

# Be heard!

How to survive Ohio's budget crisis **Interviewed by Matt McClellan**

**T**he Ohio legislature is facing an unprecedented budgetary challenge, and businesses throughout Ohio are concerned about how the lawmakers plan to fill the hole.

The biennial operating budget must be passed by July 1, and businesses worry that a structural deficit of between \$6 billion to \$10 billion could mean tax increases.

"There is an old adage in the statehouse that if you aren't at the table, then you most assuredly will be on the menu," says Steve Tugend, a director and chair of the government and legislative affairs practice for Kegler, Brown, Hill & Ritter. "It's very important that businesses stay engaged in the processes and debates of their elected officials."

*Smart Business* spoke with Tugend about how to build relationships with elected officials in order to survive the budget crisis.

## How will the state's pending budget crisis affect businesses?

If you have a business that pays a lot of fees to the state government, you are going to see some additional exposure in the area of fees. If you are currently doing business with the state, you can expect your client agency or department to have less money than it previously had to buy your goods or services. If you're in a business that performs services that might be outsourced from the public sector to the private sector because of favorable costs, there might be an opportunity to enhance your top line.

## How can businesses stay aware of potential opportunities?

First and foremost, watch the debate carefully once the budget is introduced. The budget is set to be introduced by the governor on or before March 15. As the governor tries to tackle the budget crisis, he has been encouraged to review the government's back-office functions, like accounting, legal services, fleet management and print shops, in order to look for areas that might be more efficiently done in the private sector than by state employees. If your business is in those areas, you may have an opportunity to compete for state business where previously no such opportunity existed.

## What conversations should be happening between businesses and government?

Businesses should provide a legislator with a general description of the goods or



**Steve Tugend**

Director and chair of the government and legislative affairs practice  
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services they provide and ask the legislator to help them schedule meetings with the appropriate individuals within the administration who might be interested in purchasing services.

## How can businesses get in touch with the right people in the government?

First of all, they need to identify their public officials by visiting the Ohio General Assembly's website. Then, simply start having those conversations with elected officials. Elected officials want to make sure businesses in their district do well, so they will connect those businesses with opportunities to do business with the state.

## Why is it important for a company to have a government relations strategy?

When legislators are involved in cutting deals and forging compromises, the final result is often harmful to businesses. It's important for businesses to follow what government is doing. Some compromises move so quickly that you can't keep up with them, but most move far more deliberately and provide points for businesses to get involved.

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## How can a business develop its own government relations strategy?

Every business should make an assessment of its current and potential interaction with government. Before you have a government affairs strategy, you have to know what government-caused costs you have, such as taxes, regulatory roadblocks, or fees.

You have to know not only how much business you are currently doing with the federal, state and local levels of government, but also identify how much business could be done. Perhaps you have some products and services you've not marketed to government agencies, and perhaps there is an opportunity there. Once you have assessed that, then you put together your strategy.

Regarding costs, at the least you need to be educating public policy leaders and elected officials about your costs. They may not be aware of the ramifications of their policies on your business. You may find an opportunity to reduce your costs. What is more likely, however, is if legislators are aware of the costs you are already paying to the government, they are less likely to increase those costs.

Then you need to assess how you can sit down and have a conversation with public policy leaders. Sometimes that means your executives simply need to meet with elected officials. If there are issues that require a more prolonged interaction, then you probably need to assign government affairs responsibilities to a member of your staff.

That's a very conservative step. Another idea is to hire someone full time to handle government relations responsibilities. An in-between alternative is to find an external professional who can advocate for you in front of public officials.

## How can a business determine what type of representation is necessary?

When it comes to just updating public officials on how your company is doing and the cost government causes to your company, that can be done by executives within your company. But if you discover pending legislation that creates a significant threat or a significant opportunity for your business, then it may be wise to devote additional resources to an internal or external advocate in government. <<

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