



2016 Annual Report

February 1, 2017

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MARY TAYLOR
LT. GOVERNOR
STATE OF OHIO

Dear Ohioans:

I am pleased to share with you the 2016 Annual Report for Ohio's Common Sense Initiative (CSI). Since 2011, I have led CSI's efforts to create a regulatory climate in Ohio that makes it easier for job creators to do business in Ohio, while still protecting the health and safety of our citizens.

Beginning in 2012, when all proposed rules that impact business were required to go through a CSI analysis and review, we have reviewed more than 10,100 rules, and 61 percent of those have been either amended or rescinded. Our primary role is to make sure agency regulations are as effective and business-friendly as possible. CSI is also operating at a high level of efficiency, ensuring that rules receive further work or scrutiny when needed, while rules that already meet our standards are able to move through our review quickly.



Just as we push state agencies to treat regulation as a partnership between the state and the businesses being regulated, we strive to make CSI a partnership between my office and our regulatory agencies. I am grateful for the cooperation of our Cabinet Directors and Licensing Boards and Commissions, and for the work that many of them are doing to incorporate the CSI principles into their agency cultures. We are seeing the results of these culture changes in several of the metrics of this report. Governor Kasich's leadership has established regulatory reform as a priority, and our nine Small Business Advisory Council members have helped keep the CSI Office focused on the issues that matter to the business community.

The foundation of the Common Sense Initiative is listening to our stakeholders and challenging the way things have always been done. This is the attitude you should expect from your state government, and we believe that these efforts are making a difference and creating an environment for job creation in Ohio.

There is much work yet to do, but it is clear that significant progress has been made through the work of the Common Sense Initiative, and the future of Ohio is strong and bright.

Sincerely,

Mary Taylor
Lieutenant Governor

Executive Summary

The CSI strategic plan, revised in 2014, consists of five objectives:

1. Increase transparency and accessibility in the rulemaking process
2. Foster a business regulatory climate that promotes a balance between public safety and economic growth
3. Promote public awareness of the CSI Office as a resource for the business community
4. Instill the CSI principles in the long-term culture of state government
5. Cultivate an environment in which businesses are active participants in the regulations that impact them

To pursue these objectives, CSI outlined a set of strategies that would have positive impacts across multiple objectives. The office tracks and measures both its effectiveness in carrying out the strategies and the impact they have on accomplishing the CSI objectives.

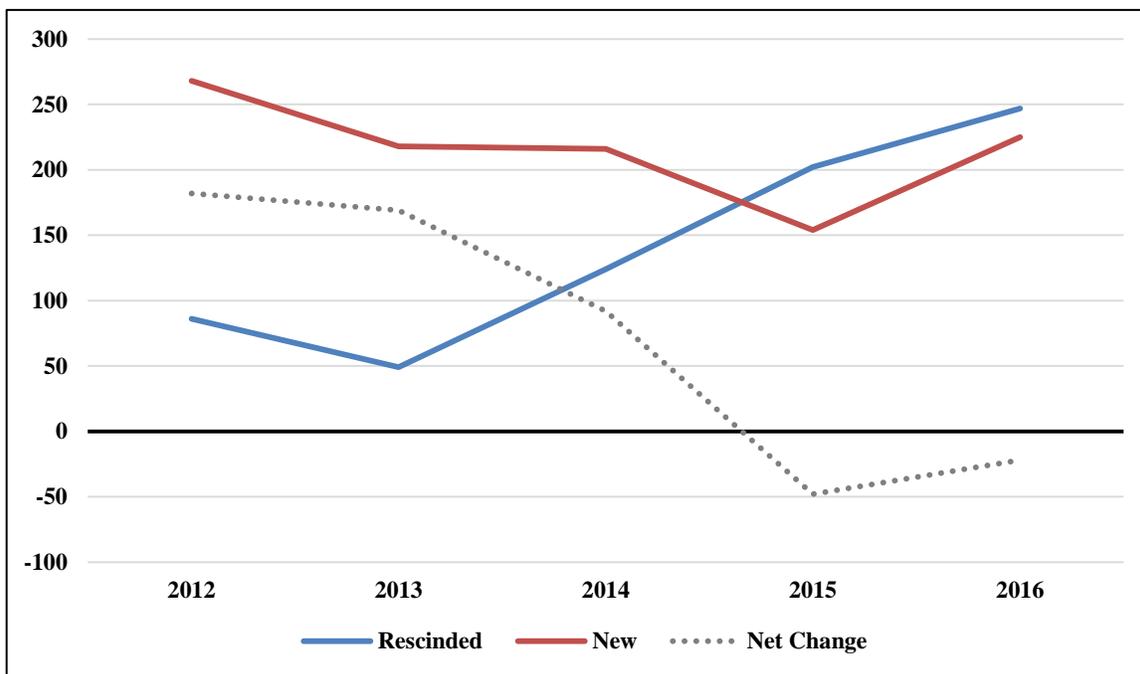
For the second year, CSI in 2016 distributed a survey intended to gauge the degree to which Ohio’s business community is engaged in the rulemaking process, its perspective on the regulatory climate in Ohio, and the overall awareness level of CSI. The annual survey is intended to help CSI measure the impact its strategies have on the strategic plan objectives.

This annual report is organized around the five strategies from the strategic plan. Within the discussion of each strategy, the report will explain how the strategy impacts the CSI objectives, and the relevant metrics to track progress in implementing the strategies and achieving the objectives.

Strategy 1: Review business-impacting rules to ensure business engagement and to balance the regulatory purpose with the economic impact

In 2016, CSI reviewed 2,309 rules, which were presented in 320 rule packages. Of these rules, more than 68 percent were either amended or rescinded. More notably, over half of the rule packages submitted to CSI for review in 2016 were tangibly impacted by the CSI review, either through the Early Stakeholder Outreach required as part of the CSI process or through additional changes made after the rules were submitted to CSI. This year also marks the second consecutive year that the number of rescinded business rules has exceeded the number of new rules. In other words, in 2015 and 2016, there has been a net reduction in business-impacting rules (see Table 1 below). These metrics demonstrate that the CSI rule review is having a significant and substantive influence on making Ohio’s rules more business-friendly.

Table 1: Business Rules (New vs. Rescinded)



This report also measures the efficiency of the CSI Office with respect to the length of time it takes to review a rule package. In 2016, approximately 28 percent of the rule packages reviewed by CSI were returned within 15 days of the agency’s comment period ending, and 56 percent were returned within 30 days. Those rule packages with longer turnaround times constitute rule packages where the CSI process required additional work with the agencies and stakeholders to achieve its mission of more business-friendly regulations.

Strategy 2: Lead partnerships with agencies and business associations to implement CSI projects that further the CSI vision

Two metrics that help measure the degree of success in meeting the objective of embedding the CSI principles in the long-term culture of state government are instances of agencies pursuing their own initiatives to make doing business easier, and the degree to which adherence to the CSI principles are reflected in the agencies’ rulemaking activities. With respect to the first, a sampling of agency initiatives is described in Appendix A. Regarding the second, agencies are addressing and resolving more business impacts, and many have become more adept at clearly demonstrating and explaining the public interest being achieved by the rules.

A third track of CSI operation – in addition to the rule review and ombuds tracks that it has historically operated along – seeks to partner with agencies and business stakeholders on proactive, often longer-term initiatives intended to make Ohio more business-friendly. Two initiatives which were ongoing from 2015, modernization of the Ohio Business Gateway and implementation of Ohio’s Global Reach to Engage Academic Talent (GREAT), are described in

this report. In addition, in 2016 the CSI Office created a Small Business Toolkit to assist small businesses in more effectively navigating the resources CSI has to offer.

Strategy 3: Implement a communication plan to promote outreach to and seek input from the business community

Effectively communicating CSI as a resource to the business community has remained a challenge and opportunity for improvement. In 2015, the CSI Office developed a more formalized communication plan to increase outreach activity to Ohio businesses through different channels, both directly and through business associations, and 2016 was the first full year of implementing the new plan. The CSI Office compiles both weekly and monthly newsletters highlighting the office’s activities and information about rule packages under review. CSI utilizes social media to engage users and communicate with businesses and individuals impacted by regulations. Data from CSI’s annual survey showed a roughly 50-50 split between respondents who were at least somewhat familiar with CSI, compared with those who were not familiar. The goal will continue to be to increase the percentage that answers “very familiar” while driving down the percentage that responds “not familiar.”

Strategy 4: Utilize the Small Business Advisory Council to represent the business community in implementation of the CSI vision

The Small Business Advisory Council maintained past practice of promoting interaction with the business community by having one of its four meetings “on the road” and hosted outside of Columbus. The Council convened in Toledo in June, at which time Lt. Governor Taylor unveiled the Small Business Toolkit. In addition to allowing local businesses and attendees to hear from and interact with senior agency officials, these meetings set aside time for roundtable discussions so that attendees are able to converse directly with the Council members and talk about the regulatory issues that impact their business operations.

Strategy 5: Operate an ombuds function to assist businesses with regulatory issues and identify broader areas of concern

In 2016, the CSI Office received 76 suggestions and requests for assistance either directly through the CSI website, the CSIOhio@governor.ohio.gov email address, or indirectly via referral. Tax issues constituted the largest segment at eight percent, although it bears noting that there was no common strand across the wide variety of tax issues raised, and there were no significant patterns to the remaining requests.

As in past years, the CSI ombuds function is measured largely through “success stories” which demonstrate the ability of the CSI Office to intervene and get results for businesses facing real-world regulatory obstacles. The stories outlined in this report, for example, describe CSI efforts to assist businesses obtaining necessary building permits, navigating other agency permitting processes, and seeking appropriate tax status. In all cases, we have attempted to help businesses reduce the impact of regulations without undermining the benefit of regulations to public health and safety.

Strategy 1: Review business-impacting rules to ensure business engagement and to balance the regulatory purpose with the economic impact

Since January 1, 2012, all proposed rules that impact business are submitted to the CSI Office for review before they can proceed to the Joint Committee on Agency Rule Review (JCARR), the legislative committee charged with reviewing executive agency rules to ensure they are consistent with the authority granted by the Ohio General Assembly. These rules can be new, amended, rescinded, or no-change submitted for their statutorily-required five-year review or for an agency-requested review.

Table 1: Business Rules Reviewed (Historical)

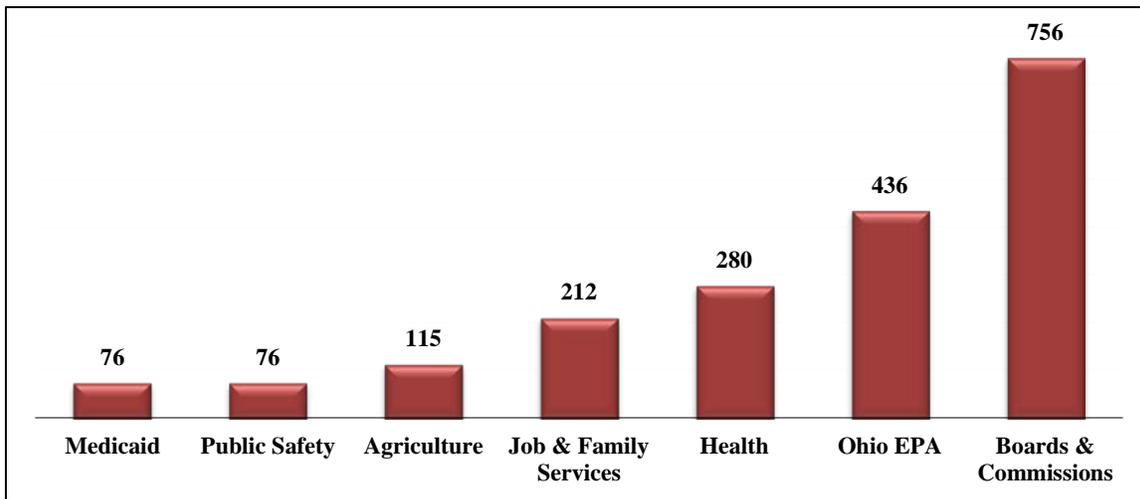


As shown in Table 1, CSI reviewed 2,309 rules in 2016, which is just seven fewer rules than in 2015. Since 2012, CSI has reviewed more than 10,000 rules in 1,481 rule packages. All specific recommendations to agencies regarding corrective actions have been implemented by the agencies, and JCARR has never moved to invalidate a rule after CSI review. In

2016, CSI issued 11 specific recommendations, an increase from four in 2015. Typically, the CSI review process involves engaging stakeholders and agencies to make any necessary changes before issuing official recommendations. As a result, the CSI Office has developed metrics to track rule packages that have changed during the early stakeholder outreach process, which is required before rules are submitted to CSI, as well as during the CSI review itself. These metrics are better reflections of the impact of the CSI rule reviews, and in 2016, more than half of the rule packages were affected in one of these ways.

Table 2 below illustrates the distribution of rules submitted to CSI from the highest-volume agencies, and as in previous years, professional licensing boards and commissions submitted the most rules. Comprising nearly one-third of the rules reviewed by CSI in 2016, licensing requirements are extremely impactful in Ohio’s regulatory climate. Of the 756 rules submitted by boards and commissions for CSI review, 40 were rescinded.

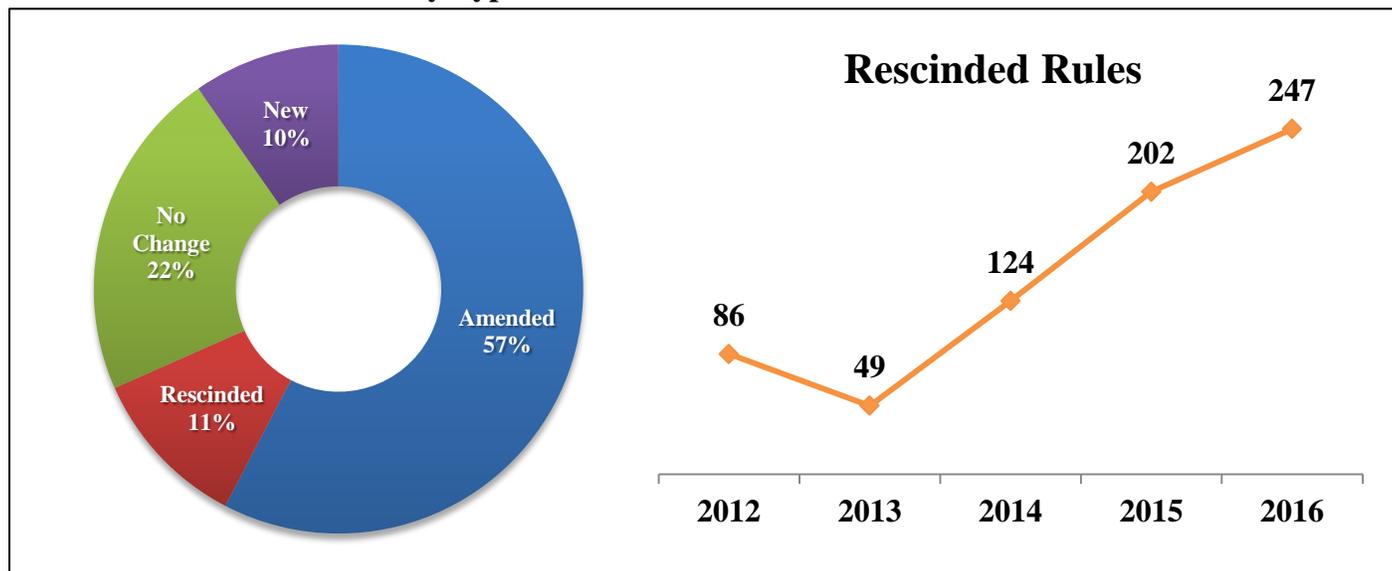
Table 2: Business Rules Reviewed: Top Agencies by Number



To meet its goals of ensuring regulations are transparent and responsive, while also fair and consistent, CSI engages stakeholders throughout the rulemaking process. In 2016, 593 stakeholder comments were submitted during CSI reviews, and 116 of the 320 rule packages received comments (ranging from one to 67 comments). These comments are generally submitted via email but may also be communicated through phone calls or letters.

With conscious efforts to reduce the regulatory burden on businesses, agencies are finding ways to abolish unnecessary or outdated regulations while working to amend those that must remain. Of the 2,309 rules reviewed by CSI in 2016, 1,578 of them were either amended or rescinded. A total of 247 rules were rescinded in 2016, which is the most in the era of CSI reviews.

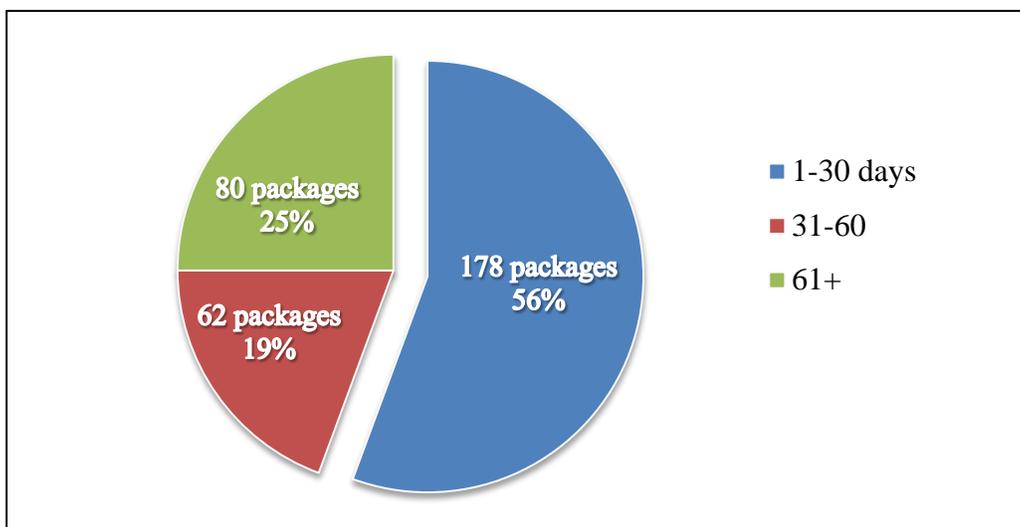
Table 3: Rules Reviewed by Type



It is also worth noting that there was a net decrease in business regulations reviewed by CSI in 2016 – 225 new rules compared with 247 rule rescissions. There are a number of factors that may lead to new rules, including legislative requirements, and sometimes rules serve to provide additional clarity or alternative compliance options for businesses. But in general, seeing more old rules eliminated than new ones created is encouraging and consistent with the spirit of CSI, and 2016 is the second consecutive year of this trend. Table 3 shows the increasing number of rescinded rules reviewed by CSI each year. Agencies continue to submit more rule rescissions as they consider CSI’s guiding principles.

The chart below illustrates CSI’s efficiency through review times for each rule package, measured from the date of the agency’s comment period closing. As a matter of policy, the CSI Office does not issue a recommendation memo on a rule package until the comment period is closed, in order to ensure that all comments are considered. With over half of the packages reviewed in 30 days or fewer, CSI works to meet agency deadlines while also conducting thorough and thoughtful reviews. It is important to understand that the primary mission of the rule review is to ensure that business-impacting rules meet the CSI standards. If a package does not meet those standards and/or does not properly balance regulatory objectives with the cost of compliance, the CSI Office will push back on the agency to obtain answers, justifications, or changes to the rules.

Table 4: Rule Review Times



Rule Review Highlights

Contingency Plans for Drinking Water – The Ohio Environmental Protection Agency submitted one amended rule that required each community water system and wholesale system to develop and maintain a written contingency plan for providing safe drinking water to its service area when routine methods of delivery or treatment are compromised. There are many potential costs associated with these plans and CSI received 11 comments during the public comment period.

CSI worked with Ohio EPA and stakeholders to amend the rules with clarifying language, developing a template to reduce some burden, and ensuring that minor or routine incidents would not overburden businesses.

Charter School Sponsor Compliance – The Ohio Department of Education (ODE) submitted one rule pertaining to charter school sponsor compliance in response to legislative changes in House Bill 2. CSI worked with ODE to get a list of compliance items sent to sponsors and verification of a certification document that would reduce some of the burden on sponsors. For the first time, the Joint Committee on Agency Rule Review re-referred the rule to CSI after it was found that the cost impacts may have been underestimated. Following the second review, CSI issued a recommendation memo highlighting new concerns raised by stakeholders and outlining action steps for the Department before moving forward with the rule. Currently, ODE is implementing CSI's recommendations by re-engaging stakeholders and will resubmit to CSI in the future.

Transportation of Household Goods – CSI reviewed 16 rules submitted by the Public Utilities Commission of Ohio (PUCO) pertaining to moving companies. The Ohio Association of Movers (OAM) requested that the PUCO maintain the industry standard of a 60-day limit for a consumer to file a claim for loss or damage with the carrier and address concerns about full or limited liability coverage. CSI issued a recommendation that the PUCO amend the rules to address the Association's concerns, or provide a more substantial justification. Communication between CSI, OAM, and PUCO led to rule amendments that explicitly addressed the full replacement value concern and the 60-day claim period.

Special Event Cosmetology Permits – Traditionally the Ohio State Board of Cosmetology has allowed cosmetologists to receive temporary authority to practice outside of a licensed salon for special events like weddings. However, recent legislation inadvertently removed the mechanism by which these temporary authorities were granted, meaning that without further action, cosmetologists would either have to tell customers that they could not operate offsite for special events or would have to operate illegally, placing their licenses and their businesses at risk. The CSI Office worked closely with the Cosmetology Board to identify language that could legally be adopted through rules to allow for these temporary licenses until the statutes could be fixed, and the rule language was adopted as an emergency in September, allowing it to take immediate effect.

Fair Concessions – The Department of Agriculture regulates county fairs, and existing rules related to game operators at fairs required game prices to be listed on the operator's license, with no ability to change the prices. Operators expressed concern during the early stakeholder outreach about the lack of flexibility to adjust prices during slow periods or bad weather to encourage more playing. The CSI Office worked with the Department and stakeholders to determine an alternative approach to the regulation. This alternative protects consumers with appropriate signage requirements while allowing the game operators flexibility to run their businesses without being locked into the prices listed in the application.

Strategy 2: Lead partnerships with agencies and business associations to implement CSI projects that further the CSI vision

Historically, the CSI Office has operated along two tracks to improve the business climate in Ohio. The first is the review of business-impacting administrative rules, as described in Strategy 1 of this report. The second track is the operation of an ombuds function to help businesses overcome roadblocks in dealing with regulatory agencies, as described in Strategy 5. The third track, developed as part of the CSI review of its strategic plan in 2014, is to work with state agencies, business associations, and other stakeholders more proactively to address issues that will improve the business climate, but not necessarily as a result of specific regulatory frustrations from businesses.

These partnerships tend to be larger policy initiatives that develop over longer timeframes than any specific rule review or regulatory ombuds issue, so by nature there will be fewer occurring at any one time and each may be ongoing for longer periods of time. In 2016, two such initiatives continued on from prior years, and one new initiative was commenced.

Ohio Business Gateway Modernization (business.ohio.gov/gatewaymodernization)

The Ohio Business Gateway represents a key touchpoint for businesses in Ohio. The Gateway is the primary online source for business information, tax filing, and other services offered by the state to the business community. It was originally created in 2002 and has grown since then in the number of services available. A recurring concern the CSI Office has heard from the business community is that the existing Gateway, while functional, is difficult to navigate and cumbersome to use. In addition, as the existing Gateway infrastructure ages and the demands of modern electronic commerce increase, concerns about the stability of the system must be addressed as well.

Consequently, in 2015 Lt. Governor Mary Taylor assumed the role of Chair of the Ohio Business Gateway Steering Committee, and through CSI, began spearheading an ongoing inter-agency project to modernize the Gateway, and engaged in an intensive planning process involving business users and other Gateway stakeholders. In 2016, the Gateway Modernization Project entered the implementation phase, and a vendor was brought on to build the reimagined version of the Gateway developed during the planning phase. The modernized Gateway has the express mission to serve Ohio's business community and make doing business in Ohio easy and efficient by providing e-Government services that are simple and secure. The first phase of the modernization is expected to be rolled out later in 2017.

Ohio GREAT (www.ohio-great.us)

Ohio's Global Reach to Engage Academic Talent (Ohio GREAT) is an initiative developed by the Ohio Department of Higher Education to help address the workforce needs of Ohio's business community as well as the desire of postsecondary institutions to see a statewide strategy with regard to international students. Since the initiative was kicked off in 2015, CSI has met with business organizations throughout the state to actively promote the program as a useful resource and to obtain input from businesses

about how the initiative can best meet their needs. The initiative has the potential to benefit Ohio businesses through productive relationships with higher education and access to innovative talent, to benefit Ohio higher education by making the state a destination for postsecondary students from around the world, to benefit partner countries by maximizing the knowledge and experience their students bring home with them after the expiration of their visas, and to benefit students – both foreign and native Ohio students – by creating specific career opportunities and experiences for both as well as exposure to cultural differences that will benefit them throughout their careers and lives.

The first annual Ohio GREAT Symposium was held in November, bringing together stakeholders from the business, academic, and government communities to discuss how to implement specific designed opportunities to achieve the initiative’s objectives and to ensure that the results would benefit Ohio businesses and students. Among the action items being pursued in 2017 is a potential agreement with the Canadian province of Quebec related to education, research, and talent exchange opportunities starting with the aerospace industry.

Small Business Toolkit (governor.ohio.gov/CSIToolkit)

Understanding that the regulatory process can be confusing and sometimes difficult to traverse, Lt. Governor Taylor created a new resource in 2016 for small businesses to better navigate Ohio’s regulatory environment. The CSI Small Business Toolkit makes available all of the information small businesses need to utilize the CSI Office, whether they would like to be more involved in the development of state regulations, or are struggling to find a solution to a specific regulatory issue. Questions such as what CSI does, how the process works, and how businesses can use the tools CSI makes available are all answered in a simple, accessible way. The goal is to give the business community the tools it needs to quickly and effectively resolve regulatory issues.



The concept of the Toolkit was conceived by business members of the Council of Smaller Enterprises (COSE), the small business division of the Greater Cleveland Partnership (GCP). CSI staff worked closely with COSE to develop the Toolkit, and Lt. Governor Taylor unveiled it at the June meeting of the Small Business Advisory Council at the Toledo Regional Chamber of Commerce offices.

In evaluating the broader business climate in Ohio, the changes in the regulatory climate are important but may also be the most difficult to measure. Moreover, regulatory reform is but one piece of the state’s overall economic development efforts. However, there are statewide performance indicators that can help identify whether CSI and other efforts are having an impact, and the CSI Office will constantly seek to identify additional measures that can help judge the overall impact of its efforts. The measures that CSI uses to track progress are spelled out in detail in Appendix B.

From the beginning, the CSI Office has recognized that improving regulation is as much about attitude as it is about any specific regulation. A major effort of CSI has been to incorporate the CSI values within agencies themselves so that regulators are practicing these values in their daily activities. Just as the regulatory processes will be more effective through compliance than through enforcement, the CSI process will be more effective if it becomes a part of the agency cultures than if it relies on the CSI Office to “fix” regulations. Two metrics that help measure the degree of success in meeting the objective of embedding the CSI principles in the long-term culture of state government are instances of agencies pursuing their own initiatives to make doing business easier, and the degree to which adherence to the CSI principles are reflected in the agencies’ rulemaking activities.

CSI initiatives by agencies independent of CSI Office

The CSI process encourages agencies to initiate improvements to their regulations on their own. While the CSI Office does not have to spearhead every initiative, agencies have been asked to report on those initiatives so CSI efforts occurring organically within the agencies can be catalogued. Examples of such initiatives undertaken by the agencies and provided to the CSI Office can be reviewed in Appendix A.

Compliance among agencies

Draft rules and Business Impact Analyses should address unnecessary business impacts prior to being submitted to CSI for review. As such, tracking the results of the CSI rule reviews helps identify whether this understanding is occurring or not. For 2016, the following are some key statistics from the rule review process demonstrating agency compliance:

	2013	2014	2015	2016
Number of Rule Packages Reviewed	277	396	317	320
CSI Recommendations	22	14	4	11
Revised Business Impact Analyses	101	105	58	46
Percent of Rule Packages with Revised BIAs	36%	26%	18%	14%

The business survey asked respondents who had participated in a rulemaking during 2016 how receptive they thought the relevant agency was to input from the business community. Respondents characterized agencies as being “very receptive” 29 percent of the time and “somewhat receptive” 38 percent of the time, with 33 percent of respondents finding the agency “not receptive.” Survey responses suggest that at least one specific 2016 package prompted strong reactions from the affected industry and a coordinated response to the survey. Given that the percentage of rule packages that were commented upon remained fairly stable in 2016 but the number of comments received increased significantly, it is plausible that an influx of respondents motivated by a specific rulemaking could skew the results of this non-scientific survey.

Regardless, this is an area that will remain a focus for CSI in 2017 and beyond to ensure that agencies are in fact taking seriously business feedback. The CSI rule review process emphasizes the inclusion of stakeholders in the rule development process, and success requires agencies to be open to suggestions from those who must comply with the regulations they are adopting. The data – most notably the fact that more than half of the rule packages submitted to CSI changed during the early stakeholder or CSI review processes – suggest that the process is having an impact. While a foundation of the CSI review is for stakeholders to feel that agencies are receptive to their input – even if not accepted – disagreements between regulators and the regulated will always exist. As such, the CSI Office will continue to emphasize to agencies the need to communicate how stakeholder input was considered, and to work closely with all parties to build this perception.

Strategy 3: Implement a communication plan to promote outreach to and seek input from the business community

As mentioned earlier, the perception of Ohio’s regulatory climate influences the state’s ability to attract and retain jobs. As a result, it is important that the CSI Office effectively communicates its successes and failures so that stakeholders have an accurate perception of Ohio’s regulations. Communication flowing in both directions is critical to the success of the initiative.

The CSI website (www.governor.ohio.gov/CSI) is intended to facilitate more public input into the regulatory process. Rule packages under review in the CSI Office are updated online to include the Business Impact Analysis (BIA), the comment period time frame, CSI’s recommendation, the agency response, and a link to allow the public to comment on each package. Visitors to the website also have access to a fact sheet about CSI with updated statistics, the CSI Office Strategic Plan, annual and semi-annual reports, a blank BIA form, and information about the Small Business Advisory Council. As described in the previous section, in 2016 the CSI Office also created a Small Business Toolkit (www.governor.ohio.gov/CSIToolkit) to allow business users to more easily utilize the CSI services relevant to them.

Over the course of 2016, the CSI Office executed a more formalized communication plan to increase communication activity through different channels to Ohio businesses both directly and through business associations. The CSI Office compiles both a “Week in Review” and a “CSI Monthly Digest” document, highlighting the office’s activities and information about rule packages under review. Both are posted on the website, promoted via social media, and emailed directly to stakeholders to more proactively share these resources. CSI utilizes social media to engage users and communicate with businesses and individuals impacted by regulations.

Analysis: Through social media, direct outreach, and working with the Small Business Advisory Council, the CSI Office seeks to communicate with Ohioans and Ohio businesses in as many ways as possible. By communicating successes, this goal is focused on establishing credibility so that Ohio’s changing business climate will continue to be recognized by Ohio job creators. In 2016, the CSI Office compiled the following key metrics on its communication efforts:

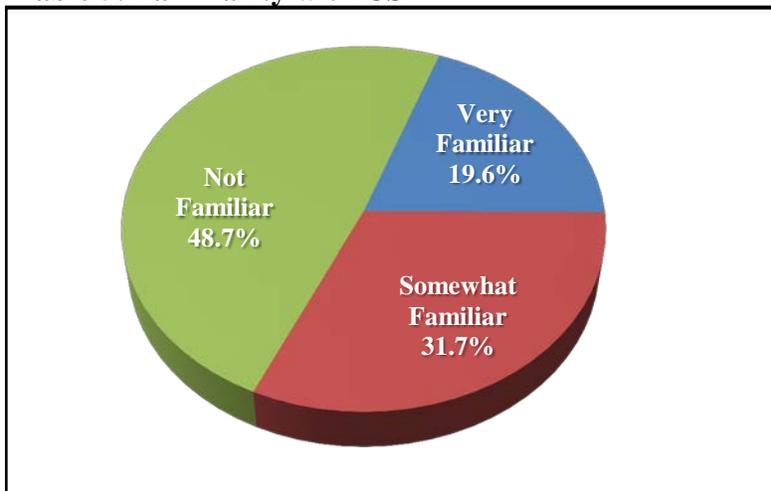
- 663 Twitter followers and more than 21,000 tweet impressions
- More than 135 speaking engagements to business-related groups
- 648 people signed up through the CSI website to receive updates
- 4 public meetings of the Small Business Advisory Council

Although the CSI message has a higher probability of being accepted by the business community when it circulates organically within the business community (see Strategy 4 related to the Small Business Advisory Council), speaking engagements delivered directly by the Lt. Governor and CSI staff are still very useful. In addition to introducing persons to CSI who were previously unfamiliar with it, CSI Office staff has the advantage of being subject matter experts on Ohio’s regulatory process, and having a far broader exposure to the different issues that arise within it. In 2016, Lt. Governor Taylor spoke to public groups 51 times about the Common Sense

Initiative and regulatory reform, including chambers of commerce, business roundtables, rotary clubs, and other groups. CSI representatives spoke to an additional 84 similar public groups.

A continuing objective of the CSI Office is to promote public awareness of the office as a resource for the business community. For the 2016 business survey, the breakdown into percentages for respondents characterizing their degree of familiarity with CSI is as follows:

Table 5: Familiarity with CSI



The objective of all of this activity is to cultivate an environment in which the business community actively participates in the regulations that impact them. As one way to measure that, CSI tracks the percentage of business respondents who indicated that they had participated in an agency rulemaking during the previous calendar year. For 2016, the percentage was 22 percent. While this is higher than 2015 (16 percent), it is unclear whether this is the result of improved effectiveness of the communications, an influx of respondents motivated by a specific rulemaking (as suggested above), or some combination of both.

Strategy 4: Utilize the Small Business Advisory Council to represent the business community in implementation of the CSI vision

One of CSI’s ongoing objectives is to cultivate an environment in which businesses are active participants in the rulemaking process for regulations that impact them. For the Common Sense Initiative to be as effective as possible, businesses and organizations that support businesses have to participate in the regulatory process and represent their respective interests directly. That message has a greater chance of being heard and acted upon by the business community when it is delivered by fellow business persons who believe in what CSI is trying to accomplish and the effectiveness of CSI’s operations.

A business that has had a positive interaction with CSI and mentions it to other local business owners is one mode for having that message delivered. A complementary proactive approach consists of the Small Business Advisory Council members interacting with the business community in their capacity as Council members. To facilitate this, one of the Council’s four meetings in 2016 was held “on the road” and hosted by the Toledo Regional Chamber of Commerce in June. In addition to allowing local businesses and attendees (all Council meetings are open to the public) to hear from and interact with senior agency officials, these meetings set aside time for roundtable discussions so that attendees can interact directly with the Council members (see Appendix C for the roster) and talk about the regulatory issues that impact their business operations.

At its 2016 meetings, in addition to specific CSI-related information, the Council heard from and spoke with Cabinet directors and agency senior staff on major issues that affect small businesses. This included topics such as:

Healthcare Transformation

The Director for the Governor’s Office of Health Transformation provided the Council with an overview of Ohio’s efforts to move to a system where healthcare providers are compensated based on patient-care value rather than primarily the volume fee-for-service incentivizes. As one of 17 states awarded a federal grant to test payment innovation models, Ohio’s model focuses on increasing access to patient-centered medical homes and implementing episode-based payments. Episode-based payment consists of payment based on performance in patient outcomes and cost for all of the services needed by a patient across multiple providers for treatment of a specific condition. Incentivizing high-quality care that is cost-efficient and providing patients with transparent pricing can help bring both rising healthcare and health insurance costs under control.

Energy Landscape

A Commissioner from the Public Utilities Commission of Ohio met with the Council to review Ohio’s energy landscape and the changes impacting it. Most notably was the impact cheap natural gas derived from the hydraulic fracturing of shale in Ohio and elsewhere has had on shifting power generation away from coal. There was additional discussion on the need for a balanced array of cost-effective energy sources to lessen the impacts of price volatility in any

one source and the evolving nature of the electrical grid toward one integrating distributed power generation.

Shale and Petrochemical Development

The Council met with the Senior Managing Director for Shale Energy & Petrochemicals at JobsOhio. The Director cited a figure of 1,700 wells having been drilled with 1,300 in production, and noted that the Utica and Marcellus shale deposits were collectively responsible for 85% of the growth in U.S. domestic shale gas production. Ohio has a significant cost advantage in producing natural gas owing in part to its proximity to major markets and a favorable tax structure. The Director also shared how the regional shale ecosphere has grown significantly, with the expansion of pipeline networks and the appearance of fractionating facilities to process natural gas liquids, which can, in turn be converted to polymers. Ohio was already the sixth largest chemical producing state, with polymer production being the second largest manufacturing industry in Ohio, and stands to benefit additionally from the abundant and cheap chemical feedstock provided by the local shale industry.

Workforce Development

The Director for the Governor’s Office of Workforce Transformation met with the Council to provide an update on the continuing efforts to reorient Ohio’s workforce pipeline. The discussion focused on the vocational education aspect, highlighting efforts to raise awareness of lesser-known newer manufacturing-tech apprenticeships in addition to the better-known traditional ones, such as electrical or plumbing. It also focused on identifying pathways to pre-apprenticeships in secondary education. The Director also discussed the Adult Diploma program and changes being made to the GED program.

Strategy 5: Operate an ombuds function to assist businesses with regulatory issues and identify broader areas of concern

As part of its efforts to foster a business climate that promotes a balance between public safety and economic growth, CSI has always functioned in an ombuds capacity to assist businesses with regulatory issues lying outside the formal rulemaking process. In 2016, the CSI Office received 76 suggestions and requests for assistance either directly through the CSI website or the CSIOhio@governor.ohio.gov email address, or indirectly via referral. Tax issues constituted the largest segment at eight percent, although it bears noting that there was no common strand across the wide variety of tax issues raised. The remaining 70 contacts were spread across 36 separate issues.

Ombuds Success Stories:

Previous reports have established that the ombuds track of CSI operations is less quantifiable in terms of the number of regulations impacted. Reporting has focused on communicating stories of CSI successes to demonstrate change to the business community. Throughout its existence, these success stories have served to define the CSI operations and impact. As such, this section is intended to help illustrate the way in which the CSI Office can help resolve regulatory matters with agencies beyond the rule review process.

Building Permit – A fertilizer company in Central Ohio that had worked with CSI previously on the timing of a building permit, was facing new timing pressures on an additional expansion as a result of design changes that were made to comply with fire code requirements. The company needed a partial permit in order to get started on the work and avoid pushing concrete work into the winter and driving up the cost of the project. The Department of Commerce was able to review the plans expeditiously and get the company the permit it needed in order to meet its deadlines.

Liquor Permit – A senior citizens community center was seeking to renew its alcoholic beverage license, but because it had a change in its corporate officers, the license would have to go through a more extensive review process. Although the center had received an operating receipt from the Division of Liquor Control, it did not understand that the receipt allowed it to serve temporarily while the license renewal was pending. As a result, the center believed that its license had expired and it was not able to serve. This confusion had the practical effect of eliminating their license, even though no such regulatory action had occurred. The CSI Office was able to work with the Division and the facility to clear up the confusion, make sure the facility understood what it was allowed to do, and resume its beverage service.

Seasonal Camping – The Ohio Department of Natural Resources (ODNR) operates campgrounds at more than 50 state parks, and in 2016 announced that it would no longer allow “seasonal camping.” Under seasonal camping, a camper may reserve a campsite for an extended period of time, not just for a matter of days, and ODNR wanted to ensure that public campgrounds were accessible to all users. However, after the CSI Office was contacted by stakeholders concerned about the impacts of this decision, ODNR reconsidered its decision and will allow continued

seasonal camping under strengthened rules to ensure the fairness and public access expected in state parks.

Environmental Permit Timing – The CSI Office was contacted by a nonprofit organization in Northeast Ohio that was engaged in a major reconstruction project, part of which included building new youth sports fields. The organization needed storm water and wetland permits from Ohio EPA in order to initiate the construction and, given seasonal dynamics, receiving the permits in a timely manner was critical to the project. The CSI Office helped facilitate communication between the organization and Ohio EPA to ensure that all environmental concerns and obligations were addressed and the permits were issued when the organization needed them.

Temporary Structures/Building Code – In 2015, a nonprofit organization contacted the CSI Office after it had to scale back a fundraising event due to concerns about the cost and regulatory building code requirements around a temporary structure it was going to erect for a circus. CSI worked with the Board of Building Standards to understand the risks associated with temporary structures like tents, and to align the fees and requirements to those risks. In 2016, because of the reduced fees and regulations, the organization was able to hold a successful circus utilizing a tent under the new rules.

Power Plant Timing – A developer of a proposed power plant in Northeast Ohio had sought and received approval from the Ohio Power Siting Board for its construction plans. However, it subsequently needed to make a change to the plans that would require additional approval from the state, and the timing of that approval had the potential to jeopardize the financing for the project. In addition, the developer had expressed concerns about a wetlands permit that would be needed before construction could begin. The CSI Office was able to work with the agencies responsible for both issues to make sure that all regulatory concerns were satisfied but that the approvals were granted timely in order to allow for the construction to proceed.

Nonprofit Nursing Facility Tax Status – A nonprofit nursing facility in Northeast Ohio was applying to retain its exempt status for property tax purposes, but was running afoul of statutory language that prohibits a charitable nursing home from terminating a resident’s agreement for failure to pay. According to the facility ownership, despite language in its agreement that was being interpreted otherwise, it had never terminated a resident agreement for failure to pay, and in fact had attempted to comply with the statutory language in crafting its agreement. The CSI Office was able to work with the Department of Taxation and allow the facility to submit new language that would comply with the statute, rather than eliminating the facility’s exempt status (which would have imposed hundreds of thousands in tax liability) or requiring costly litigation to dispute the issue. The Department approved the new language and the facility was able to maintain a seamless exempt status.

MBE Certification – A company was certified as a Minority Business Enterprise (MBE) by the Ohio Minority Supplier Development Council, but let the certification lapse after applying for MBE certification through the state. The business owner contacted CSI because while his application was pending with the state, his business was unable to take advantage of

opportunities available to MBEs, including participation in certain supplier fairs. CSI was able to work with the Department of Administrative Services to get the business a temporary certification, since it had previously been recognized as an MBE, while the longer-term application was pending.

Environmental Control Devices – A printing press business in Southern Ohio experienced an incident that destroyed a pollution control device that controls air emissions from the printing process. Given the volatility of the emissions, the company was required to cease operations immediately, and replacing the control equipment would take approximately three weeks. The company owners expressed concern that a shutdown of this length would jeopardize significant contracts and could potentially cost the company millions of dollars. After stabilizing the situation, initiating testing, and ensuring that the environment was protected, Ohio EPA immediately began working with CSI and the business to identify a way to safely keep the company open until the new equipment was installed. Ohio EPA suggested an alternative ink that had a reduced emission level, and after exploring this option, the company determined that it would work and was able to continue operations with only minimal down time from the incident.

APPENDIX A: EXAMPLES OF AGENCY CSI INITIATIVES

ADMINISTRATIVE SERVICES

- Improved Technology – During 2016, Ohio was awarded its first “A” rating as part of the Center for Digital Government’s survey measuring state government use of digital technologies to improve service delivery and reach state policy goals. Ohio was one of five states in the country to receive the rating, which provides a common reference for all 50 states in the ongoing work to find better ways to serve the public.
- More MBE Certification Reciprocity Agreements – To simplify the process for qualified businesses to obtain government contracts, the State of Ohio Minority Business Enterprise (MBE) certification program has entered into reciprocal agreements with similar programs operated by municipalities and other entities. These agreements allow businesses certified in either the state’s Minority Business Enterprise program or another entity’s program to be cross-certified into the other program. This substantially reduces processing time for applications (an average of five business days) and allows the state to increase the number of MBE-certified companies it can do business with. Entities with reciprocal agreements now include:
 - City of Canton MBE Program
 - City of Cincinnati Business Enterprise Program
 - City of Columbus MBE Certification and Verification Program
 - City of Dayton Procurement Enhancement Program (PEP) (Minority Business Enterprise portion of the PEP program only)
 - City of Springfield MBE/FBE Program (MBE portion of the MBE/FBE program only)
 - City of Toledo MBE Program
 - Ohio Minority Supplier Development Council
 - Ohio Turnpike Commission MBE/FBE Program (MBE portion of the MBE/FBE program only)
- Pilot “Professional” Certification Program – The purpose of the pilot streamlined certification process is to cut government “red tape” and reduce time to certify certain licensed professionals into either the Minority Business Enterprise (MBE) or Encouraging Diversity, Growth and Equity (EDGE) certification programs. To utilize the professional certification process, the applicant must be a sole proprietor and employed in one of approximately 20 designated professions. The professions were selected within areas of greatest agency need (e.g., healthcare services).

- Continuous Improvement Mindset – The Office of LeanOhio continued to make progress in establishing a continuous improvement mindset among state agencies, boards, and commissions by using Lean/Six Sigma principles to greatly streamline the way state government does business with the business and citizens who rely upon it. In Fiscal Year 2016, six Kaizen teams estimated \$972,000 in cost savings when recommendations are fully implemented. These improvements will be evidenced by sharp reductions in postage, printing, overtime, and eliminated process steps. Additionally, with process improvements from the Kaizen teams, an estimated 55,189 staff hours will be freed up due to efficiency gains – staff time that can be redirected to more value-added work on behalf of businesses which rely on state government.
- Online Professional Licensing – The Central Service Agency coordinated with licensing boards to continue implementation and further rollout of a new cloud-based electronic licensing system. This system provides convenient 24/7 public access for license renewals, license applications, and credentials verification. The system provides licensing boards a more efficient workflow system tied to work rules and online options. During the creation of the system, the CSA and the licensing boards worked with the DAS Office of LeanOhio to streamline licensing processes for development in the new system. The electronic licensing system facilitates mandated and mission-critical licensing and registration functions of the boards and commissions. These boards and commissions currently manage more than 2.2 million license records. The e-license system is being developed, supported, and enhanced through the DAS Office of Information Technology (OIT).

AGING

- Open and Free Competition – Open and free competition gives any Ohio business (for-profit and non-profit) wanting paid with Older Americans Act funds for providing goods and services a fair opportunity to win a contract with an area agency on aging (AAA) to do so. Open and free competition spurs innovation because the businesses who find ways to provide higher-quality goods or services at lower prices are the businesses who win contracts. Open and free competition protects providers from losing business to cronyism, nepotism, conflicting interests, or from an AAA awarding itself funds to directly provide goods and services instead of awarding funds to one or more businesses.

The Ohio Dept. of Aging (ODA) overhauled its rules on open and free competition in two stages (2014, 2016). In 2014, ODA removed requirements for goods and services purchased with Older Americans Act funds to be awarded by AAAs to area businesses only through formal bidding processes. Instead, ODA allowed contracts valued below the federal threshold to use small-purchase procurement methods. At the same time, ODA strengthened additional state requirements in the rules to prohibit AAAs from entering into multi-year contracts lasting longer than 3 years or the effective period of its area plan with ODA, whichever is shorter. ODA also added requirements to provide evidence no area business is willing or qualified to provide goods or services before AAAs could keep the federal funds to provide goods and services without taking bids from those area businesses. Normally, adding state-level requirements to federal rules would be viewed as an increased burden on business. In these cases, the state-level requirements increase the frequency and fairness of open and free competition.

In 2016, ODA went further by prohibiting AAAs from adding clauses to contracts allowing them to be renewed (without opportunity for competing bids) for any period effectively longer than its 3-year area plan. The 2016 rules also prohibit AAAs from entering into multi-year contracts and from renewing contracts unless the AAA informed all bidders during the competition that the contracts were for multiple years or were renewable. Additionally, ODA gave AAAs the right to decline renewing contracts with renewable clauses in them if the AAA voluntarily wants to use free and open competition to allow more than one business to win a contract or wants to see if another area business can provide higher-quality goods or services at lower prices. As in 2014, the additional state requirements ODA added in 2016 ensure no single area business is able to unfairly retain a contract with an AAA. Instead, they open the door for area businesses to offer bids to secure contracts with AAAs for providing goods and services paid with Older Americans Act funds.

AGRICULTURE

- Electronic Payments – The Department of Agriculture’s business office instituted a policy that allows division offices to accept payments from credit and debit cards. This business friendly approach has given Agriculture’s customers more payment options. The policy also allowed those divisions to make payments to vendors via purchase cards which allows the divisions to pay bills more timely and utilize discounts where available.
- Juice Rules – Prior to the rule’s amendment, producers of raw, unpasteurized juice were only permitted to sell their products to consumers at the site where the juice was produced. The Department was contacted by several raw juice producers looking to expand their businesses but were unable to do so as they were limited by the rule. To accommodate these growing businesses, the Department proposed to amend the rule to allow these companies to utilize a “central kitchen” model. This model allows the raw juice companies to produce their product in a central kitchen and deliver it to their own establishments. Prior to the proposed amendment, each new establishment was required to possess separate production equipment costing thousands of dollars and limiting each company’s ability to expand. With the amendment, businesses are now able to expand without the excessive cost of the additional equipment.
- Cottage Foods Expansion – The Department amended its rules to allow additional items to be produced by cottage food operations. This gives small operators the opportunity to increase sales by allowing them to sell more cottage food products.

OHIO EPA

- Environmental and Financial Assistance – In 2015, several of Ohio EPA’s existing compliance and financial assistance programs were consolidated into the Division of Environmental and Financial Assistance (DEFA), with a goal of creating a one-stop-shop to assist businesses and communities with their environmental needs. During 2016, the new DEFA:
 - Helped businesses complete over 700 permit applications;
 - Conducted over 200 site visits to help small businesses with their compliance requirements and to identify pollution prevention strategies to save money;

- Worked with Ohio EPA’s Division of Air Pollution Control to finalize 15 new air permit exemptions for units common to small businesses;
 - Conducted open house events in Central and Southwest Ohio for businesses to hear about Agency priorities and interact with technical staff on their environmental permitting and compliance questions;
 - Developed an online Customer Support Center for businesses to more easily ask questions and access information on training, publications and Agency updates;
 - Launched an online newsletter, which now reaches over 14,000 subscribers;
 - Conducted Ohio EPA’s ninth Compliance Assistance Conference with 350 attendees;
 - Hosted 11 webinars, reaching over 1,600 regulated entities to help them understand their compliance requirements and available resources;
 - Provided over \$5 million in grants for recycling and litter prevention activities, including support for the purchase of recycling equipment to help businesses save money; and
 - Recognized 32 Ohio businesses and organizations for their environmental stewardship through Ohio EPA’s Encouraging Environmental Excellence (E3) Program.
- Diesel Emission Reduction Grants (DERG) – The DERG program that is operated jointly by Ohio EPA and Ohio Department of Transportation adopted a new, streamlined online application form to make it easier for both business fleets and government-owned fleets to apply for funding to replace or repower diesel-powered trucks, tugboats, locomotives, and shuttle buses. Initial feedback on the form has been positive from both successful and unsuccessful grant applicants.
 - Surface Water Discharge Permits – In July 2016, the Division of Surface Water expanded the services available through the Agency eBusiness Center (eBiz). The Surface Water Tracking, Reporting and Electronic Application Management System (STREAMS) now allows electronic submission of individual surface water discharge permit applications and reports. Previously, STREAMS had allowed the submission of electronic applications for coverage only under general surface water permits.
 - By integrating the individual permits into STREAMS, the service affords permitted entities a convenient interface for correct and accurate completion of application forms, electronic application submission, and tracking of their application status. The system utilizes “smart” forms to streamline the permit application so that the applicant is only required to populate the sections that pertain to the unique circumstances of their specific application. If the applicant is submitting a renewal application, when the form is first initiated, the user will find that much of the form has been pre-populated from their previous application and only the necessary changes and updates will need to be made.
 - Upon submission, the eBiz user is immediately emailed an invoice for any fees and may elect to submit payment through the eBusiness Center e-Pay service. Similarly, the facility may submit permit-required reports through the new system. The reports utilize the same logic-driven approach and depending on the report, may compile previously submitted regulatory data into the forms.

INSURANCE

- Continuing Education Carryover – The Department changed a rule to permit Ohio insurance agents to carryover up to 12 excess earned continuing education credits into the next two-year compliance period. Previously, excess credits that agents accrued had no value moving forward. Carryover amounts only count as general credits to ensure that special continuing education requirements such as for ethics, surety bail bond, and title insurance are completed each two-year period.

NATURAL RESOURCES

- Online Licensing and Education – The Division of Wildlife spent all of 2016 building a new online license system – the Ohio Wildlife License System (OWLS). Virtually every product the division has related to hunting, fishing, and trapping is now available to customers online. OWLS allows businesses to sell licenses and permits to customers. Additionally, the division revamped its Hunter Education system; one result being that hunter education is now available online. The division also now allows landowners experiencing deer damage to apply for damage control permits online.
- Streamlined Construction Bidding – The Division of Engineering streamlined the construction bidding process, consolidating and eliminating steps to expedite the process and reduce associated costs. This streamlined process has resulted in time-savings of more than 25 percent. Also, by moving to electronic bidding, companies now have access to the appropriate documentation to make real-time business decisions on whether or not to bid on a project as information is more transparent.

TAXATION

- Business Tax Reduction – A new state law created a clear distinction between business income and non-business income, designated a new method of taxing business income, and delivered a total income tax cut of about \$900 million. For calendar year 2015, the owner of and/or investor in a business structured as a pass-through entity, including sole proprietorships, partnerships, limited liability companies, or S-corporations, continued to receive a 75% deduction for business income of \$250,000 or less, with the excess income taxed at a rate no higher than 3%. Beginning in calendar year 2016, business income in excess of \$250,000 will be taxed at a flat rate of three percent; income below that level is tax free as a function of the newly expanded (from 75% to 100%) business income deduction.
- Primary Income Tax Forms Combined – The IT 1040, IT 1040 EZ, and amended IT 1040X forms were consolidated into one Universal IT 1040 tax return. Combining the forms allows amended returns to be filed electronically and enables refunds from amended returns to now be direct deposited, rather than issuing a paper check as was done in the past. Combining the forms also provides for speedier processing of returns and faster delivery of refunds.
- Schedule of Credits – All nonrefundable and refundable credits were combined into an Ohio Schedule of Credits. Taxpayers benefitted by seeing all the tax credits in one place, on one form, making it easier to identify those credits for which they are eligible.
- Taxation Technology Takes-off – The State Taxation Accounting and Revenue System (STARS) is a major technology project that reached another milestone. The final major business tax – the Commercial Activity Tax – was deployed onto STARS. Other tax types that

became operational in fiscal year 2016 were the taxes on Cigarettes, Other Tobacco Products, Casinos, Kilowatt-hours, Alcoholic Beverages, and Motor Fuel. Seventeen of twenty-three tax types are now fully operational on STARS. The STARS project is a multi-year initiative with a goal of replacing and integrating multiple computer systems into a single platform to administer state and local taxes. STARS has enabled the electronic filing and payment of most business taxes, and has attracted national and international attention from states and countries looking to model the successful development of a taxation management system.

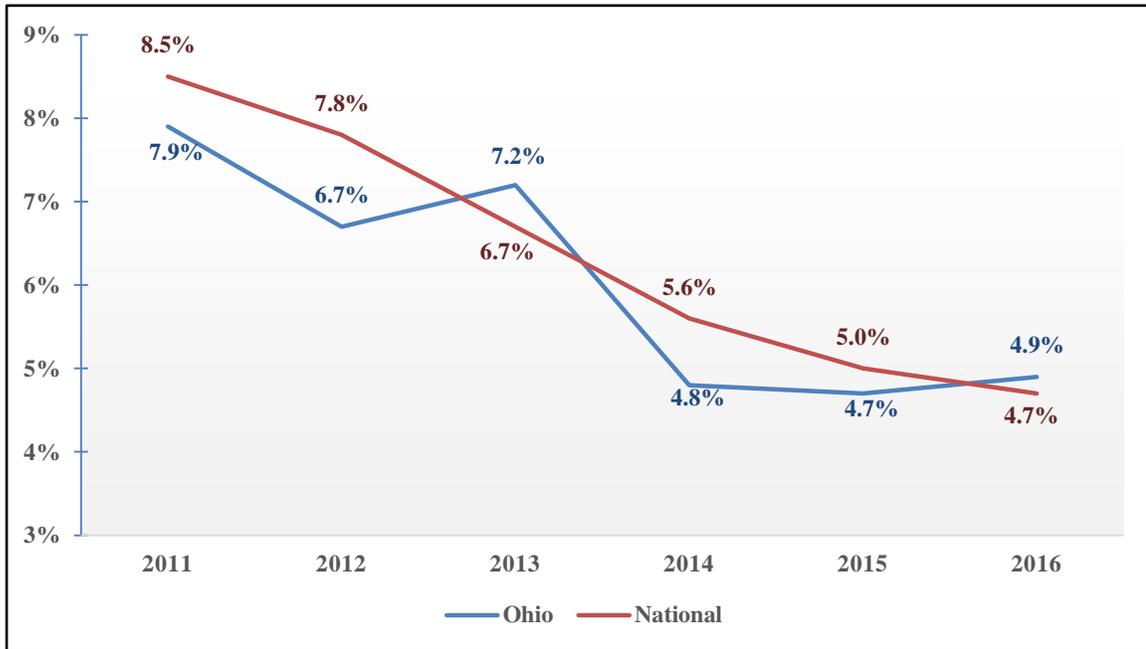
- Ohio Virtual Tax Academy – The mission of the Ohio Virtual Tax Academy (OVTA) is to provide free, online educational seminars on various state tax programs, processes, and practices. Department staff hosted and presented four sessions plus one encore session covering a variety of topics including: legislative updates; the delineation and treatment of business and non-business income; the ins-and-outs of Ohio’s first Sales Tax Holiday; and, how tax overpayments and refunds are handled for different taxes. The OVTA programs qualify for continuing professional and legal education credits.

WORKERS’ COMPENSATION

- Premium Rate Reductions –
 - Reduced private employer premium base-rates by 8.6 percent, bringing rate levels to 28.2 percent lower than those in effect at the beginning of 2011.
 - Reduced average rates for public employers by 9 percent on Jan 1, 2016 bringing the total average decrease to local governments to 26.5 percent
- Transitioned to Prospective Billing – The Bureau successfully completed the transition to the industry standard prospective billing for premiums, and accomplished this important reform by providing a \$1.2 billion credit to employers.
- Safety Grants – Awarded 725 grants totaling nearly \$15 million to 689 employers through the Safety Intervention Grant program, Drug-Free Safety Program, and Workplace Wellness Grant Program to help reduce workplace accidents and injuries.
- Out-of-State Coverage – Launched the Other States Coverage program which for the first time gives Ohio employers the option to purchase from BWC additional workers’ compensation coverage in other states.
- Opioid Prescriptions – The Bureau added a new rule governing the prescribing of opioids to treat injured workers. This rule, which became effective on October 1, 2016, seeks to prevent opioid dependence by requiring appropriate prescribing by BWC-certified physicians. Reimbursement for opioid prescriptions is now limited to claims in which providers follow current best medical practices.

APPENDIX B – STATEWIDE MEASURES OF PROGRESS

December Unemployment Rates (Ohio & National)



Source: Ohio Labor Market Information – www.ohiolmi.com

Private Investment Projects

- 2010 – 304 projects totaling approximately \$4.8 billion and 16,341 jobs created
 - 2011 – 468 projects totaling approximately \$6.5 billion and 28,213 jobs created
 - 2012 – 456 projects totaling approximately \$7.5 billion and 26,886 jobs created
 - 2013 – 409 projects totaling approximately \$6.0 billion and 20,686 jobs created
 - 2014 – 490 projects totaling approximately \$5.4 billion and 25,249 jobs created
 - 2015 – 469 projects totaling approximately \$5.9 billion and 27,496 jobs created
- (Most Recent Data)

Note: Qualifying projects involve minimum \$1 million investment, 20,000 square feet, or 50 jobs.

(Source: Ohio Private Investment Survey, Ohio Development Services Agency)

Site Selection Top State Business Climate Rankings

	2011	2012	2013	2014	2015	2016
Overall	9th	2nd	4th	5th	5th	3rd
Executive Survey Rank	8th	9th	10th	9th	11th	11th
Competitiveness Rank	10th	3rd	6th	9th	9th	8th
New Plant Rank	2nd	1st	2nd	6th	5th	8th

Forbes Best States for Business and Careers

- 2011 Ohio Overall – 38th
- 2012 Ohio Overall – 33rd
- 2013 Ohio Overall – 29th
- 2014 Ohio Overall – 26th
- 2015 Ohio Overall – 15th
- 2016 Ohio Overall – 11th
- 2011 Ohio Regulatory Climate – 10th
- 2012 Ohio Regulatory Climate – 16th
- 2013 Ohio Regulatory Climate – 7th
- 2014 Ohio Regulatory Climate – 6th
- 2015 Ohio Regulatory Climate – 5th
- 2016 Ohio Regulatory Climate – 10th¹

Chief Executive Magazine Best & Worst States for Business

2012	Ohio Overall – 35th	Ohio Taxation and Regulation – 35th (4.25)
2013	Ohio Overall – 22nd	Ohio Taxation and Regulation – 33rd (5.31)
2014	Ohio Overall – 27th	Ohio Taxation and Regulation – 34th (5.49)
2015	Ohio Overall – 22nd	Ohio Taxation and Regulation -- 2 ½ stars ²
2016	Ohio Overall – 10th	Ohio Taxation and Regulation ³ – 24th

CNBC’s America’s Top States for Business

2011	Ohio Overall – 23rd	Ohio Business Friendliness – 42nd
2012	Ohio Overall – 25th	Ohio Business Friendliness – 37th
2013	Ohio Overall – 28th	Ohio Business Friendliness – 33rd
2014	Ohio Overall – 18th	Ohio Business Friendliness – 33rd
2015	Ohio Overall – 23rd	Ohio Business Friendliness – 37th
2016	Ohio Overall – 21st	Ohio Business Friendliness – 37th

¹ For 2016, the magazine’s existing regulatory environment methodology using six data points was modified by the addition of a seventh variable. The incremental impact of the seventh variable is unknown.

² In 2015, the “Taxes and Regulation” category was scored on a five-star basis, but no comparison state rankings were provided.

³ The ranking system for this specific category has been changed by the publishing magazine in each of the last three years. Where possible, the original published data has been converted to ordinal ranking. The original published data is shown in parentheses.

APPENDIX C: SMALL BUSINESS ADVISORY COUNCIL ROSTER



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