



MARY TAYLOR
LT. GOVERNOR
STATE OF OHIO

**Testimony on the Small Business Advisory Council
Sunset Review Committee
Mark Hamlin, Deputy Chief of Staff
May 17, 2016**

Chairman Jordan, members of the Sunset Review Committee, thank you for the opportunity to testify this afternoon on behalf of Lt. Governor Mary Taylor about the Small Business Advisory Council which functions in relation to the Common Sense Initiative Office.

Ohio Revised Code section 107.63 established the Small Business Advisory Council in statute and directs the Council to “advise the governor, the lieutenant governor, and the common sense initiative office on the adverse impact draft and existing rules might have on small businesses.” Senate Bill 2, enacted in 2011, established this section of law and also codified the Common Sense Initiative, which was initially authorized and created under Governor John Kasich’s first executive order (Executive Order 2011-01K). This executive order also provides direction for the Small Business Advisory Council, specifically to “offer the Lieutenant Governor the perspectives of the small business community and provide guidance into the mission and direction of the CSI Office.”

The stated mission of the CSI Office is:

“To promote an attitude in state government that recognizes the value of all stakeholders and leads to the development and implementation of common sense state business regulations that effectively achieve their objectives, minimize the cost and complexity of compliance, and promote economic development.”

CSI does that by following its guiding principles that 1) Regulations should facilitate, not hinder, economic growth; 2) Regulations should be transparent and responsive; 3) Compliance should be as easy and inexpensive as possible; and, 4) Regulations should be enforced fairly and consistently. Again, the role of the Small Business Advisory Council is to provide our office with the perspective of the small business community in our efforts.

The Council consists of nine members, representative of small businesses that are of different sizes, engaged in different lines of business, and located in different parts of the state. We have found this to be a good number of members – it allows us significant representation of different industries and regions, but still is manageable for meetings and for utilizing our members in their communities. The Council has no staff or budget, and any necessary administrative support needed by the Council is provided by the Common Sense Initiative Office. The Council members do not receive any compensation or reimbursement for their expenses.

By statute, the Council is required to meet at least quarterly, although the Council has typically met five or six times per year. In our meetings, the Council has the opportunity to interact directly with the CSI Office, the Lt. Governor, directors and senior staff of executive branch cabinet agencies. The experience of Lt. Governor Taylor and the CSI Office she oversees has been that these meetings provide value in multiple ways. For CSI, the meetings allow us to share information about our operations and seek out guidance on specific issues, and the overall direction provided by our Council members has been necessary to ensure that we are being responsive to the business community and addressing the issues that affect them on a daily basis. The cabinet agencies benefit by being able to share information about their operations or specific initiatives, and hearing directly from the small business owners about their thoughts. The Council members have the opportunity to provide meaningful input to policy makers, and also gain a better understanding of the “why” underlying agency programs which they can share with their contacts in the broader business community.

Through the course of fulfilling the mission of CSI, Lt. Governor Taylor and CSI have found it immensely helpful to have the unfiltered and direct perspective of the Council’s nine small business owners. They help illuminate regulatory hurdles and impediments that we may not otherwise be aware of, help identify the most impactful regulations to business, help us understand how business owners perceive their interactions with the state, and help us determine the degree to which the CSI efforts are being successful.

We do believe that CSI has been successful – through the transformative rule review process that began in 2012, our efforts to directly assist small businesses who are dealing with regulatory roadblocks, and our broader partnerships with agencies and the business community to make Ohio more business-friendly. However, we also know that in many ways, government and business speak different languages, so the input of actual business owners through the Small Business Advisory Council has played a vital role in the success of CSI. So on behalf of Lt. Governor Taylor, I respectfully encourage you to support the Council’s continued authorization through the Sunset Review process. Thank you for your consideration.