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Gov. Kasich Has Year to Rescue His Legacy

By Matt A. Mayer

John Kasich's entire time in office occurred during the longest expansion in modern history. A little over a year from now, his tenure as Ohio's governor will come to an end potentially at the same time a cyclical recession hits. How will Kasich use the next year to cement his legacy, especially as he continues to posture himself for another presidential run in 2020?

Kasich will be remembered for five successes and failures. First, his biggest legacy will be his Medicaid expansion under Obamacare to roughly 700,000 Ohioans. This action occurred in opposition to his own party and with support largely from the left. It has dramatically increased Ohio's dependency on federal funds (from 25.3 percent in July 2013 to 34.5 percent in July 2017), with Medicaid swallowing an even larger share of the state budget (from 41.6 percent in July 2011 to 50 percent in July 2017).

Next, Kasich is due some credit for adhering to Ohio's constitutional balanced-budget requirement. Though state spending outstripped inflation every year until growing deficits forced budget cuts over the past two years of his tenure (average increase was 4.5 percent per year), Kasich closed a multibillion-dollar deficit when he took office and replenished Ohio's "rainy day" fund to more than \$2 billion.

A core element of Kasich's plan to fix Ohio rested on his privatization of economic development in JobsOhio. Because of the lack of transparency, we can't truly gauge whether JobsOhio works or not. We can, however, use the rough metric of private-sector job growth. One would assume that Ohio's private sector would get stronger, not weaker, during an expansion with each passing year JobsOhio works its magic. Unfortunately, the opposite has occurred. From 2011 through last month, Ohio has netted the following number of jobs each year: 90,900; 75,900; 82,200; 87,400; 57,600; 52,100; and 42,300.

Kasich's biggest loss came over public-sector collective-bargaining reform in 2011. Unlike Wisconsin's successful effort under Gov. Scott Walker, Ohio's legislation made the fatal mistake of including public safety forces. After this defeat, Kasich refrained from any major reforms involving unions.

Lastly, Kasich will have spent 3.5 years running for the presidency, with little to show except a primary win in his home state and the adulation of Democrats and the mainstream media. What could Kasich do to add to his legacy?

He could use the emergency-laws provision in Ohio's Constitution to pass a right-to-work law. With supermajorities in the Ohio House and Ohio Senate, the legislature could pass a right-to-work law as an emergency measure. Critically, emergency laws are not subject to a "veto referendum." That single act would do more to make Ohio competitive than everything else Kasich has done in the past seven years.

With the exception of Pennsylvania, Ohio is surrounded by right-to-work states, serving as the left flank in the union wall that runs from Ohio to Maine where private sector job growth is the worst.

Kasich also could lead an effort to streamline Ohio's 3,700 taxing jurisdictions. For too long, state policymakers focused only on state taxes while ignoring the impact those adjustments had on local taxes. As a result, as Ohio's state taxes have gone down a bit, local taxes have gone up. If we want Ohio to become an economic leader, we need to lessen the combined state and local tax burden. Our population barely has grown in the past 30 years, as more attractive states grow with our graduates and increase their electoral power and representation in Washington.

Kasich claims he's been a transformative governor, but his real record is far more meager. His Medicaid expansion and spending with his failure to reform government pay and benefits or the number of taxing jurisdictions along with his inability to get Ohio's private sector booming will leave a fiscal mess for future governors. If he wants his paragraph in the history books to be memorable, he'll have to go big in 2018. Otherwise, he'll look small compared to his peers (Florida's Rick Scott, Michigan's Rick Snyder, and Walker) from the gubernatorial Class of 2010.

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