



One * Voice

GREATER CLEVELAND PARTNERSHIP 2009/2010 PUBLIC POLICY AGENDA

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A Message

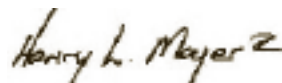
TO OUR ELECTED OFFICIALS AND PUBLIC-SECTOR LEADERS

The Greater Cleveland Partnership (GCP) and its partner organizations represent the interests of more than 17,000 businesses in Northeast Ohio. We share a common vision for accelerating economic growth and increasing regional prosperity. While we are concerned about the unprecedented economic challenges that will unfold throughout 2009 and 2010, we are confident that our Public Policy Agenda, representing the “one voice” of our constituents, will help elected officials and public sector leaders marshal the resources necessary to respond effectively to these challenges.

The action items addressed in our 2009/2010 Public Policy Agenda are organized into six areas of focus:

- **Advance Small Business Success.** Small businesses will account for a large percentage of job opportunities in Northeast Ohio. The efforts of GCP’s small business partner, the Council of Smaller Enterprises (COSE), to support the independence of our region’s small business owners and assist their efforts to pursue growth and success are critical to the region’s current and future economic vitality.
- **Accelerate Economic Inclusion.** Accelerating our pace toward economic prosperity will require the full use of *all* of our regional talent and leadership assets. We will need to intensify our efforts to ensure that minorities participate in, and contribute to, our region’s economic growth. The GCP’s Commission on Economic Inclusion has taken the lead on this critical priority.
- **Build a High-Impact, Sustainable Economic Development System.** In order to create opportunities for new high-wage, high-growth jobs and ensure that we retain existing jobs, we must strategically leverage the strengths of the economic development partnership system that the GCP helped create. This will require greater collaboration with, and support for, the GCP’s economic development partners—BioEnterprise Corporation, JumpStart, MAGNET, NorTech and Team NEO, along with the Cleveland Plus Marketing Alliance and the GCP’s Business Development Team.
- **Change the Face of Cleveland.** Even in a difficult economy, regional growth strategies must include an intense focus on major physical development projects and new mixed-use development opportunities that will transform the face of Cleveland and enable our City to reclaim its preeminent position as an economic driver in the region, the nation and the world.
- **Strengthen Global Connections.** Recognizing that Northeast Ohio is linked with the global marketplace, it is imperative that we develop and support world-class physical and human capital assets that enhance global competitiveness and strengthen our ability to increase commerce with the rest of the world.
- **Initiate a Demand-Driven Talent System.** Attracting new businesses and increasing the number of high-growth, high-wage industries rests with our ability to develop a highly educated, well-skilled workforce. Elected officials and public sector leaders should support this effort by providing resources to ensure that area residents are prepared to pursue advanced academic credentials and technical training for current and future industry needs.

Our 2009/2010 Public Policy Agenda describes the policies and support necessary to achieve the objectives described in each of these categories. The GCP and its partners are positioned to mobilize private-sector leadership, expertise and resources to improve the economic outlook of Northeast Ohio. In partnership with our elected officials and public sector leaders, we stand ready to face the challenges ahead. Together, advocating with “one voice,” we can bring economic prosperity for all who live and work in Northeast Ohio.



Henry L. Meyer III
Chairman, Board of Directors



Paul Dolan
Chairman, Government Affairs Council



Joseph D. Roman
President and Chief Executive Officer

Who
*** We Are**

The Greater Cleveland Partnership (GCP) mobilizes private-sector leadership, expertise and resources to create jobs and improve the economic vitality of Northeast Ohio by serving as a catalyst for changing the region's economy through a streamlined economic development system. Created in 2004 through the merger of Cleveland Tomorrow, the Greater Cleveland Growth Association and the Greater Cleveland Roundtable, the GCP enables the private sector to better allocate its most precious resources – dollars and committed leadership – with one voice to advance wealth-creation priorities locally, in Columbus, and in Washington, D.C. With more than 17,700 business members, the GCP, along with the organization's small-business partner, the Council of Smaller Enterprises, is one of the largest metropolitan chambers of commerce in the United States and the biggest economic development organization in Ohio.

The Council of Smaller Enterprises (COSE) is Ohio's largest small business support organization, striving to help small businesses grow and maintain their independence. Comprised of more than 17,000 small business member companies, COSE has a long history of fighting for the rights of all small business owners, whether through group purchasing programs for health care, workers' compensation, or energy, advocating for specific changes in legislation or regulation to benefit small business, or providing a forum and resource for small businesses to connect with and learn from each other. COSE members invest financial and human resources in every major GCP initiative and have dedicated representation on the GCP Board of Directors, the Executive Committee and the Government Affairs Council.



**Our
Economic
Development
Partners**



BioEnterprise Corporation is a business formation, recruitment, and acceleration initiative designed to grow health care companies and commercialize bioscience technologies. Based in Cleveland and Akron, BioEnterprise's founders and partners are Cleveland Clinic, University Hospitals, Case Western Reserve University, Summa Health System, and the BioInnovation Institute in Akron. Since launching in 2002, BioEnterprise and its partners have accelerated over 70 companies that have attracted \$820 million in capital.

Build Up Greater Cleveland (BUGC): Since its inception in 1983, the Build Up Greater Cleveland (BUGC) organization has played a critical role in intelligently leveraging and managing regional resources to maintain and upgrade our infrastructure. Greater Cleveland's roads, bridges, waterways, wastewater facilities, public transit, and other infrastructure components are indispensable assets that support efficient, safe and environmentally secure regional growth and prosperity. The Greater Cleveland Partnership plays a central role in managing BUGC in a way that helps BUGC partners and government more effectively and efficiently leverage infrastructure assets for Northeast Ohio.

Cleveland Development Advisors, Inc. (CDA) is a GCP affiliate that manages private-sector investment capital raised to advance economic and community development in the City of Cleveland. CDA improves Cleveland's character and vitality by investing in and supporting targeted catalytic real estate projects that become anchors to attract further development of comparable quality. Since its creation in 1989, CDA has invested more than \$136 million and leveraged more than \$2.3 billion in new investments, providing vital gap financing to real estate projects that enhance our city. CDA staff are recognized as some of the most innovative private-public sector financing agents in the United States.

Commission on Economic Inclusion: Established in 2000, the Commission on Economic Inclusion is a broad-based group of business and community leaders who have joined together to make Greater Cleveland's diversity a source of economic strength. The Commission works to ensure that economic inclusion is integrated into all aspects of the business community's economic development agenda by setting targets and providing guidance for improving workforce, supplier, senior management and board member diversity. The Commission's membership is comprised of more than 110 Northeast Ohio employers who annually measure their own progress in these areas.

The **Cleveland Plus Marketing Alliance (CPMA)** is a joint initiative of the GCP, Positively Cleveland, and Team NEO. Under the Cleveland Plus brand umbrella, CPMA works with organizations and individuals to develop innovative strategies that attract businesses and tourists to the region. The Marketing Alliance also helps area residents understand, appreciate and communicate the positive attributes of Northeast Ohio. Further, it drives a national media relations effort, provides a regional talent attraction portal, as well as a college student engagement Web site.

The **Fund for Our Economic Future** unites philanthropy in Northeast Ohio to strengthen the region's economic competitiveness through grant making, research and civic engagement. It collaborates with others in a 16-county region to improve the region's economic competitiveness in four priority areas:

- Business Growth & Attraction
- Talent Development
- Growth Through Racial & Economic Inclusion
- Government Collaboration & Efficiency

In its second, three-year phase of work, the Fund is collaborating with partners in the public and private sectors to implement Advance Northeast Ohio, the region's economic action plan.

JumpStart is Northeast Ohio's venture development organization. JumpStart accelerates the growth of early-stage businesses and ideas into venture-ready companies by delivering vital, focused resources to entrepreneurs in Northeast Ohio. The organization identifies and invests in early-stage companies that have strong potential in the marketplace, solid prospects for high growth and are likely to qualify for later-stage funding. Beyond investing, the JumpStart team provides a continuum of business development services to its client and portfolio companies to help ensure their success.

The **Manufacturing Advocacy and Growth Network** (MAGNET) serves as a voice for manufacturing in Northeast Ohio and provides one-stop access to resources that improve the productivity, innovative capabilities, access to global markets and access to talent for the region's manufacturing companies. MAGNET also provides manufacturers with access to business consulting and product development projects, as well as access to its business incubation program.

MAGNET has formed partnerships with the World Trade Center Cleveland and the International Trade Assistance Center of the Northeast Ohio Trade and Economic Consortium to offer information and assistance to Northeast Ohio manufacturers competing in the global marketplace.

Northeast Ohio Technology Coalition (NorTech)

NorTech leads the technology agenda for a 21-county region within Northeast Ohio. NorTech's mission is to build a vibrant and globally-competitive economy by serving as the strategic voice and catalyst for technology based economic development (TBED) in Northeast Ohio. NorTech accomplishes its mission by linking and leveraging the region's technology, entrepreneurship and innovation assets to make Northeast Ohio one of the top 10 places in the world to learn, innovate, and invest. www.nortech.org

Team NEO: Established in 2003, Team NEO is a private sector-led regional economic development organization that serves as a central resource for information and assistance to companies that want to expand in Northeast Ohio, move new operations to the region or seek a new location within the area. Team NEO is a joint venture of the largest metropolitan chambers of commerce in Northeast Ohio—the Greater Cleveland Partnership; the Greater Akron Chamber; the Stark Development Board; Team Lorain County; the Youngstown-Warren Regional Chamber; and the Medina County Economic Development Organization. Together, these partners represent four million people in 13 counties.

Our Focus

The GCP is acutely aware of the difficult fiscal and economic challenges facing the nation, the State of Ohio, and our region. Although many of these issues are not new, and many are being addressed through ongoing efforts and initiatives, the level of intensity and dimension is growing in the face of a national recession and the loss of thousands of jobs throughout Northeast Ohio.

Ohio is particularly challenged within this broader context as the state works to transition from an industrial to a largely post-industrial knowledge-based economy. The state's manufacturing sector continues to experience major job losses as domestic productivity improves and technology and education allow less-developed countries to produce commodities at lower costs. With GCP support, Ohio has responded by reforming its tax code, reducing rates and eliminating anti-competitive business taxes, while making strategic investments in human capital. This is being done to enhance Ohio's economic climate in a state that currently ranks 47th in economic momentum. These fiscal and economic pressures will likely intensify throughout 2009.

Our 2009/2010 Public Policy Agenda reflects these accomplishments and future challenges as we intensify our efforts to advance small business success; accelerate economic inclusion; build a high-impact, sustainable economic development system; change the face of Cleveland; strengthen global connections; and initiate a demand-driven talent system.



ADVANCE SMALL BUSINESS SUCCESS

Our region's economic future depends on the ability of small businesses to prosper and grow. Because COSE plays a vital role in this endeavor, the GCP works closely with COSE as it advocates for the needs of small businesses in our community. COSE's Public Policy Agenda and its legislative/regulatory goals for 2009/2010 are described in detail on pages 34-37.



COSE members benefit from a unified, collective voice that speaks out on issues affecting small business.



The GCP's advocacy efforts will support initiatives that promote the growth and expansion of minority-owned businesses.

ACCELERATE ECONOMIC INCLUSION

Access to Capital. Among the continuing challenges to minority business enterprises (MBEs) is access to bonding, preventing them from becoming eligible to bid on contracting jobs in various sectors of the economy. The Ohio Department of Administrative Services, with their Encouraging Diversity, Growth and Equity (EDGE) Program, has realized tangible results. We must continually build on these efforts.

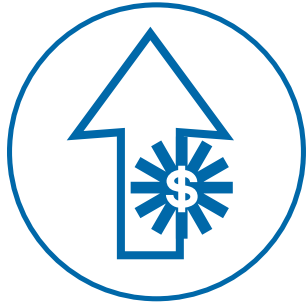
As with other businesses in the region, MBEs also continue to experience difficulty accessing capital. Working with the Ohio Department of Development (ODOD) and ODOD's Minority Business Enterprise Division, the GCP will encourage Ohio's financial institutions to make funds available to businesses that are having difficulty obtaining traditional business loans.

GOAL: Support continuation of the Encouraging Diversity, Growth and Equity (EDGE) program

Minority Business Development. Building on the success of the Minority Business Accelerator 2.5+, an initiative of the Commission on Economic Inclusion, the GCP will advocate for federal support for additional accelerators. The Minority Business Accelerator 2.5+, funded by the Fund for Our Economic Future, is in the second year of a three-year grant cycle, with one more year of funding based on continued meeting of metrics. It is focused on growing the size, scale and infrastructure of African American- and Hispanic-owned businesses that are located in a 16-county area of Northeast Ohio and have annual revenues of at least \$2.5 million. Additional accelerators can focus on growing smaller MBEs and on specific sectors, such as health care, infrastructure building and others.

GOAL: Secure federal funding for the Minority Business Accelerator 2.5+ initiative





BUILD A HIGH-IMPACT, SUSTAINABLE ECONOMIC DEVELOPMENT SYSTEM



Building on the system that the GCP has helped create will grow our capability to retain and create jobs and wealth for all residents at scale. The system is composed of five external partner organizations — BioEnterprise, JumpStart, MAGNET, NorTech and Team NEO — along with the Cleveland Plus Marketing Alliance and the GCP's Business Development team.

Photo: Donn Nottage

Technology, Innovation and Entrepreneurship

Innovation in new technologies has accounted for half of our country's growth in GDP over the last 50 years. Science and technology will play key roles in reversing the current economic downturn and staying ahead of many other countries that continue to gather economic strength. With its rich history in education, research and innovation, Ohio, the state that brought the world "light and flight," will once again become a center of technology and innovation.

Ohio's Third Frontier initiative, which was created to invest in technology, research and innovation, has been successful, in large part, because it is grounded in a merit-based review process, without geographic constraints. Renewing and extending this initiative will enable Ohio to keep pace with competing states and regions to develop and commercialize new ideas and products.

GOAL: Support renewal and expansion of the Ohio Third Frontier Program in a form that requires awards to be merit-based and without geographic allocations or constraints



The state's Innovation Ohio Loan Fund (IOLF) provides affordable loans that can be secured by collateral to high-growth, technology-enabled Ohio businesses. Like other capital programs, including the Third Frontier, demand has grown as new technology companies move to Ohio. To date, \$55 million in loans has been authorized to 56 companies; \$10 million in interest has been collected and these companies now employ more than 2,100 individuals. We must ensure that this success continues.

GOAL: Increase capital available for lending to qualified companies by \$30 million, an increase from the current \$55 million to \$85 million

Providing a 25 percent state tax credit for making direct investments in qualified technology companies, the Ohio Technology Investment Tax Credit was launched in 1996 and accelerated dramatically after the Third Frontier was enacted. To date, 419 companies have been approved for investment and \$105 million has been invested in Ohio companies that now employ more than 1,800 individuals. Many new angel investment funds have been started in Ohio as a result of this credit and support provided by the Third Frontier. In order to secure our future in this field, the GCP supports increasing the capital available through the tax credit.

GOAL: Increase budget authorization limits from \$30 million to \$45 million for the Ohio Technology Investment Tax Credit program

The Ohio Capital Fund (Ohio Venture Capital Authority) was created in 2003 to stimulate the creation and attraction of new venture capital funds that support the development of technology-based businesses. While \$250 million was authorized, only \$150 million was made available through a complex bond structure. This situation has restricted the state's ability to realize the full potential of this fund.

GOAL: Support changes in the administration of the Ohio Capital Fund that will allow it to grow to the originally contemplated scale of \$250 million

Gaming

While voters have rejected attempts to bring gaming to Ohio four times since 1990, the nearby states of Pennsylvania, Indiana, Michigan and West Virginia continue to rely on gaming as a component of their economic development strategies. In light of the state's rapidly growing budget challenges and the potential for more than \$1 billion in revenue, the GCP believes that the governor and state legislators should work together to enact a proposal that puts forth a responsible approach to gaming in Ohio. This should be done without the influence of individuals who may benefit from the outcome.

State Fiscal Responsibility

Consistent with previous Public Policy Agendas, the GCP will continue to monitor the implementation of critical tax policy changes outlined in HB66 (2004, 126th Ohio General Assembly). The GCP will continue to work with the Administration, the legislature and the business community to ensure that the commercial activity tax is stimulating Ohio's economy and that the five-year phase-in of the 21 percent personal income tax reduction is fully implemented.

We realize that the Administration will face difficult decisions during biennial budget deliberations. While we appreciate the complexity of the choices that must be made, we will strongly emphasize that important tax reform policies must not become compromised in reaction to Ohio's fiscal crisis.

GOAL: Support passage of a state budget that meets basic needs but does not compromise the advances achieved through passage of HB66

Balancing Business and Labor Issues

With the election of a new president and Democrat majorities in the U.S. House and Senate, union influence, once a dwindling force, has new life and newly elected supporters. In all probability, the 111th Congress will once again consider legislation that will make it easier for unions to organize in the workplace. In 2007, the ill-advised public policy of eliminating a "secret ballot" was incorporated into The Employee Free Choice Act. If passed, the bill would have allowed workers to unionize by simply presenting a check-off petition alleging that a majority of the workforce wishes to enter into collective bargaining. Passing this bill would have ended the practice of using federally supervised secret ballots as a method of voting to unionize workers.

Passage would have also required binding arbitration, which would force a government-dictated, two-year contract on a business if an agreement is not reached within 120 days of union certification. This would have resulted in a second elimination of a secret ballot for employees who would lose the opportunity to vote on the agreement. The bill would have also imposed onerous new penalties on employers for violations of the National Labor Relations Act, without corresponding penalties for unions or labor organizers.

GOAL: Oppose efforts to enact any and all of the provisions of the Employee Free Choice Act

Federal Healthy Families Act

In 2008, the GCP and its partners throughout the Ohio business community successfully opposed the efforts of organized labor to amend Ohio's Constitution to mandate that employers in Ohio provide seven days of paid sick leave to their full- and part-time employees. In addition to the competitive disadvantage these mandates would have imposed on Ohio businesses, the burdensome proposal was wrought with administrative provisions that would have increased costs on business operations for employers with more than 25 employees.

Labor advocates have pledged to respond to this setback by pursuing similar legislation at the federal level. With the change in the political landscape at the White House and in the Congress, emboldened labor groups may see the 111th Congress as a friendlier environment in which to advocate for this anti-competitive policy.

The GCP will work closely with other business advocacy groups to educate members of Congress on the disadvantages of this and other anti-business proposals.

GOAL: Work with other business groups to defeat a federal "Healthy Families Act"

Legal Reform

With a new Congress and the White House more empathetic to their cause, plaintiffs' attorneys are likely to make a strong push in the 111th Congress to expand client rights. As such, we are likely to see both legislation and administrative action on a number of fronts:

- **Federal Preemption.** There will be a strong movement to reverse the Bush Administration's expansion of federal preemption of state law
- **Binding Arbitration.** The plaintiffs' bar is seeking to prohibit mandatory binding arbitration agreements in consumer contracts
- **Medical Malpractice.** This issue may surface in various ways and could be debated as part of an overhaul to our nation's health care system

The GCP will work with our Congressional leaders and the Administration to ensure that they understand the impact potential changes to our legal system will have on our economy. The GCP will advocate to limit potentially negative results.

GOAL: Oppose enactment of harmful legal reforms related to federal preemption of state law, binding arbitration in consumer contracts, medical malpractice and other harmful reforms

With the passage of Senate Bill 117 at the end of 2006, and its subsequent affirmation by the Ohio Supreme Court in 2007, Ohio realized important civil justice reforms designed to decrease frivolous lawsuits and increase the level of fairness and predictability for businesses looking to expand existing operations or locate new facilities in Ohio. The GCP will work with the state administration and the leaders of the General Assembly to emphasize the impact that potential changes to our civil justice system may have on the economy.

GOAL: Help ensure that the state administration and the leaders of the General Assembly understand the impact of potential changes to our civil justice system may have on the economy



Environment and Climate Change

Northeast Ohio faces serious environmental challenges that have an impact on the economic vitality of our region and the quality of life experienced by our residents. Among these are water resources, air quality and climate change. The GCP will continue to advocate for cost effective and reasonable solutions to these complex issues that will lead to a high impact sustainable economic development system.



More needs to be done to protect the delicate balance of the Great Lakes' ecosystem.

Water Resources

The Great Lakes represent an enormous competitive and quality-of-life asset. They have helped connect people and enterprises, and have served as both pathway and playscape, resulting in the most economically integrated trading region in the world. Much progress has been made in restoring the Great Lakes over the past 30 years; it is one of the major environmental success stories of our time. Much more remains to be done. If appropriate investments are made, the lakes have the regenerative potential to help drive the revitalization of our region.

The GCP supports the implementation of the Great Lakes Restoration Strategy and will advocate for adequate funding to address the needs of the Great Lakes, including:

- Aquatic invasive species
- Habitats and conservation
- Coastal health
- Areas of concern that suffer from severe environmental degradation
- Non-point sources
- Toxic pollutants
- Sustainable development
- Indicators and information

GOAL: Support implementation of legislative proposals contained in the Great Lakes Restoration Strategy

The GCP recognizes the Great Lakes as an important economic development and natural resource. Unfortunately, this resource is threatened by invasive, nonindigenous aquatic life. Nonindigenous species, brought to the Great Lakes by ocean-going vessels, interfere with the delicate balance of the ecosystem. The federal government should establish programs to protect the Great Lakes from discharges of untreated ballast water from ocean-going vessels.

GOAL: Work to ensure passage of federal legislation that protects the Great Lakes from discharges of untreated ballast water

In addition to restoring the Great Lakes, the federal government should support efforts to rebuild the region's water and sewer infrastructure, based on a thorough assessment of regional and state needs and a "fix-it-first" funding strategy that prioritizes existing systems in established communities and enhances the abilities of such systems to address non-point source pollution.

The GCP will closely monitor all air and water quality regulations proposed by the federal government and state governments, and advocate for limiting or eliminating their negative impact on business attraction and economic development.

At the state level, the GCP will work with the Administration on proposed water quality rules that will have an impact on nearly every industry sector in Ohio including manufacturers/industrial water users; electric utilities; sewage treatment plants; agriculture/farming; airports; railroads; real estate developers; coal; aggregate and industrial minerals; road projects; contractors; cities/municipalities; and builders. These administrative rule packages may reflect the most extensive revisions to Ohio's surface water quality rules in 30 years. The GCP will support efforts to ensure that regulations do not negatively impact the state's ability to attract new business and create jobs.

GOAL: Support efforts to ensure that air and water quality regulations do not negatively impact the state's ability to attract business and create jobs

In addition to water-related regulatory issues, the GCP will identify and request assistance for other modes of transportation that use an intermodal approach for efficiently moving commodities, especially within the Great Lakes region. Because short sea shipping saves on energy, cuts costs, and drastically reduces emissions, it is an efficient alternative to overland shipping via truck or rail. The federal government, working with appropriate Canadian provinces, should encourage the efficient distribution of goods in the Great Lakes region. To facilitate short sea shipping, the GCP will:

- Advocate for federal and state funding to expand the capacity and capabilities of Great Lakes ports
- Advocate for revisions to the Harbor Maintenance Tax to encourage short sea shipping, and advocate for funding for navigation improvements
- Promote the prompt passage of the Great Lakes Short Sea Shipping Enhancement Act of 2007 or legislation that amends the Internal Revenue Code to exempt from the harbor maintenance tax certain commercial cargo loaded or unloaded at U.S. ports in the Great Lakes-Saint Lawrence Seaway System

GOAL: Support implementation of legislation that enhances short sea shipping in the Great Lakes

In addition to supporting efforts to restore the Great Lakes and ensure a healthy ecosystem, legislation and regulation that impact the Great Lakes will remain one of the GCP's highest priorities. Working with the Coalition for Sustainable Water Management, the GCP supported the passage of the Great Lakes-St. Lawrence River Basin Water Resources Compact. Now that Congress has ratified the legislation and the President has signed it into law, Ohio must move forward to pass further legislation that implements the specific requirements of the Compact. The GCP will advocate for implementing legislation on behalf of our members whose businesses, while diverse, depend on water for the survival of their operations and the jobs they provide.

The GCP will advocate for implementation of a decision-making standard that reflects Ohio's legislation, the Congressional Record and the Coalition's interpretation.

Another significant issue relates to grandfathering existing water withdrawal levels. The Compact requires states to register all existing withdrawals of more than 100,000 gallons per day. An initial measurement of daily water usage will become a baseline by which future withdrawal increases will be regulated. Ohio's ratifying legislation requires approval from the state for new or increased water usage. The approval process, like the ratifying legislation, should be based upon a processing systems capacity rather than current withdrawal rates. Maintaining this provision is essential to protect the value of existing investments in water infrastructure such as plants, pipe installation, etc.

GOAL: Work with the Great Lakes Compact Implementation Advisory Committee to ensure that new or increased water usage permits are based upon processing capacity rather than current withdrawal rates

Further, as the Ohio General Assembly works to implement the Compact, the GCP will advocate for:

- **Threshold Limits.** The Compact requires states to establish an approval process for new or increased withdrawals within the basin. While the Compact establishes a default threshold of 100,000 gallons per day (gpd), it allows the states to identify a more reasonable threshold limit. Other states, Michigan, Pennsylvania and Indiana for example, have set threshold amounts of at least one million gpd. In order to remain competitive, it is imperative that Ohio establish a threshold amount equal to, if not greater than, surrounding states.
- **Terms and Conditions.** The Compact provides a standard of review and decision to ensure that states consider a variety of factors before issuing an approval of a new or increased withdrawal above the set threshold. However, it does not require states to go beyond those provisions. Ohio should be careful about placing additional terms and conditions on the approval. Adding unnecessary stipulations could considerably slow down the approval process and create burdensome requirements. Approvals should be kept simple and written in plain, understandable terms.
- **Assessing Significant Adverse Impact.** The Compact allows states to issue an approval for a withdraw if *the withdrawal or consumptive use will be implemented so as to ensure that the proposal will result in no significant individual or cumulative adverse impacts to the quantity or quality of the waters and water dependent natural resources and the applicable source watershed.*

GOAL: Support implementation of standards within the Great Lakes Compact that recognize the basin as a whole

Lastly, the GCP will work to ensure a timely withdrawal approval process, equitable fees and appropriate return flow regulations that focus on water quantity.



Air Quality

Without effective policies that reduce regional pollution, Great Lakes metropolitan areas, such as Cleveland, will not be able to meet federal air quality standards by the deadlines specified by the United States Environmental Protection Agency (EPA) in a cost effective or timely manner.

Federal air quality standards for ozone and fine particulate matters established by the EPA continue to threaten Northeast Ohio's ability to attract and retain businesses. The EPA's regulatory requirements limit Northeast Ohio's ability to locate new or expand existing businesses that generate air pollution. These restrictions place the region at a competitive disadvantage to other areas in Ohio and the nation that already meet these air quality standards.

Coal-fired power plants produce emissions that contribute to the area's inability to meet air quality standards. The EPA enacted the Clear Air Interstate Rule (CAIR) to reduce emissions from power plants through a "cap and trade" program. CAIR effectively balanced the need for reductions with the need to avoid dramatic increases in electricity rates that could damage our economy. In December 2008, a federal court instructed the EPA to overhaul the CAIR program, which could lead to more stringent reductions and higher rates.



In addition to coal-fired power plants, transportation vehicles are also responsible for Northeast Ohio's air quality—not just local vehicles, but vehicles throughout Ohio and the Midwest region. The GCP has participated in programs that accelerate reductions from motor vehicles as a means of reducing pressure on local businesses to come up with greater emission reductions. The GCP has been actively seeking reductions from diesel engines through voluntary programs. Although federal regulatory requirements have been developed that will put in place more stringent emission limits for diesel vehicles, these standards will take years to fully implement because of slow fleet turnover. The GCP has actively participated in the Ohio Diesel Coalition and

GOAL: Support establishment of a reasonable and cost-effective program that will balance air quality needs with the economic impact that results from rising electricity rates

the Midwest Clean Diesel Leadership Initiative to secure federal and state funding to pay for retrofits, repowers and replacement of diesel engines. With nearly \$20 million in funds, Ohio's Diesel Emission Reduction Grant (DERG) program is the largest in the Midwest. The DERG program was only funded through state fiscal year 2008-2009. The GCP will advocate for the continuation of the program to accelerate emission reductions from diesel engines in Ohio and reduce the regulatory burden on our manufacturing sector.

GOAL: Support continuation of the Diesel Emission Reduction Grant (DERG) program



Projected emission trends indicate that the demand for fossil fuel such as gasoline and coal, is expected to increase greatly with predicted growth of the U.S. and global economies. The GCP will have a balanced approach to control greenhouse gas emissions, which severely impact our economy.

Climate Change

Combating climate change will require innovative solutions to address one of the greatest challenges ever faced by our nation and our region. A global response and national action is needed to slow, stop, and reverse greenhouse gas (GHG) emissions in a way that promotes sustainable economic growth and does not severely impact our economy.

The Administration has stated that passage of climate change legislation is a top priority; Congress may give serious consideration to a bill beginning in 2009. As federal legislation is developed, the GCP will advocate for a balanced approach to control GHG emissions without severely impacting our economy. Serious consideration should be given to federal legislation that would create a cap and trade program that could cost-effectively reduce the nation's GHG emissions.

Even without Congressional action, regulation of GHGs may become a reality under the Clean Air Act, either through rulemaking efforts by the EPA or as a result of litigation. Regulation of GHG under the existing framework of the Clean Air Act would lead to devastating impacts on our economy and reduce our national competitiveness. The GCP will advocate for rulemaking or amendments to the Clean Air Act that would avoid such consequences.

GOAL: Support a balanced approach to slow, stop and reverse greenhouse gas emissions in a way that promotes sustainable economic growth and does not severely impact our economy



Energy

Ohio has a large stake in the future of advanced and alternative energy development because of its existing power generation base (sixth largest electric generating state in the United States), its large coal industry and its support of advanced and alternative energy in fuel cells, solar, biofuels and wind generation. We also have a significant knowledge base in the platform technologies required to solve some existing barriers to commercializing both generation and carbon dioxide capture technologies. Ohio has taken an early initiative in advances in novel generation technologies and energy management technologies such as fuel cells, wind and solar energy, and advanced photovoltaics. Alternative fuel technologies are also thriving in Ohio based, in part, on the state's strength in agriculture and polymer sciences.

We recognize, however, that these technologies alone cannot supply the demand for electricity that is projected in the short- and medium-term. Ohio has numerous coal-fired power plants throughout the state that must also be considered in the creation of our energy future. In order to convert to clean coal technology in a timely manner, the industry needs regulatory certainty and incentives to facilitate and accelerate the deployment of carbon capture and storage (CCS).

Another area of focus that can be implemented in the near term is energy efficiency. One of the most immediate steps that can be taken by the federal government is to consider policies that will tighten building codes and standards, as well as appliance efficiency standards. Consideration should also be given to providing incentives or funding to retrofit public buildings to ensure maximum efficiency.

The GCP and its technology partner, NorTech, will work with state and federal lawmakers to find solutions to our energy crisis that recognize the importance of all these technologies and strike the right balance between technologies that are currently available with those of the future.



Alternative and advanced energy technologies, such as fuel-cell energy that powers this Crown lift truck, will play a key role in finding solutions to the state's energy crisis.

Photo courtesy of Crown Equipment Corp., New Bremen, Ohio



CHANGE THE FACE OF CLEVELAND



Working with its real estate partner, the Cleveland Development Advisors, the Greater Cleveland Partnership advances physical development initiatives at the scale necessary to create jobs and amenities that enhance Cleveland's quality of life and place in the region

Image provided by Cleveland Development Advisors

Continuation of the State Historic Tax Credit. The GCP will continue to build upon our advocacy success for, and amendments to, the State Historic Tax Credit program administered by the Ohio Department of Development. We will collaborate with our constituents to maximize Northeast Ohio's use of the tax credit and advocate to make this important economic development tool permanent state law.

GOAL: Support preservation and extension of the Ohio State Historic Preservation Tax Credit

Reauthorization of the New Markets Tax Credit.

Funded through the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund, the New Markets Tax Credit program provides financial incentives and risk mitigation for economic development investments in the nation's poorest communities that continue to experience disinvestment, shrinking sources of capital, loss of population and a growing number impoverished census tracts. The 39 percent tax credit taken over seven years provides a means to generate a market rate of return for investors, thus attracting capital that would typically be unavailable.

Recognizing the importance of this credit, GCP members, including KeyBank, Fifth Third Bank and National City Bank, along with Cleveland Development Advisors (CDA), an affiliate of the GCP, use a range of financial tools, including New Markets Tax Credits, to

make catalytic investments in low-income census tracts throughout the community. To date, CDA has used \$23 million of its \$40 million allocation (\$15 million in 2003; \$25 million in 2007) to leverage \$259 million for 17 real estate revitalization projects. The program that expired in 2007 was extended for one year as part of the Emergency Economic Stabilization Act of 2008. More importantly, the catalytic impact and proven success of the program bode well for reauthorization and extension.

Although the CDFI Fund has enjoyed broad, bipartisan support, the Federal budget deficit and increased competition for federal funds may result in lower appropriation levels authorized by Congress. The GCP will monitor CDFI reauthorization and funding levels and advocate for the reauthorization of the New Markets Tax Credit.

GOAL: Support reauthorization of the federal New Market Tax Credit program

Additionally, the GCP will work closely with the Governor and the Ohio General Assembly to craft a parallel effort at the state level effectively making Ohio one of the best places in the country for investors to use the federal credit. If we are to return to the time when our downtown areas were vibrant centers of commerce that create jobs and attract investment, we must create incentives that work to stimulate our urban neighborhoods by attracting private investment through the state-match to the federal New Markets Tax Credit program.

GOAL: Work with the Administration and the Ohio General Assembly to craft a state new markets program

Transportation Infrastructure Funding. Over the next two years, there will be several opportunities and specific federal and state legislative vehicles that the GCP will monitor in our efforts to seek regional transportation and infrastructure funding. The federal Stimulus bill, the Highway Reauthorization bill, the reauthorization of the Water Resources Development Act and the fiscal year 2010-2011 appropriations process are important to our funding efforts.

It is essential that the business community partner with state and federal government to seize the opportunity to create jobs now, as well as support the unique needs of inland metropolitan regions that operate as global gateways and centers of trade and commerce. Especially at the federal level, we support the creation of a national transportation policy that addresses the nation's needs in an intermodal manner: highway and transit solutions must be found if we are going to compete on a national and global stage.

We will continue to work with government and other business/community groups to find opportunities to invest in projects such as the expansion of trade corridors, development of inter-regional passenger rail, and the improvement of regional freight networks.

Over the next two years, the GCP will advocate for funding and policy changes that capitalize on opportunities by:

- Continuing to advocate for the completion of the Innerbelt and Lakefront development projects
- Advocating for funds to repair or replace the Innerbelt bridge
- Coordinating community efforts to advocate for the reconfiguration of the Innerbelt, specifically with respect to the Carnegie Avenue exit
- Developing a strategy and advocating for funding of the Opportunity Corridor
- Working with the State of Ohio to implement the recommendations of the 21st Century Transportation Policy Task Force
- Advocating for funding to relocate the Cleveland-Cuyahoga County Port Authority

GOAL: Secure adequate federal funding to improve Ohio's infrastructure and transportation services



Local Governance. With an emphasis on increasing the efficiency and effectiveness of local governments, amended Substitute House Bill 562 of the 127th Ohio General Assembly created the Commission on Cuyahoga County Government Reform, as well as the Ohio Commission on Local Government Reform and Collaboration.

The Commission on Local Government Reform and Collaboration has just begun its work. This Commission has been charged with developing recommendations to increase the efficiency and effectiveness of local government operations and facilitate economic development. The Commission will also examine ways to enhance collaboration between local governments and identify methods to reduce costs for taxpayers. The Commission's report is due to the Governor and leaders of the Ohio General Assembly by July 1, 2010.

The Commission on Cuyahoga County Government Reform was charged with making recommendations by which Cuyahoga County may, with a vote of the people, restructure, reform, or otherwise reorganize county government to implement a more effective, efficient, and financially and economically viable county government structure. The nine-member Commission worked diligently to provide advice and counsel to the Administration and state legislature. In its November 2008 report, the Commission made recommendations that it believed would enhance transparency and efficiency at the county government level. The Commission's recommendations were drafted into legislation and ultimately passed by the Ohio House. The Ohio Senate passed its own version of county government reform. Because the two bodies could not come to terms on what would best constitute reform, county government reform was not realized.

GOAL: Support enactment of responsible legislation to provide Cuyahoga County voters with options to restructure county government and support efforts to enhance collaboration among local governments

The GCP is working to boost the global competitiveness of Northeast Ohio and its businesses.



**STRENGTHEN GLOBAL
CONNECTIONS**

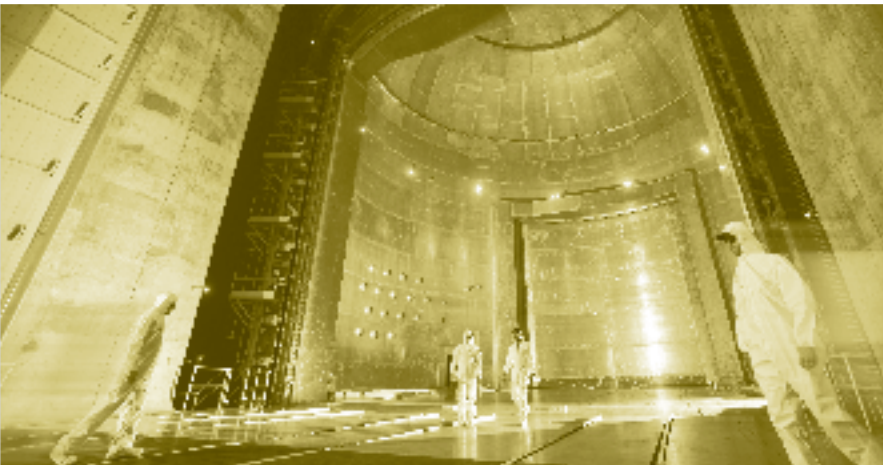
The global competitiveness of the region and its companies is tied to having world-class physical and human capital assets along with organizational capacities that support and increase research, innovation and commerce with the rest of the world. Two of our region's most valuable physical assets are the NASA Glenn Research Center and the Port of Cleveland.

NASA Glenn Research Center is one of Ohio's premier research institutions and acts as one of our region's most important economic engines. Not only does NASA employ hundreds of highly skilled scientists and engineers who work to advance the nation's space and aeronautics mission, the Center is also the incubator for many of the region's most promising and commercially viable technologies. The GCP and its partner, NorTech, work closely with the region's universities and research institutions to ensure that this partnership can flourish. After decades of being regarded primarily as an aeronautics research center, NASA Glenn is now directly engaged in the nation's space exploration mission. With key assignments within the Constellation mission, which will return America to the moon and send manned spacecraft to Mars, NASA Glenn has secured important contracts that will secure our region's role in this mission. The business and higher education communities must continue to support NASA Glenn in its efforts to remain at the forefront of the space exploration initiative.

GOAL: Ensure that federal funding for the NASA program includes sufficient resources for the NASA Glenn Research Center

The facilities at Plum Brook Station have positioned Ohio to be a leader in the aerospace industry. The NASA Glenn Research Center has secured a leadership role in developing the Orion spacecraft—the next-generation vehicle to replace the space shuttle. Much of the testing for the Orion and other NASA space systems will be conducted at Plum Brook Station. This, and other work taking place at NASA Glenn, will have a significant impact on the region's economy in the years ahead. Building a runway at Plum Brook Station will accelerate this economic impact by creating a landing strip capable of servicing Plum Brook Station, the Air National Guard and industry groups associated with the aerospace industry. A runway will allow for sensitive testing equipment to be delivered directly to Plum Brook and enable researchers, engineers, astronauts and contractors to visit the area from around the globe. Air transportation access to Plum Brook Station will attract high-technology companies that will bring resources and jobs to Northeast Ohio.

GOAL: Secure funding to build a 9,000-foot runway at the NASA Glenn Plum Brook Station facility



Capable of producing the extreme environmental conditions of deep space, planetary surfaces, and low earth orbit, NASA Glenn's Plum Brook station in Sandusky is the site of the most comprehensive space simulation testing facilities in the world in a single location.

Image courtesy of NASA Glenn Research Center

As a community advocate for NASA Glenn Research Center, the GCP is acutely aware of the essential role the Center continues to play in our nation's aeronautic and aerospace missions. The GCP understands the importance of continually educating the public about NASA Glenn's world-class expertise and the important role the Center plays in regional economic development. In order to increase public visibility, the GCP supports moving the NASA Glenn Visitor Center to the Great Lakes Science Center. NASA receives about 25,000 visitors each year, while the Great Lakes Science Center receives almost 400,000 yearly. This move will dramatically increase the visibility of NASA in the community and help improve visitor attendance to the Science Center.

GOAL: Support moving the NASA Glenn Visitor Center to the Great Lakes Science Center

Air Service. Northeast Ohio is fortunate to be home to Hopkins International Airport and our downtown facility, Burke Lakefront Airport. Together, these facilities comprise the Cleveland Airport System (CAS), which creates 5,000 jobs and generates approximately \$4 billion annually for the Northeast Ohio region. Cleveland Hopkins is also home to the state's only commercial airline hub, Continental Airlines. Additionally, the Cuyahoga County Airport provides capacity and is an important element in the region's air service network. All of this enables Northeast Ohio businesses to operate and expand on a national and global basis. It is also an asset we must continually support. The GCP will continue to monitor public policies that impact air service and related economies and work to ensure that the health of our region's air service is sound and well-positioned for the global environment in which we operate.

GOAL: Support implementation of policies and initiatives that ensure the long-term vitality of the region's air service

Port of Cleveland Relocation and Redevelopment.

The bi-national Great Lakes region is the most important economic region in North America. Holding 20 percent of the world's fresh water, it is also home to the second largest economy in the world, combining all or part of 12 U.S. states and Canada's two largest provinces. The region is a cradle of innovation, ingenuity and productivity and accounts for the largest regional share of the nation's exports. Although self-reliant in the past, we must now look to an interdependent future that will allow us to flourish in a rapidly globalizing economy. The combination of many new economic competitors, domestic and international demographic shifts, and pressures related to natural resources and climate change, coupled with inadequate policy response, has left the region with many unresolved challenges that mask its enormous potential to contribute to the nation and the world.

The Port of Cleveland sits at the epicenter of Ohio's international trade presence. Yet, its current downtown location restricts our ability to leverage its full potential. It also serves as a deterrent to important downtown development that could enhance Cleveland's economy. Relocation and redevelopment of the Port of Cleveland from its current location to the designated site at East 55th Street (just east of the downtown district) will accomplish multiple goals. First and most importantly, it would allow the Port of Cleveland to expand and improve its infrastructure and services, boosting its presence in the region, the state, the nation and the world. It would also allow for the use of the most advanced technologies and position Cleveland to become a leader in efficient and environmentally sound transportation practices.

The East 55th Street location would also enable development of an International Trade District bordering the Port, which will attract new businesses that will benefit from close proximity to the Port. Finally, movement from the current site would immediately create opportunities to redevelop this prime property in the heart of Cleveland. Such development could include residential, commercial and entertainment projects that will contribute to the rebirth of downtown Cleveland.

GOAL: Secure federal funding to relocate the Port of Cleveland



The new regional MC2STEM High School will provide students with a dynamic, real-world learning environment with a foundation rooted in science, technology, engineering and mathematics.

INITIATE A DEMAND-DRIVEN TALENT SYSTEM

Workforce Investment Act

Federal government reform of the Workforce Investment Act (WIA) program should support state and local efforts to align systems and resources with the needs of key industry sectors that are critical to regional economic growth. The U.S. Department of Labor's Workforce Innovation in Regional Economic Development (WIRED) initiative has shown promise as a way of making these important linkages. The WIRED initiative should be carefully evaluated for broader application. Recognizing that the effectiveness of existing WIA programs can be greatly enhanced, in general, efforts to improve regional workforce development systems should be supplemental to programs aimed specifically at training disadvantaged populations or dislocated workers.

GOAL: Support efforts to reform the Workforce Investment Act (WIA)

Immigration Policy

Since the markets for highly skilled talent are now global, federal immigration policies should promote easy access to the international talent pools to fill positions in shortage occupations that cannot be readily filled by American workers. To help U.S. companies compete in the global marketplace for high-skilled and entrepreneurially inclined talent, the U.S. and Ohio need fundamental reform of our immigration system. The GCP strongly supports movement toward a merit-based point system that expeditiously grants permanent residency status to immigrant talent such as those systems already used in Canada, Australia, New Zealand and proposed in the European Union. The federal government should move toward this type of national system.

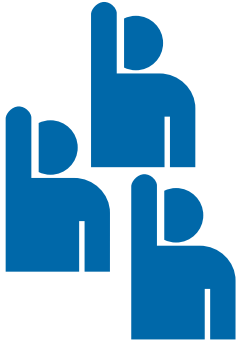
In order to accelerate the development of emerging industries such as renewable energy, biomedical technology and nano-technology, we need to quickly build deeper pools of talent. The GCP will advocate for the federal government to establish High Skill Immigration (HSI) zones in metropolitan areas such as Greater Cleveland. Such zones would allow the federal government to lift current limits on granting certain classifications of visas, such as H1-B visas that are awarded to employers who need to import educated foreign workers to occupy high-technology positions that cannot be filled by American workers.

Until fundamental immigration reform is enacted, the federal government should consider alternative approaches that build on the unique assets and respond to the critical and particular needs of the Great Lakes region, including Ohio. Workforce demographics, coupled with population outmigration in recent decades, have depleted the indigenous talent pools and damaged economic competitiveness in many Great Lakes metropolitan areas such as Greater Cleveland. This situation has resulted in serious workforce shortages in the manufacturing and services industries, our world-class health care institutions and institutions of higher learning. Finally, immigration policy should be the province of the federal government alone.

GOAL: Support efforts to establish HSI zones that:

- Exempt H-1B visas from national caps and allow H-1B spouses to become employed
- Eliminate EB-2 and EB-3 quotas, which are granted to foreign national professionals with advanced degrees and an offer of employment from a U.S. company
- Re-establish the H-1A visa program for registered nurses
- Encourage U.S. Embassies and Consulates to expedite the issuance of F-1 and J-1 exchange visas issued to students and exchange visitors participating in programs approved by the State Department or working at universities and colleges within an HSI zone
- Provide matching funds to metropolitan areas that establish “Welcome Centers” or equivalent capacities within their communities that connect and facilitate employer and community engagement with immigrants

Demand-Driven Workforce and Talent



At the state level, the Governor is working to realign the state's workforce development programs to improve their effectiveness and responsiveness to the needs of Ohio's businesses. Under Executive Order 2008-05S, the Ohio Department of Development (ODOD) assumed responsibility for all workforce programs available to employers, including the Targeted Industries Training Grant Program and the Ohio Workforce Guarantee. Building on these efforts, the ODOD released its Strategic Plan, "Ohio, Home of Innovation & Opportunity" with a commitment to develop processes to deliver customized training solutions to Ohio's employers. The GCP will assist the Governor and the ODOD with these efforts to ensure Ohio businesses have the tools they need to compete globally.

In addition, through the Ohio Skills Bank initiative, the Ohio Department of Development and the Ohio Board of Regents have taken important steps toward implementing a demand-driven workforce and talent development system that aligns the state's higher education resources with the regional needs of employers in key industry sectors. This approach should eventually be broadened to include regional alignment of WIA resources with the needs of high-priority industry sectors.

At the same time, the state legislature and educational institutions should expedite their efforts to increase the educational attainment of our current and future workforce. While educational attainment in Cuyahoga County closely mirrors the nation, with 85 percent of County residents 25 years and over graduating from high school and 27 percent holding a bachelor's degree or higher, the City of Cleveland is not as fortunate. About one-fourth of Clevelanders 25 years old and over are high school dropouts. Only six percent of Cleveland's adults hold an associate's degree, and only 13 percent have a bachelor's degree or higher.

In an effort to assure the General Assembly that the Governor and the Chancellor of the Ohio Board of Regents are united in the direction they seek to take higher education, under H.B. 2 and H.B. 119 of the 127th General Assembly, the Chancellor became a member of the Governor's cabinet. In 2008, the Chancellor presented a 10-year strategic plan for Ohio's higher education system to the Governor and the Ohio General Assembly, with the ambitious goal of raising the overall level of educational attainment in Ohio by enrolling 230,000 more students, keeping more graduates in the state and attracting more talent from other states to Ohio. The plan's objectives include making post-secondary education more accessible and affordable; linking adult workforce centers with community college credit; preparing adult workers participating in Ohio's Adult Basic and Literacy Education centers for the rigors of higher education; and establishing a Center to study factors leading to success for African-American males.

The GCP supports all of these objectives while noting that achieving the 10-year goal of enrolling 230,000 more students will be especially challenging. Although the state has emphasized that it is incumbent upon public colleges and universities to use their existing resources efficiently and to constantly seek new ways to lower costs and improve productivity, the state will still need to make a major financial investment in higher education. This will be difficult because of a significant decrease in state revenue, which is expected to continue throughout 2009 and perhaps beyond. The GCP encourages the Governor and Chancellor to ensure that funding for higher education is viewed as a strategic investment in Ohio's economic future and to provide the resources necessary to achieve the plan's goals.

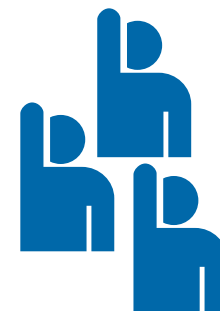
GOAL: Assist with the realignment of Ohio's workforce development programs to ensure the programs are more responsive to the needs of Ohio's businesses and support the Chancellor of the Ohio Board of Regents' 10-year strategic plan

At the local level, increased collaboration is needed to improve the effectiveness of workforce and talent development systems. While the creation of the Cleveland/Cuyahoga County Workforce Investment Board (WIB) has greatly improved the community's ability to administer WIA funds, these funds have strict limits on their use and represent only a fraction of the resources needed to build a quality workforce for Northeast Ohio. Therefore, the State of Ohio, Cleveland's mayor, city council members, Cuyahoga County commissioners, the WIB, the Regional Talent Network and higher-education leaders should work with the GCP and its partner organizations to design a talent development system that goes beyond the current WIA-funded program to meet the expectations of Northeast Ohio's businesses.

GOAL: Support adequate funding for "One Stop" Workforce Centers and ensure that a wide range of services are available to job seekers and employers

Improving primary and secondary education should be considered a key objective of the community's talent and workforce development system. In particular, the community's leadership should encourage and support efforts to address future talent needs by ensuring that the Cleveland Metropolitan School District (CMSD) can provide best-in-class vocational and technical education to its students. Sufficient state and local resources to achieve this goal should be made available to current high schools, such as the new Science, Technology, Engineering and Math (STEM) high schools, the Science and Math Academy on the John Hay campus, and the Technology, Engineering and Advanced Manufacturing (TEAM) Academy at Max Hayes High School. In addition, the CMSD should work with employers and other community partners to ensure that the vocational and technical education facilities and programs to be offered at new high schools, such as the new Max Hayes High School, reflect the needs of current and future employers.

GOAL: Support funding to address future talent needs by ensuring that the Cleveland Metropolitan School District can provide best-in-class vocational and technical education to its students





Council of Smaller Enterprises

2009/2010 PUBLIC POLICY AGENDA

The efforts of COSE to support the region's small business owners and assist their efforts to pursue growth and success are critical to the region's economic future. Consequently, assisting COSE as they advocate for their public policy agenda is a priority for the GCP. COSE's area of focus and legislative/regulatory goals for 2009-2010 fall into five general categories – health care; affordable energy; taxation; worker's compensation; and investing in small businesses.



Health Care

Advocating for a change to the health care system that strikes a balance among access, quality and cost, specifically through advancing the development of a real health care marketplace and a more attentive consumer mindset. COSE's health insurance program covers almost 200,000 lives, but many small businesses do not have adequate access to affordable insurance for all of their employees. While all employers are faced with increasing costs, small employers face additional challenges in accessing quality care. We encourage our elected officials to work to find a balance among access, quality and cost-effectiveness. There are a number of ways the small business community can work with public officials to address the issues of cost and quality in health care.

1. Craft Basic Plans at an Affordable Price. Rising costs have shut out an increasing number of individuals and small businesses from being able to afford coverage. Health care needs to be made more accessible by allowing the creation of basic plans that do not contain expensive benefit mandates.

2. Expand Coverage to Everyone. COSE believes that we can reduce the cost of health care and expand coverage by requiring all individuals to purchase some level of health care coverage – thus increasing the pool and spreading the risk. Doing so will also encourage us to take charge of our own health – an important first step toward becoming a healthier population and reducing the cost of health insurance.

State: COSE calls on the Ohio General Assembly to enact comprehensive health care reform legislation that reduces the cost of health care and expands coverage by requiring all individuals to purchase some level of health care coverage. Furthermore, the General Assembly can make health care more accessible by allowing insurance providers to craft basic plans without expensive mandates at an affordable price.

Federal: COSE believes that its ideas for state health care reform can be especially effective on the federal level. Federal health care reform is particularly attractive given that Congress can allow for plans that do not contain mandates required by the states.

Affordable Energy

Enabling small businesses to do as well as possible in a volatile energy regulatory environment by focusing on driving investment in providing small business energy efficiency education, tools and resources. COSE is committed to providing affordable energy to its members. In the energy bill, Senate Bill (SB) 221 (127th G.A.), COSE inserted language that will provide financial support for small businesses that wish to implement energy-efficient technologies. Based on changes in the electric market in Ohio, 70 percent of COSE members will see an increase of 30 to 50 percent in electric rates during 2009. Rising fuel costs for gasoline, diesel and natural gas also further jeopardize the prospect for economic growth. In order to supplement these unmanageable costs, a greater emphasis needs to be placed on energy efficiency support for small business. Ensuring investments in, and support of, small business energy efficiency education, tools, consultative support, project resources and financing will help ease the burden. Additionally, “green” initiatives can help create new markets for entrepreneurs.

State: COSE urges the Ohio General Assembly to continue its investments in, and support of, small business energy efficiency education, tools, consultative support, project resources and financing.

Federal: Congress should continue its support by increasing funding for small business energy efficiency incentives and improving Small Business Development Corporation federal funding specifically for energy efficiency programs and consulting support for small business.

Taxation

Streamlining the taxation system and removing the barrier that bad tax policy creates to small business success. Small business owners and their employees are the engine that drives the economy; they account for over 70 million people in the United States and over 2.5 million Ohio business owners and their employees. Congress and the Ohio General Assembly need to streamline the taxation system in two key areas in order to remove barriers to small business success.

1. Streamline the System. We must streamline the taxation system and remove hurdles to small business success such as the estate tax, invasive reporting and withholding requirements.

2. Eliminate the Self-employment Tax on Health Insurance. Self-employed individuals are forced to pay self employment taxes on the income used to purchase health insurance. This adds up to a 15.3 percent tax on health insurance that no one but the self-employed must pay.

State: The Governor of Ohio and state legislators should consider ways to reduce the complexity of paperwork and investment of time required for complying with state tax filings.

Federal: COSE supports the elimination of the self-employment tax on health insurance and reducing the complexity and effort required to comply with federal tax codes.

Workers' Compensation

Continuing the positive changes to the workers' compensation system to ensure a fair and efficient system for small business. COSE was a key stakeholder in the work done in 2007 and 2008 to overhaul the state workers' compensation system. While COSE fought for a transparent rating system, actuarial reviews of Bureau of Workers' Compensation (BWC) rates, maintaining a strong administrator and ensuring fund solvency, more work needs to be done

State: COSE urges the Ohio General Assembly to encourage the Bureau of Workers' Compensation (BWC) to use its authority to prevent fraud and abuse on the part of employers, employees and providers to ensure a fair and efficient system of providing workers' compensation benefits.

State: The BWC should continue to improve the connection between risk management and claims reduction to offer actuarially sound discount programs.

Investing in Small Business

Creating more opportunities for small businesses to participate in government procurement opportunities and ensuring that small business owners are connected to every possible resource offered by government.

Policy makers must realize that small businesses lack the resources of large employers and face disadvantages in trying to gain a foothold in today's market. Because of the potential impact of small employers on the growth of Ohio's economy, the state must take an active, aggressive role in ensuring that small business owners get connected to every possible resource. While, over time, government has provided numerous programs intended to help small business owners thrive, those efforts are often wasted because it is too difficult for entrepreneur to find and connect with them. Ohio is missing out on the economic output of small businesses that may not connect with these opportunities. It is especially tragic when small businesses are denied these opportunities by large corporations that misrepresent their status and size in pursuit of government business. Reforming contracting procedures to eliminate fraud will ensure that contracts intended for small business are truly awarded to legitimate small businesses.

State: The Administration should create a centralized clearinghouse for small businesses and entrepreneurs where they can find out about the help available to them—technical and financial help that can take their business to the next level. Improving the way they access the information and get connected to those resources is critical.

Federal: Congress and the Small Business Administration should step up enforcement of federal small business contracting requirements to eliminate or reduce fraud and ensure that small businesses—including minority, women, and veteran-owned businesses—receive full consideration for the contracts on which they can deliver.



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