

OHIO'S COMMON SENSE INITIATIVE

FIRST-TERM REVIEW



Led by Lt. Governor Mary Taylor, Ohio's Common Sense Initiative (CSI) has helped create a more jobs-friendly regulatory climate in Ohio.

Creating CSI was one of the Kasich Administrations First Orders of Business

CSI Ohio was launched on January 10, 2011 to reform Ohio's regulatory policies to help make Ohio a jobs and business-friendly state. CSI Ohio was tasked with reviewing Ohio's regulatory system to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. While regulations play an important role in promoting fair competition and protecting the public, regulations should also facilitate economic growth. Ohio's regulatory process should be built on the foundations of transparency, accountability, and performance, and should hold state agencies accountable as rules and regulations impacting businesses are developed or renewed. The program was founded in the belief that a strong regulatory system should prioritize *compliance*, not *punishment*. The program has focused on four goals:

- Regulations should facilitate economic growth
- Regulations should be transparent and responsive
- Compliance should be easy and inexpensive
- Regulations should be fair and consistent

More than one-half of the rules and regulations reviewed have been amended or removed

Since the program was launched, CSI has reviewed nearly 5,500 rules that state agencies have in place to govern state laws, and 56 percent have been amended or rescinded demonstrating a more common sense approach to regulating Ohio businesses.

Highlights

- Alcohol Requirements for Food Manufacturers – CSI learned about Custom Culinary, a business in northern Ohio that manufactures soups, sauces, and purees for national restaurant chains. Previously, Ohio's liquor law required food manufacturers to purchase alcohol in retail containers and at retail prices. Because some of their recipes use alcohol, the company was forced to purchase, uncork, sterilize, and pour, one bottle at a time, 140,000 pounds of Merlot wine for one recipe. In 2011, CSI worked with the Ohio Department of Commerce and the Ohio General Assembly to get the law changed. Now, Custom Culinary and other Ohio businesses can purchase alcohol wholesale for their recipes. In June 2012, Custom Culinary broke ground on its \$5 million expansion.
- Ohio Residential Building Code – CSI worked to change the Ohio Residential Building Code to make it current, while maintaining safe standards and minimizing cost increases that could have undermined the residential building industry in Ohio. The new code supports an active residential construction industry which will create jobs. The process for bringing Department of Commerce staff together with the Ohio Home Builders Association to overcome historical tensions is a great example of the CSI process working through the rule review function. The association estimated that the changes from the CSI process saved at least \$2,000 on the construction of an average new home.
- International Doctors – CSI brought stakeholders together to change a law that prevented Ohio's academic medical centers from attracting world-class, internationally-trained medical researchers. These researchers bring millions of dollars of investments and jobs to Ohio. Previously, these doctors could stay for only three years forcing them to leave Ohio, and often locate in other states. CSI worked to ensure that the State Medical Board would have the authority it needs to protect the public, but also allow these special certificates to be renewed so these doctors can stay in Ohio. The Clinical Research Faculty Certificate was enacted in June 2012.

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Bottom Line: While there is more work to do, CSI is helping to transform the culture of state government and implement long-term changes to make Ohio more business-friendly. These administration wide efforts have taken place over the last four years while Ohioans have created more than a quarter million new private sector jobs and unemployment is the lowest it's been in eight years.