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Ohio Metro Chambers Announce First-Time Collaboration on State Budget Issues
Recommendations to transform state government, reduce costs unveiled today

COLUMBUS, Ohio – In a significant reimagining of state budget issues and Ohio government, nine Ohio-based metropolitan chambers of commerce today jointly released a report recommending sweeping changes designed to help Ohio improve economic performance and reduce costs.

The recommendations are the culmination of an unprecedented year-long process in which the chambers identified, researched and analyzed a wide variety of ideas and narrowed them down to those that will best improve the performance of the state. To facilitate this process, the chambers worked with author and public policy expert David Osborne and former state budget director Greg Browning.

The coalition of nine chambers of commerce represents Ohio's larger metro areas as well as the Ohio Chamber of Commerce. The participating metropolitan chambers of commerce include: Canton Regional Chamber of Commerce, Cincinnati USA Regional Chamber, Columbus Chamber, Dayton Area Chamber of Commerce, Greater Akron Chamber, Greater Cleveland Partnership, Toledo Regional Chamber of Commerce, and Youngstown-Warren Regional Chamber.

“The budget crisis in Ohio is both sobering and a significant opportunity to fundamentally change the way state and local government operate,” said Tom Humphries, president and CEO of the Youngstown/Warren Regional Chamber. Humphries leads the metro chambers coalition. “We believe that if the General Assembly and the Governor adopt these recommendations, state and local government will be transformed from systems that maintain the status quo of inefficient, costly government to systems based on performance, outcomes and accountability.”

The report, titled “Redesigning Ohio: Transforming Government into a 21st Century Institution,” includes the following recommendations:

- Adopt budgeting for outcomes as the underpinning for the government redesign plan. Rather than making incremental changes to the status quo, this approach focuses on what

matters most: purchasing outcomes that citizens value. Programs that do not contribute much to those outcomes are no longer included in the budget.

- Establish charter agencies and entrepreneurial management as “bureaucracy busting” measures to save money and/or increase revenues while increasing creativity and flexibility for managers.
- Make state agencies that provide support services to government accountable to their customers, and use the power of competition to drive innovation and improvement.
- Reduce state regulatory enforcement costs by designing regulations that achieve the same outcomes as their predecessors but are easier to comply with and, as a result, decrease the likelihood that they will be violated.
- Implement a comprehensive tax expenditure review to regularly examine the 122 distinct tax expenditures – credits, exemptions and deductions – that amount to \$7.7 billion in lost state revenue annually. Also, reduce or cap costly real property tax rollbacks.
- Adopt civil service and compensation reform that will give managers freedom to manage their people; link public employee compensation to performance; and bring state pensions into line with private sector realities.
- Reduce the costs of the public pensions system through changing contribution formulas, consolidating redundant systems and increasing cost sharing of some benefits.
- Improve Ohio’s health insurance value equation by using the state’s bulk purchasing power to help drive down healthcare costs.
- Significantly reduce prison system costs by directing more nonviolent offenders away from adult prisons toward non-residential community-based monitoring and treatment.
- Establish new structures on the state and county levels and provide both carrot and stick incentives and assistance to promote local government efficiencies, sharing of services and consolidation.

The report will be presented to Governor-elect Kasich and the members of the Ohio General Assembly for their use and reference as they begin the budget writing process.