pharmacy systems. By helping more prescribers and pharmacists get instant access to the state's prescription drug monitoring program, healthcare professionals can intervene quickly when they see warning signs of opiate addiction, get Ohioans the help they need and prevent drug overdose deaths.
- Combatting Infant Mortality: The governor strived to reduce Ohio's high infant mortality rate by dedicating funds to provide enhanced maternal services through Medicaid health plans for women living in neighborhoods most at risk for poor infant health outcomes. The budget dedicated funds to provide grants to private, nonprofit or government entities that demonstrate the ability to deliver evidence-based tobacco cessation interventions to pregnant women and women living with children who reside in communities most at risk for poor infant health outcomes.
- Improving the Lives of Individuals with Autism: Gov. Kasich supported the creation of an online training and certification program to improve the quality of life for individuals and families by creating a better trained support system. The program offers practical information and skills that are demonstrated with real-life examples, and can benefit anyone who interacts with individuals with autism, including parents, grandparents, service providers, teachers and first responders. The program, which is free for all Ohioans, can be accessed anywhere, even in the most rural areas of our state.
- Advancing Children's Health through Research Collaboration: The governor pledged an additional \$2 million to support shared medical research among children's hospitals in Ohio. The funds were directed to two research projects, with \$1 million to study asthma treatment options for children and another \$1 million to focus on pediatric pneumonia diagnoses. The research will be funded with federal dollars that Ohio was awarded for enrolling more eligible children in Medicaid and the Children's Health Insurance Program. Gov. Kasich committed \$2 million in 2011 as well to support collaborative research among hospitals on children's health issues.
- Providing Mental Health and Addiction Care: The Kasich Administration prioritized helping individuals with mental health and addiction by increasing funding for services and extending Medicaid coverage to nearly 400,000 individuals needing behavioral health treatment. The recent state budget continued this trend by including plans to redesign the Medicaid behavioral health benefit package and improving care coordination through managed behavioral health care. The budget also dedicates funding toward priorities such as suicide prevention and saving lives through the drug naloxone, which blocks effects of opiate overdose.
- Helping Ohio's Communities Strengthen Their Fight Against Drug Abuse: The Governor's Cabinet Opiate Action Team

- assembled a toolkit to help communities across the state implement strategies critical to Ohio’s fight against opiate abuse.
- New Behavioral Health Resources for Young Children: The impact of poverty and trauma on young children can have a lasting effect on their emotional and academic well-being. To help address these issues, Ohio is applying best practices developed over the past three years and will provide \$5 million over the biennium to train staff and develop support plans for children in need; make Early Childhood Mental Health Counselors available to children, teachers and early childcare staff; create a hotline for acute problems; and make an early childhood counselor available for site visits within 48 hours of a request to conduct observations.
- Improving Healthcare Quality: The governor sought to improve health care in Ohio by expanding care coordination services and reforming hospital payments. In 2015, the governor improved healthcare for children in foster care by providing them the coordinated care benefits of Medicaid’s managed care plans instead of the old, government-run fee-for-service program. Additionally, individuals with developmental disabilities will have the option to enroll in Medicaid through managed care plans.
- Further Linking Nursing Facility Payment to Quality: Building on reforms of the first four years, the Administration has taken additional steps to align payments distributed to nursing homes with the quality of care they deliver. By way of the Executive Budget, beginning in FY 2017, facilities will need to meet a set of five measures in order to receive full quality payment.
- Reducing Health Problems Caused by Smoking: While smoking is generally known to lead to a wide array of serious health ailments, exposure to second-hand smoke also is known to put the general public at risk for lung cancer. In order to create disincentives for smoking in order to protect the public well-being, Ohio’s cigarette tax was increased by 35 cents.

STRENGTHENING PATHWAYS TO SUCCESS

- Ohio “Bans the Box” for State Government Hiring: Ohio state government has removed from their employment applications a requirement or box that asks applicants to disclose whether or not they have a prior criminal conviction as it focuses on policies that create opportunities for all Ohioans to get back on their feet, become productive members of society and take part in the state’s economic renaissance. New legislation will require all public employers to remove the checkbox from their applications.
- Reducing Recidivism and Treating Addiction in Ohio’s Prisons: Approximately 80 percent of Ohio’s prison inmates have histories of drug and alcohol addiction and those who don’t overcome their addiction have a higher likelihood of re-entering prison after their release. By leveraging the clinical expertise of the Department of Mental Health and Addiction Services, Ohio is expanding services and getting inmates the help they need to overcome their addiction while they are serving their sentences and provide a seamless transition of services and supports to ensure sustained recovery after their release. In addition, the state will begin transferring low-level, non-violent inmates with addictions to serve their short-term sentences in community treatment facilities rather than in a state prisons where they might not receive the treatment they need.
- Focusing on People, Not Programs to Help Ohioans Move Up and Out Of Poverty: For far too long, government has tried to treat the collected “symptoms” of poverty instead of seeking a cure for the underlying challenges that low-income Ohioans face. The budget starts addressing this by allocating existing federal and state funding to create the framework for a Comprehensive Case Management and Employment Program to provide services customized around an individual’s employment-readiness needs and to better support them as they move up and out of poverty. By

creating a person-centered case management system the governor is reshaping Ohio's welfare system to better support the needs of Ohio's poor and to create greater opportunities and means for self-betterment. New initiatives are initially focused on those ages 16-24 in order to have the greatest impact and prevent the poverty cycle at an early age. The goal is to expand this approach to other low-income populations in the future.

- Removing Barriers to Moving Up: The lack of access to affordable and quality childcare remains one of the biggest employment barriers for low-income parents. The loss of subsidized childcare once a family's income grows above 200 percent of the federal poverty level (approximately \$3,298 a month for a family of three) is one of the most detrimental benefit "cliffs" working poor encounter as their economic situations improve. Ohio allocated \$14 million over the next year to soften the impact of these types of "cliffs" and to remove copays for families with incomes at or below 100 percent of the federal poverty level. A significant disincentive to economic advancement for the working poor has been removed by raising the income limit for initial childcare eligibility and allowing families to keep subsidized childcare longer as their incomes gradually increase. Families would instead have their child care subsidies phased out gradually until their income reaches 300 percent of the federal poverty level, or approximately \$4,948 a month for a family of three.

