



JOHN R. KASICH
GOVERNOR
STATE OF OHIO

PUTTING OHIO'S FISCAL HOUSE IN ORDER

Fiscal Restraint and Streamlined Government Brought the State Back from Recession

Coming into office in January 2011, at the end of a worldwide economic downturn, Governor John R. Kasich was confronted with a state budget projected to run \$8 billion in the hole and holding a mere 89 cents in its rainy day budget reserves. From its very first day, the Kasich Administration worked to recover Ohio's fiscal stability by restraining the growth of state government spending, reducing bureaucratic waste and making state agencies provide more efficient public services. Putting Ohio's fiscal house in order required aggressive, and ultimately successful, action on a number fronts:

- **Eliminating a Projected Budget Shortfall, Without Raising Taxes:** Gov. Kasich's first mission when he took office in 2011 was to make the tough choices required to fix Ohio's projected \$8 billion budget shortfall – and to achieve a balanced budget without raising taxes. Not only did this help get Ohio back on stable fiscal ground, but it also signaled to job creators that Ohio was once again a safe place to do business.
- **Convincing the Bond-Rating Agencies to Upgrade Ohio's Credit Outlook:** Citing improvement in the state's financial position and return to structural budget balance, Standard & Poor's in 2011 and Moody's Investors Service in 2012 each upgraded their outlook for Ohio's credit rating from "negative" to "stable." Ohio's current credit rating of "AA+" with a "stable" outlook, as accorded by all three public-finance credit rating agencies, matches the highest ratings achieved by the state since 1979. High ratings like these can result in favorable interest rates for state bond issues, and save Ohio taxpayers millions of dollars as a result.
- **Restoring the State's Near-Empty Rainy Fund to Reach a Record Level of Essential Budget Reserves:** Renewing state government's fiscal stability was a key factor in the Kasich Administration's ability to restore job creators' confidence in Ohio. Ohio's "rainy day" reserves -- held as a cushion for the next national economic downturn – grew from just 89 cents in 2011 to \$2.69 billion today.
- **Ohio's Interactive Budget Raises a New Bar for Transparency:** Ohio's Interactive Budget is a first of its kind, comprehensive and online open checkbook that enables visitors to see not only how state money is spent, but also how revenue is generated and allocated within the state budget. The Interactive Budget website – an extension of the state accounting system – provides the public with easy access to the accounting state government's financial and transactional data in an easy-to-use, searchable format.
- **Making Common-Sense Reforms to Streamline Government:** The Kasich Administration made important strides to reduce state agency costs and better organize the way government works, such as combining the Department of Alcohol and Drug Addiction Services with the Department of Mental Health, merging the Division of Watercraft with Ohio State Parks and consolidating duplicative operations in the E-Tech Ohio Commission, Medical Transportation Board, State Architect's Office and Cultural Facilities Commission, among others. The Department of Youth Services and

Department of Rehabilitation and Correction began sharing business-office services to drive efficiency and overhead savings, while similar back-office consolidation reduced overhead costs for the departments of Aging and Health.

- **Right-sizing State Government:** The number of state employees was reduced by 12 percent over the course of Gov. Kasich's two terms. Today there are nearly 7,000 fewer state employees on the public payroll than when the governor took office – reductions made while at the same time improving the efficiency and effectiveness of state services.
- **Restraining the Growth of State Government:** In addition to a significant reduction in the number of state employees, Gov. Kasich held the line on spending of taxpayer dollars in other aspects of government operations. Over his eight years, total government spending grew by just 2.2 percent per year on average. In 12 years prior to the Kasich Administration (FY1999-11), average yearly spending grew at nearly double that rate (4.2 percent).
- **Using a Data-Driven Approach to Improve Efficiency in State Government:** Gov. Kasich embraced Lean Six Sigma, a data-driven approach to eliminating inefficiencies by making government services simpler, faster, better and less costly, His administration undertook more than 300 Lean Six Sigma process-improvement projects in 43 state agencies, boards and commissions – driving savings of tens of millions of dollars when the new processes and other improvements are fully implemented.
- **Removing Burdensome Regulations:** On his first day in office, Gov. Kasich signed an Executive Order creating the "Common Sense Initiative" (CSI) to eliminate excessive or duplicative rules and regulations that stand in the way of job creation. As a result, over the past eight years more than 13,000 rules were reviewed with more than one-half being amended or rescinded.



November 2018