

EXECUTIVE SUMMARY

Transforming Ohio's economy requires a new approach to economic development, a new way of working with businesses to assist in their growth, and a new way of attracting businesses to the state. To date, the functions of economic development have been shepherded by the Ohio Department of Development (Development), however with the passage of the JobsOhio Bill (H.B. 1), Governor Kasich was authorized to form a nonprofit corporation, which is responsible for the promotion of economic development, job creation, job retention, and the recruitment of businesses to Ohio. As a result, Development executed a review of its operations to determine which functions should remain within the state agency structure and which functions should transfer to JobsOhio.

Analyzing Department Functions:

When determining which functions should be transferred to JobsOhio and which should remain with the state, a number of factors were considered including:

- Input from an independent entity, TechSolve, an Edison Technology Center, charged with evaluating the current alignment and proposing adjustments,
- Input from key stakeholders with whom Development regularly works; and
- Insights from current Development senior staff.

Using criteria developed in conjunction with Development, TechSolve used four questions to guide its recommendations:

- Who is the audience/customer for the program,
- How is the program funded,
- What is the impact of the program on job creation, and
- What do program customers and stakeholders prefer.

Implementing Reform:

Using this analysis, TechSolve recommended that parts of the Strategic Business Investment Division move to JobsOhio. This division is responsible for the attraction, retention, and expansion of businesses in Ohio as well as the crafting of incentive packages on behalf of the State. It also recommended that the Ohio Tourism Division move to JobsOhio in 2012.

In considering recommendations for functions remaining with the state, Development leadership, in consultation with the Governor's office, established a set of guiding principles. These principles were fundamental in determining the structure for Development's successor organization. Development will propose that it be renamed the Ohio Development Services Agency (ODSA).

The guiding principles of the new organization, the *Ohio Development Services Agency*, are:

- Focus on customers;
- Continuously find efficiencies in order to provide a “pace of business” link to JobsOhio;
- Provide assurance of strong state oversight of JobsOhio;
- Create greater leverage of limited resources; and
- Be metrics-driven and outcome-focused.

The Ohio Development Services Agency will be organized into three divisions:

- **Business Services:** *Business Assistance Office, Technology Investment Office, Workforce Assistance Office, and Tourism Office (until early 2012);*
- **Community Services:** *Energy Office, Governor’s Office of Appalachia, Housing and Partnerships Office, Community Assistance Office, and Redevelopment Office;*
- **Operations:** *Audit Office, Communication and Marketing Office, Information Technology and Facilities Office, Legislative Services Office, Policy and Research Office, Legal Services Office, Human Resources, and Budget and Finance Office.*

The functions within these divisions are aligned based on the primary customers they serve. Those with a strong interface with businesses or employees of business are in the Business Services Division. Those with a strong interface with communities, local governments, and community action or support agencies are in the Community Services Division. Finally, those functions with a customer internal to the department are in the Operations Division.

Moving to the Future:

The process of standing up JobsOhio and transitioning Development to the Ohio Development Services Agency (ODSA) has been underway since January 2011 and will likely be completed in its entirety by January 2012. As functions are moved to JobsOhio, and Development reorganizes to ODSA, it is expected that Development can operate more efficiently and reduce its staff through retirements, attrition, and separations. As with any change, additional revisions are often necessary. ODSA’s leadership will monitor the transition process and the performance of the agency and remain open to additional adjustment if necessary to ensure that Ohio taxpayers receive the service they need from the state’s economic development efforts.

The JobsOhio Bill provided Governor Kasich and the Ohio Department of Development with a bold new opportunity to reshape the face of economic development in Ohio. With the combined forces of JobsOhio, the JobsOhio Network, and the new Ohio Development Services Agency, Ohio will possess the tools needed to redefine and restore Ohio’s economy.

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