

2017 STATE OF STATE OVERVIEW

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This week Governor John Kasich delivered his seventh State of the State, this time in Sandusky, on the coast of Lake Erie. Given that it's a state budget year, it was expected that the focus of his speech would be to highlight certain aspects of his budget. Additionally, the Governor announced several new initiatives to fight the ever growing opioid addiction crisis and talked about Ohio's economy and how he believes we are on the right track for continued economic growth.

The coast of Lake Erie holds its own set of unique issues including algal blooms, dredging issues, and overall water quality concerns. The Governor highlighted the \$2.5 billion that the state has invested in Lake Erie since he took office. Additionally, he announced a \$1 million grant for Sandusky to work on restoring wetlands in Sandusky Bay. The restoration of the wetlands and returning them to pristine working order will help filter pollutants that may run into the lake. As the Governor pointed out, helping to restore the quality of the lake and the natural habitat around it is also an investment that will boost economic growth in Ohio.

Gov. Kasich naturally touted the growth of Ohio's economy during his tenure as governor. Kasich cited both surveys of CEOs who have named Ohio one of the best ten places to do business, as well as Forbes ranking Ohio as the 11th best state for business (up from 38th in previous years). The Governor cited his small business tax cut that the state legislature enacted just two years ago as one of the main reasons for the boost. However, he also pointed to several pieces in his proposed budget that he believes will help continue Ohio's growth and ability to attract jobs and investment. These include his proposal to reform the net profit portion of the municipal

tax collection system (which ZHF has outlined here) and his continued push for lower income tax rates.

On the education front, Gov. Kasich proposed creating a task force to bring together leaders of industry and education to look to the future to see what changes need to be made to our educational system, including new emerging economic sectors and what schools can be doing now to prepare students. The Governor also made a plea for a proposal that has not found much support in the public or the legislature, requiring teachers to spend a few days outside of the school in a business before they can earn their license renewal. He also indicated that he wants to put business leaders in a non-voting role on local school boards.

The big policy initiative announcement of the night focused the opioid addiction crisis. The Governor is asking the Third Frontier Commission to provide up to \$20 million to help bring scientific breakthroughs to help battle drug abuse and addiction. The money will be used for research and helping to develop new methods to block withdrawal symptoms, relieve pain without using addictive pain killers, and much more.

Gov. Kasich ended the main portion of his speech by discussing the divide our country is facing by the polarizing partisan politics, which is also the topic of his new book that is being released later this month. He stated that he believes that if we can put the partisan talk behind us, support our seniors, veterans and those less fortunate, that those actions will bring us together and that's where greater progress will be made.

Full text of the Governor's speech can be found here.

<http://www.governor.ohio.gov/Portals/0/pdf/2017%20State%20of%20the%20State%20Transcript.pdf?ver=2017-04-05-151135-413>

If you would like to discuss the 2017 State of State, please contact Charlotte Hickcox, or any of the other professionals at Zaino Hall & Farrin LLC.

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