

OHIO GENERAL ASSEMBLY
JOINT COMMITTEE ON AGENCY RULE REVIEW

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TO: Members of JCARR
CC: House Speaker Jason Stephens
Senate President Matt Huffman
FROM: Ian Dollenmayer, Executive Director, JCARR
DATE: December 7, 2023
RE: S.B. 9 Historical Report for Fiscal Year 2023

Introduction

R.C. 101.354 requires the Executive Director of the Joint Committee on Agency Rule Review (JCARR) to prepare a report aggregating the regulatory reduction progress reports received from all relevant agencies pursuant to Senate Bill 9 of the 134th General Assembly. The agencies' reports detail the progress in reducing regulatory restrictions during Fiscal Year 2023, with the amount of reduction by each agency listed in the spreadsheet attached to this report.

This report details the regulatory reduction status of all agencies subject to these provisions. The statute also requires the Executive Director to discuss the work of JCARR in this process, as well as any statutory recommendations brought to the attention of the committee. This information, along with the aggregated list of each agency's percentage reduction in regulatory restrictions, is contained below.

Agency Reductions in Regulatory Restrictions

In S.B. 9 (134th GA), the General Assembly set an expectation of a 10% reduction in regulatory restrictions by June 30, 2023, for all applicable agencies, with each agency submitting a progress report on their respective reductions to JCARR on September 15, 2023. Of the twenty-seven agencies required to reduce regulatory restrictions, twenty-three reached or exceeded a 10% reduction as of June 30, 2023 or detailed in their progress report specific plans to achieve an at least 10% reduction.

Four agencies¹ initially indicated they had not met the required reduction, and/or at the time of the September 15, 2023, report, they had no specific plan to attain the reduction. Per the direction of the JCARR Co-Chairs, those four agencies were offered the opportunity to provide testimony at the November 16, 2023, JCARR committee meeting, regarding their plans to meet the 10% reduction. Each agency submitted written testimony explaining the reasons why each did not already meet the required reduction and detailed plans for meeting the 10% reduction in the coming months.

¹ Department of Rehabilitation and Correction, Department of Higher Education, Department of Natural Resources, and State Racing Commission

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At this time, the JCARR Office and Co-Chairs Callender and Gavarone are satisfied that all state agencies have either reduced regulations by 10% or sufficiently demonstrated committed plans for achieving said reduction soon.

JCARR's Work to Reduce Regulatory Restrictions

Pursuant to R.C. 101.354(A), JCARR must advise and assist agencies in achieving the required reductions in regulatory restrictions. To carry out that directive, the JCARR Office worked in collaboration with Legislative Information Systems (LIS) over the course of the last fiscal year to develop a tool in the Electronic Rule-Filing System for agencies to submit deletions and additions of regulatory restrictions. This work assisted agencies in tracking their progress towards meeting the 10% goal.

Additionally, as required by law, the JCARR Office worked with LIS to create the Cut Red Tape Ohio website. This website allows members of the public, business owners, industry stakeholders, and others to submit commentary directly to JCARR on any regulation they deem to be restricting their business, family, or daily life. When JCARR receives a submission on Cut Red Tape Ohio, the office ensures it reaches the appropriate state agency, who then has the opportunity to review, explain, and potentially even eliminate the restriction.

Recommended Statutory Changes

As mentioned above, the Executive Director must provide any recommended statutory changes that have been deemed to contribute to the adoption of regulatory restrictions. At this time, the JCARR Office has not had any such statutes brought to its attention. However, the JCARR Office will continue to monitor legislation passed by the General Assembly and welcome any recommended statutory changes that legislators or members of the public deem worthy of attention.

ATTACHED: SB 9 Regulatory Restrictions Reduction Data

SB 9 Regulatory Restrictions Reduction Data (As of June 30, 2023)

Agency Name	Percentage Reduction
Department of Administrative Services	22.00%
Department of Aging	27.50%
Department of Agriculture ¹	0.36%
Bureau of Workers' Compensation	16.00%
Department of Commerce	51.00%
Department of Development ²	1.00%
Department of Developmental Disabilities	25.00%
Department of Education ³	9.25%
Environmental Protection Agency	13.60%
Department of Health	10.43%
Department of Higher Education ⁴	6.59%
Department of Insurance ⁵	0.66%
Department of Job and Family Services	10.00%
Department of Medicaid	18.00%
Department of Mental Health and Addiction Services	14.00%
Department of Natural Resources ⁶	9.37%
Office of Budget and Management	30.00%
Casino Control Commission	18.60%
Lottery Commission	13.25%
Department of Public Safety	16.19%
Public Utilities Commission	17.00%
Department of Rehabilitation and Correction ⁷	4.10%
Racing Commission ⁸	0.19%
Department of Taxation ⁹	4.00%
Department of Transportation	22.23%
Department of Veteran Services	10.00%
Department of Youth Services	22.00%

Note: After JCARR received the statutorily required September 15th reports from the agencies subject to SB 9 regulatory restriction reductions, four agencies/commissions had not reached and/or were not in progress to reach the required 10% reduction. Those agencies were: ODHE, Racing Commission, ODRC, and ODNR. JCARR requested that those four entities provide testimony at the November 16, 2023 JCARR committee meeting as to why they had failed to reach the required reduction percentage, and what courses of action, if any, they had planned to take to reach the threshold. All four entities provided testimony attesting to their timelines and plans for reaching the required reduction percentage. JCARR Co-Chairman Callender, as well the rest of the committee, was satisfied with their explanations and timelines (please see footnotes below).

(1): As of November 27, 2023, ODA had a net reduction in regulation of 13% (2): Given regulatory restrictions that have been rescinded as of September 17, 2023, DOD had a net reduction of 11% (3): As of November 21, 2023, the Department of Education and Workforce reached a reduction percentage of 15.2%. (4): ODHE filed a rules package near the end of September that, once final filed, will allow it to exceed the 10% reduction threshold. (5): As of November 16, 2023, DOI had a net reduction in regulation of at least 10% (6): As of November 16, 2023, ODNR had a net reduction in regulation of 11.34% (7): ODRC has identified over 20 rules that will be working through the JCARR process that by November 30, 2023 will enable it to achieve a reduction in regulation of 13.1% (8): Due to rules moving through the JCARR process, the Racing Commission has indicated it will achieve the 10% reduction threshold by January 26, 2024. (9): Due to rules moving through the JCARR process, Taxation has indicated that by the end of 2023, they will have reached a total regulatory reduction of 13.2%