

Ohio Needs to Focus on Regulatory Reform

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Continental Plastics in Wood County has threatened to move 214 jobs to Indiana because a regulation makes it too costly to operate in Ohio. Indiana doesn't have a similar rule. Governor Ted Strickland is now trying to get the rule waived so Continental Plastics will stay. Like his last-minute efforts to keep NCR in Dayton, Governor Strickland's attempt may be too little, too late. Let's hope for Wood County it isn't.

Ohio's private-sector is in deep trouble. From 2000-2009, Ohio lost jobs in eight of 10 years. In March 2000, Ohio reached a peak of 4,852,400 non-farm, non-government jobs. The valley of job losses hit 640,500 in February 2010 when Ohio had 4,211,900 jobs. From January 1990 to today, Ohio netted just 127,500 private-sector jobs.

In estimating the recovery of these jobs, if Ohio's job engine achieves the output it averaged during the eight "boom" years of the 1990s, it would take 77 months - October 2016 - to gain back the jobs lost. More realistically, if Ohio gains jobs at the average pace of all positive growth years from 1990 to 2010, it would take 102 months - November 2018 - to fully recover from this economic mess.

It is well past the time for big ideas that fundamentally restructure Ohio's business environment. We need to do more than put our eggs in the green jobs basket. We need to send a strong signal to all of Ohio's and America's business community that our state will support them regardless of color. We want jobs and lots of them.

To his credit, Governor Strickland launched a regulatory notice system for Ohioans to use in late January 2010.

The system is in follow-up to Executive Order 2008-04S issued in February 2008. This tool is based on an award-winning system I helped design and launch in Colorado for Gov. Bill Owens in 2003 (it took seven years to come east). Although it took way too long to get the system in place (we did it in 90 days without any additional staff or budget), it can be a force for real regulatory reform in Ohio.

To be that force for reform, it has to get used by Ohioans. Like leading a horse to water, Governor Strickland can't force Ohioans to use the regulatory notice system. He should, however, strongly encourage people to use the system and mention it in every speech he gives on the economy. Thus far, despite the best efforts of Tom Walsh, the special assistant to the governor for regulatory reform, his administration is not doing a very good job promoting the reform tool.

Specifically, if not for making five calls to various state agencies to check if the system was up yet and finally getting connected to Mr. Walsh, we would have had no idea it had been up for three months.

In our meeting, Mr. Walsh told us that roughly 2,000 people had signed-up to use the system and that the system already was having an impact on the regulatory process given the pace of regulations being rescinded.

When we rolled out the regulatory notice system in Colorado, we learned quickly how it changed the mind-set of regulators. In one training session with a state agency, one of the regulators indignantly expressed shock that he might have to justify his proposed regulations. Bureaucrats don't like transparency.

The key to making the system really work is to get as many Ohioans signed up as possible. Getting more people to sign up can serve as a force multiplier, as it makes it increasingly more likely that proposed or amended regulations that will harm the economy or result in job losses can be detected and stopped before being implemented.

For real regulatory reform to occur, it must be a constant focus of the administration. In Colorado, as our team left, those who replaced us didn't have the same zeal for regulatory reform. As a result, the system has become just an obscure tool that only added 330 users in 2009.

Just think, had the system been in place before January, maybe someone would have caught the regulation that may force Continental Plastics to Indiana.

With 56 percent of Ohioans saying that our regulatory environment makes it too hard for businesses to create jobs and grow, we must ask: How many other regulations are costing Ohioans their jobs?

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