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Governor John Kasich's budget is adding fuel to the rhetorical fire that's consumed Ohio these past two months. The two-year budget released Tuesday leaves plenty to be desired but gives Kasich this… He's keeping his word on taxes, so far anyway, as he closes the $8 billion budget hole.

The governor said he found savings not only in the $26 billion of the state's general revenue fund but also in the special accounts that are usually dedicated to specific needs. Altogether, the state funds total $52 billion.

Titled "The Jobs Budget," Kasich's two-year spending plan slashes funding for local governments by 25 percent in fiscal 2012, which starts July 1, and 50 percent the following year. However, he said local governments will have more flexibility to control costs such as sharing more services and will get revenues from casino operations.

His first step is getting a handle on state spending.

We've seen the beginning with collective-bargaining reform and the privatization of the Ohio Department of Development. Kasich last week promised much more was on the way and he meant it.

Despite his ability to win over his audience, his performance was met with only sporadic applause from the crowd of nearly 900. Kasich received tough questions from Republicans and downright skepticism from Democrats as well as teachers and other public workers who say his proposals would gut schools and government services.

We have 4 more years of this type of government from him and his way of thinking.

His budget and ideas, I hope, will affect the need to get out and vote in the next governor's election. Dissecting the entire budget will take longer than a day but the early headlines tended toward school funding, cuts to local government, further privatization, and major changes and cuts to some departments.

It's no surprise to see local government funds slashed again. The cuts are worse than many expected but less than they could have been. Kasich proposes cutting local government funds by 25 percent in the coming year and by half the following year.

Still, any further cuts in local government funds continue the lie on which the sales tax was first sold to Ohio voters. The tax was supposed to be for the sake of state and local governments but that is becoming less and less the case. We understand the need for all governments to tighten their belts however the state is forcing deeper cuts on local governments without absorbing the same hit.

Sales haven't dropped by half so why should local governments' share of tax receipts?

The Kasich Administration proposal is to create regional service centers that would facilitate the sharing of services across school districts and other governmental entities. While details of the governor's proposal have yet to be released, the proposal appears to be in line with the Ohio Smart Schools report.

The report said the state should provide more regional support to schools and districts through comprehensive Regional Service Agencies that would provide economies of scale and opportunities to share services at lower costs. The report also called for the state to expand the existing network of P-16 councils statewide to help communities organize their resources around effective strategies to support children. The report found, for instance, that through regional coordination of transporting charter and private school students, school districts in Ohio's eight metropolitan areas could save as much as $238 million.

The second proposal from the Kasich Administration was to create regional purchasing pools so that school districts and other local governments could buy health insurance at a lower cost. The School Employee Health Care Board last month updated its estimates of potential savings following an Ohio Smart Schools report that called for the state to provide this additional support for schools and districts.

That report, titled A Check-up on School Employee Health Care: A Proposal to Reduce Costs Without Reducing Quality , said the state should create a statewide or regional purchasing pools so that schools and districts can buy their health insurance together and get a lower cost, which would save up to $138 million. The report also called on districts to

encourage employees to enroll in lower-cost health plans, which could provide additional savings of up to 37 percent over most existing health insurance plans.

The School Employee Health Care Board now estimates that if school districts and state universities were to participate in even larger health care insurance purchasing pools, the savings could be as much as $318 million.

Expanding digital learning

Kasich and legislators are likely to ignore that reality as they talk about shared sacrifices. Word choice will be important through the budget process. School officials, for example, are going to complain about cuts while Republicans talk about spending more there.

Both sides will be right.

The governor also went after the health care providers. Kasich proposes to cut reimbursement rates by $380 million over the next two years on top of a $190 million tax increase that was imposed during the last state budget. Skilled nursing has already experienced more than a 10 percent cut in funding over the last two budgets and that tax increase will remain in effect under Kasich's plan.

Skilled nursing facility reimbursement rates have remained flat, except for the tax increases, since 2005.

The governor said his reforms for Medicaid, which accounts for 30 percent of the state budget and growing, will focus more on coordinated care and preventative care. For instance, it will seek to provide services for the elderly so they stay out of nursing homes and to give prenatal care to pregnant women to reduce the number of low birth weight babies whose care is very costly.

The reports and more information are available at www.ohioeducationmatters.org and www.ohiosmartschools.org.*, or email him at jwade@callpost.com. Comments and questions are welcome but, because of the volume of mail, personal responses are not always possible. Please note that comments or questions may be used in a future column.*