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Annual Report



Ohio

Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

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FELLOW OHIOANS,

Governor Mike DeWine and I have the goal of making Ohio the best place for entrepreneurs and growing industries to thrive. A big part of making that happen is to ensure we have a regulatory framework that is as fair, as limited as possible, and predictable for job creators.

The Common Sense Initiative (CSI) is helping us advance these goals in order to grow Ohio businesses and create new jobs.

Unfortunately, when Governor DeWine and I took office in January 2019, we found that CSI, in a stark contrast with its mission, had lost its way in acting as a red tape-cutter and fallen to bureaucratic habits. In total, CSI had a backlog of over 1,200 rules.

I appointed Carrie Kuruc to serve as CSI Director in our new administration and charged her with clearing the backlog within the first 100 days. Director Kuruc and her team delivered and we were proud to announce in April that we had accomplished that goal.

Today, we are working to take CSI to the next level of service to Ohio's job creators. Our vision is that CSI will do more than just react to proposed rules, but will go on offense – to proactively search the Ohio Revised Code and the Ohio Administrative Code for ways to reduce regulatory burden.

To accomplish this new vision for CSI, our team is working to acquire an artificial intelligence tool. We plan to implement this tool in 2020 and hope to report next year on the progress that is possible by using technology to improve the way we do business.

Regulatory reform is tough. It requires a change in culture within state government, and Governor DeWine has shown great leadership and support in these efforts. I am also appreciative of the work of the directors and staff at our state agencies, boards and commissions to make meaningful regulatory reform happen.

We still have a lot of work to do, but with the momentum for change at both the federal and state levels, I am confident in CSI's ability to usher in reforms that will have lasting benefits for all Ohioans.

My Best,



Jon Husted
Lt. Governor



HELPING GOVERNMENT FIX REGULATIONS

LEADING REGULATORY REFORM

SUPPORTING JOB CREATORS

Mission

Ohio's Common Sense Initiative is established in Chapter 107 of the Ohio Revised Code. Led by Lt. Governor Jon Husted, CSI reviews new and existing state government rules through the lens of their impact on business growth and job creation. In doing so, CSI provides businesses a seat at the table when rules are being drafted to ensure that Ohio's job creators and economic drivers remain a priority.

CSI's mission is to **make Ohio the most innovative, creative, and entrepreneurial state in the Midwest** by filtering out laws and rules that are frivolous, duplicative, or have not caught up with the speed of business and advancing technology. It furthers the DeWine-Husted Administration's commitment to a robust review of regulations to eliminate unjustified, bureaucratic barriers to employment that make it harder for qualified, skilled workers to find jobs.

CSI accomplishes this mission by:

- ➔ Reviewing rules for their impact on business.
- ➔ Leading initiatives to improve Ohio's regulatory climate.
- ➔ Helping businesses navigate regulatory obstacles.

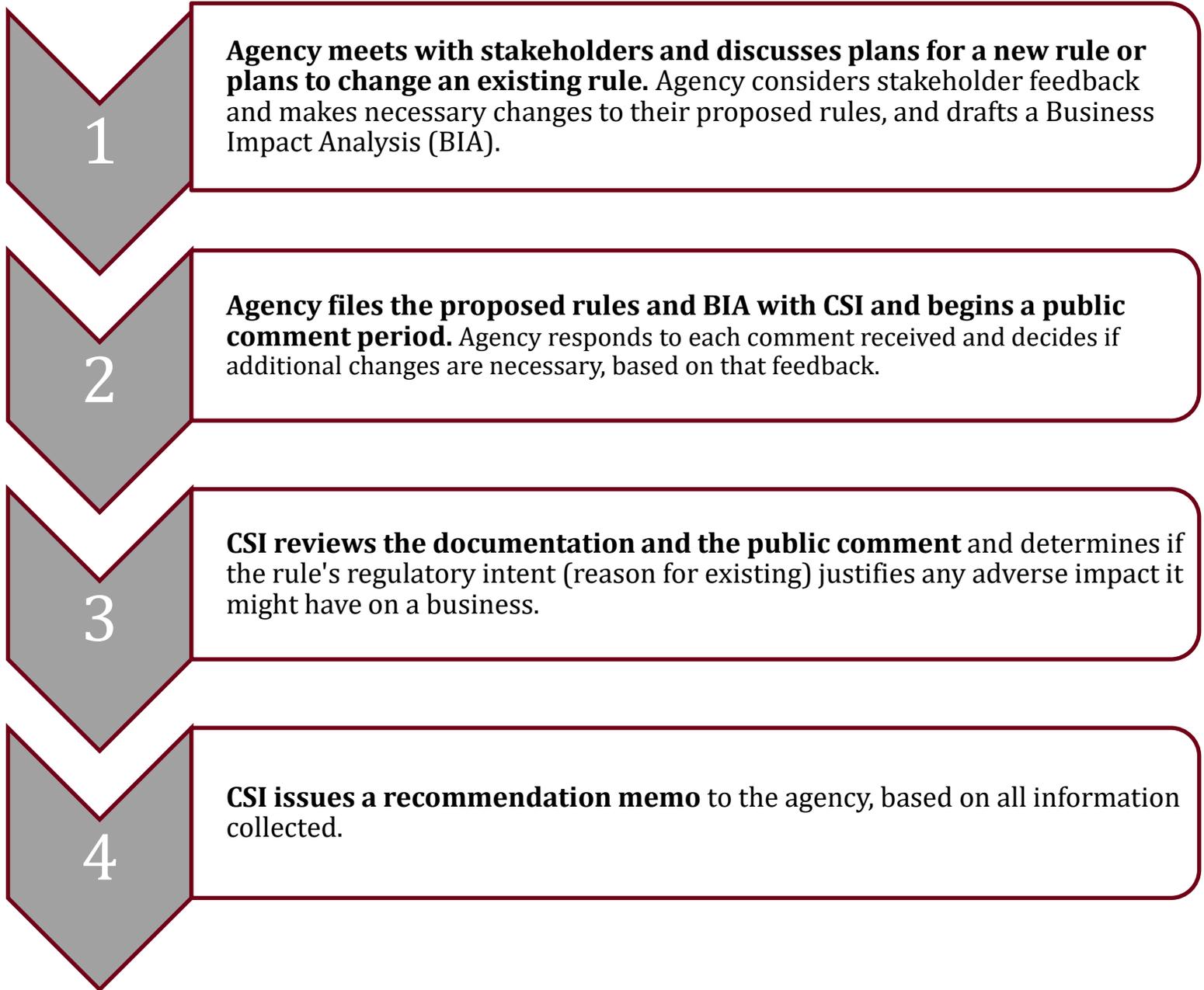
Rule Review

At the beginning of the DeWine-Husted Administration, CSI faced a backlog of unreviewed rules. Lt. Governor Husted made it a priority to clear the backlog within the first 100 days of the administration, and at the end of April we announced that the backlog of over 1,200 rules had been cleared.

*"We don't want the entity that's looking at streamlining bureaucracy and rule-writing to itself become a bureaucracy for rule-writing," Husted said. "Now that we're caught up, we'll be able to **play offense** with rules and standards, and we'll be able to look at some **innovative and creative** ways to improve the regulatory environment in Ohio."*

-Cleveland Plain Dealer, April 25, 2019

STAKEHOLDER DRIVEN REVIEW PROCESS



HOW INTERESTED PARTIES CAN PARTICIPATE IN THE PROCESS

Businesses, citizens, and the media can subscribe to alerts from business-impacting agencies at business.ohio.gov (keyword Regulatory Reform) and subscribe to other agency, board, or commission e-mail listservs to receive notices of rules filings. Rule filings are also posted on CSI's Active Rule Packages page at CSI.Ohio.gov.

To offer comments on rules pending before CSI, e-mail CSIPublicComments@governor.ohio.gov.

Interested parties can also help identify areas where government hinders their ability to create jobs by submitting solutions to CSIOhio@governor.ohio.gov or by calling 1-855-821-8898.



HELPING GOVERNMENT FIX REGULATIONS

Since January 2019, CSI has reviewed **2,829 rules**, **52%** of which were improved, thanks to the business feedback during the CSI review process. CSI's leadership helps ensure businesses aren't negatively impacted by burdensome regulations and red tape.



52% of the reviewed rules have been improved by the CSI process!

LEADING REGULATORY REFORM

CSI is identifying areas where Ohio's rules have not caught up with **innovation and technology**.



Laws and regulations need to keep people safe and healthy, but we can't have our regulations ever standing in the way of innovation. We need to knock down barriers that prevent people from inventing, starting businesses, and growing our economy in Ohio and position our state as the most innovative, creative state in the Midwest.



Lt. Governor Jon Husted

SUPPORTING JOB CREATORS

1,700

Comments solicited from Ohio citizens & job creators to improve the state's rules and regulations.

Since January 2019, CSI has received more than **1,700** comments about rules from businesses and the public.

Prosthetics

“Never should regulation get in the way of innovation—especially when that **innovation can help enhance people’s lives.**”

Lt. Governor Jon Husted



Early in the administration, it came to the attention of CSI that Ohio’s laws and regulations could have prevented individuals without a prosthetics license from using innovative 3-D printing techniques to develop new technologies in the field of prosthetics.

Aaron Westbrook is a college student who first used a 3-D printer to create his own prosthetic hand when he was just 14 years old. He founded a non-profit company that 3-D prints task-specific prosthetic limbs.

“The laws... should **foster innovation** and make prosthetics accessible. Prosthetics are not a luxury. I believe that once this law is amended more advancements in and out of the prosthetic industry will spark ingenuity, advocacy, and research to enhance the lives of many,” said Westbrook.



Ohio’s laws and regulations could have prevented Aaron from operating his business because a person needs 6-7 years of school and experience in order to get a traditional prosthetics license. CSI and Lt. Governor Husted partnered with Senator Rob McColley to pass legislation providing flexibility in prosthetics licensure by allowing the licensing board to grant authority to people like Aaron to continue researching and developing new technology.

Pictured from left to right: Aaron Westbrook, Lt. Governor Jon Husted, Sen. Rob McColley (R-Napoleon), CSI Director Carrie Kuruc

COLLABORATING WITH INNOVATE^{OHIO}

Artificial Intelligence

CSI is collaborating with InnovateOhio to obtain an artificial intelligence software tool aimed at reforming Ohio's regulatory landscape by identifying overly burdensome, duplicative, or outdated regulations.

In order to overhaul Ohio's rules, agencies need to be able to evaluate all of their rules at once. That can be a very overwhelming task with a lot of data to process. Therefore, CSI reached out to InnovateOhio to research any technological tools that could help. Through that collaboration, CSI learned that there was some early work being done with success on the federal level and in other states to help with regulatory reform goals.

This technology works and reacts like a human would. Its programming allows computers to quickly learn, process, recognize similarities among data, and categorize the data—all tasks that can be extremely time-consuming for humans. While the tool won't totally remove the human element of the rule-review process, it can complete the time-consuming parts of it in a fraction of the time it would take agency staff to complete it.

In 2020, this technology will bring the most relevant rule data to the surface so agencies can make common-sense decisions about which regulations are really necessary to protect the health and safety of Ohioans, and which are just burdensome, duplicative, or outdated.

Lt. Governor Husted has reached out to the small business community for input and is very responsive to any questions and concerns raised. He has shown strong leadership in handling the backlog of regulatory reviews the DeWine administration inherited. The Common Sense Initiative is doing significant work in making Ohio a more business-friendly state on the regulatory front.

Roger Geiger
Vice President and Executive Director for NFIB in Ohio

Cosmetology and Barber Schools

In July 2019, the State Cosmetology and Barber Board filed two rule amendments requiring annual submission and approval of school catalogues, handbooks and contracts.

During both early stakeholder outreach and the CSI public comment period, the Board received several comments which noted that accredited schools are also required to submit this same information to the national accrediting body. Stakeholders commented that such duplication puts an unnecessary and costly burden on the schools in the form of staff hours spent compiling the same information in two different ways.

CSI recommended that the Board work with stakeholders to develop a review procedure that is not burdensome, costly or redundant for accredited schools. In response, the Board decided not to require annual submission and approval of the documents in favor of monitoring compliance through periodic inspections.



Home Inspectors



In 2018, the Ohio legislature passed a bill establishing a new occupational license for home inspectors. The legislation created the Ohio Home Inspector Board within the Ohio Department of Commerce, Division of Real Estate & Professional Licensing, and required the Board to adopt rules to implement the Home Inspector Program.

In September 2019, the Department filed 22 new rules with CSI. The rules contained numerous regulatory restrictions, most of which were required by statute. However, CSI identified five areas for improvement in a recommendation memo to the Department, including opportunities to ease requirements around examinations and fees, to consolidate redundant rules and duplicative application processes, and to clarify confusing language.

CSI identified multiple required exams, and nine fees throughout the rules that could apply to applicants or licensees totaling more than \$1,000. Additionally, the proposed rules would have required education providers offering online education to pay \$100 more than providers offering classroom-based education, and would have required education providers to pay a \$50 fee each instance that the time or location of a course changed.

The Board made changes to improve the rules based on the CSI recommendations.



Ohio businesses need a fair regulatory system that takes into account the real-world impact rules have on economic development, job creation and especially small businesses. That's why our members are so supportive of the Common Sense Initiative and are pleased with CSI's efforts under Lt. Gov. Husted's leadership to cut red tape and ensure a balance between the objectives of regulations and the costs of compliance.

Andrew E. Doehrel
President & CEO of the Ohio Chamber
of Commerce



Lt. Governor Jon Husted addresses members of the Ohio Chamber of Commerce.



Pharmacy Board Institutional Facilities

The State of Ohio Board of Pharmacy filed drafts of new and rescinded rules with CSI in April 2019 with the intention of reorganizing the Ohio Administrative Code section regarding institutional facilities and institutional pharmacies. Several stakeholders raised concerns to CSI that the rules were unclear, confusing, and difficult to comply with, which prompted the Board to reconsider how it organized the rules.

As a result of the **stakeholder input received during the CSI process**, the Board separated the rules to distinguish between requirements for institutional facilities and requirements for institutional pharmacies to make the rules easier to understand. The Board's new approach is a great example of the CSI process alerting regulatory boards to areas of compliance businesses struggle to meet. The conversation that resulted from public comment led to changes that make it easier for businesses to comply with important health and safety regulations.



Nursing Facilities Resource Assessment Notice

Using the CSI Business Impact Analysis, the Ohio Department of Medicaid identified a rule which established requirements for nursing facilities to notify individuals of the availability of resource assessment services that **duplicated existing federal regulations**. The rule was **rescinded**.

Preschool Special Education

CSI reviewed an amended rule from the Ohio Department of Education that implements Part B Section 619 of the federal Individuals with Disabilities Education Act (IDEA), providing requirements related to preschool children eligible for special education. The Department **removed language** from the rule that was **duplicative** of the IDEA.

Direct Support Professionals Rate Increase

In August 2019, CSI reviewed rules from the Ohio Department of Developmental Disabilities to increase compensation for direct support professionals as a result of Governor DeWine's budget. Direct support professionals are a critical occupation that works with individuals who have developmental disabilities and their families daily to enhance their quality of life. These rules sparked **substantial stakeholder engagement**.

Prior to these updates, direct support professionals had not received a meaningful wage increase in more than a decade. This action not only impacts the direct support professionals, but also impacts the quality of life for the Ohioans with developmental disabilities that they work with every day.

SMALL BUSINESS ADVISORY COUNCIL

The Small Business Advisory Council advises on government rules and regulations, and helps identify those that place unnecessary burdens on Ohio's job creators.

Appointees of Lt. Governor Husted



Tyeis Baker-Baumann
President, Rebsco, Inc.
Darke County



Mike Kahoe
President,
Group Management Services, Inc.
Summit County



Doug Barry
President, BarryStaff, Inc.
Montgomery County



Carvel Simmons
Founder, Trio Trucking, Inc.
Ross County



William Bishop
President,
Associated Insurance Agencies, Inc.
Delaware County

Appointees of the President of the Ohio Senate



Thomas Demaline
President, Willoway Nurseries, Inc.
Lorain County



Crystal Faulkner
Partner,
MCM CPAs and Advisors,
Hamilton County

Appointees of the Speaker of the Ohio House of Representatives



Greg Simpson
Owner,
Key Transportation Services, Inc.
Clermont County



George F. Lang
State Representative
Butler County



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