



# Ohio Legislative Service Commission

## Final Analysis

Joe McDaniels

### Sub. H.B. 218

130th General Assembly  
(As Passed by the General Assembly)

- Reps.** Rosenberger and Dovilla, Scherer, Reece, Smith, Baker, Fedor, Buchy, Barnes, Burkley, C. Hagan, R. Adams, Amstutz, Anielski, Antonio, Beck, Blair, Blessing, Boose, Brown, Budish, Butler, Celebrezze, Damschroder, Derickson, DeVitis, Green, Grossman, Hackett, Hall, Hayes, Henne, Hill, Johnson, Landis, Mallory, McClain, McGregor, Milkovich, O'Brien, Patterson, Perales, Pillich, Ramos, Retherford, Romanchuk, Ruhl, Sears, Sheehy, Sprague, Stebelton, Stinziano, Thompson, Wachtmann, Young, Batchelder
- Sens.** Beagle, Bacon, Balderson, Brown, Burke, Coley, Eklund, Faber, Gardner, Hite, Hughes, Jones, LaRose, Lehner, Manning, Obhof, Oelslager, Peterson, Schaffer, Seitz, Tavares, Uecker, Widener

**Effective date:** March 3, 2015

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## ACT SUMMARY

- Requires the LeanOhio Office in the Department of Administrative Services to create a one-year "entrepreneur in residence" "pilot" program to strengthen coordination, interaction, and outreach between state government and small businesses.
- Requires the Office to appoint up to five entrepreneurs in residence among individuals who are successful in their fields.
- Requires the Office to make reasonable efforts to attract participation from entrepreneurs of various backgrounds including female entrepreneurs, minority business enterprises, and owners of EDGE businesses.
- Establishes duties for entrepreneurs in residence such as assisting with lean process improvement events and other presentations, participating in strategic planning efforts for LeanOhio and other areas of state government, and facilitating meetings with businesses.

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\* This version updates the effective date.

- Stipulates that entrepreneurs in residence receive no compensation or expense reimbursements.
- Requires the LeanOhio Office to evaluate the program after one year and recommend whether it is to be continued.

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## **CONTENT AND OPERATION**

### **"Entrepreneur in residence" program**

The act requires the LeanOhio Office in the Department of Administrative Services to establish and operate an "entrepreneur in residence" pilot program. The stated mission of the program is to "provide for better outreach by state government to small businesses, to strengthen coordination and interaction between state government and small businesses, and to make state government programs and functions simpler, easier to access, more efficient, and more responsive to the needs of small businesses."<sup>1</sup>

Under the program, the LeanOhio Office may appoint up to five individuals who are successful in their fields to serve as entrepreneurs in residence. The Office is required to market the program across the state and make reasonable efforts to attract participation from entrepreneurs of various backgrounds (including female entrepreneurs, minority business enterprises, and owners of EDGE business enterprises). The Office may give preference to individuals who have achieved "quantifiable improvements" using other LeanOhio tools such as "Lean Six Sigma" or "Black Belt" certification. The term of an entrepreneur in residence would last one year.<sup>2</sup>

#### **Duties**

The duties of entrepreneurs in residence are as follows:<sup>3</sup>

--Assist the LeanOhio Office in facilitating and developing the scope of lean process improvement events throughout state government.

--Assist with follow-up meetings to ensure the improvements developed at lean process improvement events are implemented.

--Participate in strategic planning efforts for the Office or other areas of state government.

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<sup>1</sup> R.C. 125.65(B).

<sup>2</sup> R.C. 125.65(B) and (C).

<sup>3</sup> R.C. 125.65(D).



--Assist with presentations on opportunities for state government to become more efficient and effective.

--Facilitate meetings with businesses, state agencies, and local governments that may be affected by process improvements.

--Helping LeanOhio provide continuous improvement training to state employees.

Entrepreneurs in residence report to and serve at the pleasure of the LeanOhio Office. Entrepreneurs in residence do not receive compensation or expense reimbursements. Entrepreneurs in residence are required to file the same financial disclosure statement with the Ethics Commission that state and local government officers are required to file disclosing sources of income, business and real estate holdings, investments, creditors and debtors, and gifts.<sup>4</sup>

Before the end of an individual's one-year tenure as an entrepreneur in residence, the individual is required to prepare a report about their experiences in the program and submit the report to the LeanOhio Office. The report must include recommendations about the following:

--Elimination of inefficient or duplicative state government programs and functions that affect small businesses;

--Methods to improve efficiency of state government programs and functions that affect small businesses;

--New state government programs or functions affecting small business that could be established;

--Any other matter that furthers the program's mission.<sup>5</sup>

### **Evaluation of program and recommendations**

The LeanOhio Office may convene an informal working group of entrepreneurs in residence during or after the pilot program. The group may discuss the entrepreneurs' experiences in the program and recommendations for government practices that will create opportunities and eliminate obstacles to small businesses in this state. After considering the reports of the entrepreneurs in residence and, if applicable, the discussion of the informal working group, the Office must prepare a

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<sup>4</sup> R.C. 102.02 and 125.65(E).

<sup>5</sup> R.C. 125.65(F)(1).



report on the program recommending whether it should be abandoned, made permanent, or repeated, and any modifications. The Office's report must include the reports of the entrepreneurs in residence. If the program is repeated or made permanent, an individual who previously was assigned as an entrepreneur in residence may not be reassigned as an entrepreneur in residence.

The LeanOhio Office must provide a copy of its report to the Common Sense Initiative Office, and the Common Sense Initiative Office must transmit a copy to the Governor, Lieutenant Governor, the President and Minority Leader of the Senate, and the Speaker and Minority Leader of the House of Representatives.<sup>6</sup>

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## HISTORY

ACTION	DATE
Introduced	06-19-13
Reported, H. Economic Development & Regulatory Reform	11-19-13
Passed House (93-0)	01-15-14
Reported, S. Workforce & Economic Development	11-12-14
Passed Senate (32-0)	11-12-14
House concurred in Senate amendments (93-0)	11-19-14

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<sup>6</sup> R.C. 125.65(F)(2) and (G).

