Table of Contents

From the Desk of Lt. Governor Jon Husted ........ 3
Helping Government Fix Regulations ............... 5
Leading Regulatory Reform ......................... 6
Supporting Job Creators .............................. 8
Small Business Advisory Council ................... 10
Fellow Ohioans,

The past two years have brought challenges and changes to our state and economy that we could never have anticipated. However, 2021 has been a year that Ohio’s Common Sense Initiative (CSI) has continued to innovate in Ohio’s regulatory space, and pushed the needle towards making Ohio a leader in government efficiency. An overview of projects and accomplishments is included in this report.

In overseeing CSI, it is my goal to support policies that make Ohio the most innovative, entrepreneurial state in the Midwest, and at CSI, we take that mission to heart. To do that, we needed to play offense and take a more aggressive approach to regulatory reform, instead of simply reviewing proposed regulations. In 2020, CSI announced the launch of augmented intelligence technology – a groundbreaking AI tool – to reform Ohio’s regulatory landscape. In 2021, CSI partnered with state agencies to use this resource to identify and update archaic and unnecessary forms of communication and interaction in Ohio law. By using the tool, state agencies were able to locate outdated provisions in the Administrative Code and the Revised Code in seconds, saving valuable time that was then applied to analyzing those provisions for modernization.

The result of this collaboration between augmented intelligence and human analysis represents the future of our efforts to make government more efficient and customer-focused. Outdated laws and regulations are costly and slow down business, in addition to stalling innovation and job creation. Embracing and using emerging technologies, like this tool, is critical to ensuring that Ohio will continue to modernize, prosper, and compete.

I am proud of the work CSI has accomplished this year, and I know that we will carry this innovative momentum into 2022 and continue to modernize the functions of our state institutions.

My Best,

Jon Husted
Lt. Governor
Executive Summary

CSI 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 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.

How Interested Parties Can Participate in the Process

Businesses, citizens, and the media can subscribe to alerts from business-impacting agencies at CSI.Ohio.gov under eNotifications, and subscribe to other agency, board, or commission email listservs to receive notices of rule filings. Rule filings are also posted on CSI’s Active Rule Packages page.

To offer comments on rules pending before CSI, email 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.

Stakeholder-Driven Review Process

Agency meets with stakeholders and discusses plans for a new rule or plans to change an existing rule. Agency considers stakeholder feedback, makes necessary changes to their proposed rules, and drafts a Business Impact Analysis (BIA).

Agency files the proposed rules and BIA with CSI and begins a public comment period. Agency responds to each comment received and decides if additional changes are necessary based on that feedback.

CSI reviews the documentation and the public comment and determines if the rule’s regulatory intent (reason for existing) justifies any adverse impact it might have on a business.

CSI issues a recommendation memo to the agency, based on all information collected.
Helping Government Fix Regulations

2,473 Rules Reviewed since January 2021

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

7,205 Rules Reviewed since January 2019

50% of rules have been improved by the CSI process!

The goal of the CSI process is to provide a forum for state regulators to engage with the business community and to incorporate that input towards providing effective regulations that have the smallest adverse impact on those business communities. Getting government out of the way is key to business and job growth.

However, there are occasions where regulators opt to forgo common sense changes to their regulations, and CSI has the lawful duty and authority to publicize those instances through its recommendations. The following are a few examples of CSI’s recommendations in 2021.

State School Board

Earlier this year, the State Board of Education proposed in rule the removal of a requirement that Ohio schools provide for the study of foreign language (including coding), along with tech and business education. Requiring that schools offer these courses ensures equitable access to education that prepares Ohio’s students to compete in today’s tech-infused workforce. Our administration has continued to work with agencies and the legislature to implement programs and policies that ensure Ohio’s workforce is properly skilled. Removing these requirements does nothing but put Ohio businesses and students at a disadvantage in expanding a tech-skilled workforce. CSI reviewed these amendments and recommended that the State School Board not proceed with the removal of these course offerings and further reconsider the value they provide. The State School Board then ignored CSI’s recommendation and proceeded to file this rule with the Joint Committee on Agency Rule Review (JCARR).

Just recently, JCARR reviewed these rules. JCARR agreed with CSI that these course offerings are necessary to growing our workforce, and for the first time in 25 years, invalidated the State School Board’s rule. Thanks to the good work at CSI, these tech and business courses will continue to be available to Ohio students.

This historic win for common sense rule-making underscores the value of CSI. The rule invalidation shows that the CSI process works.

Accountancy Board Recommendation

In February of 2021, the Accountancy Board (Board) proposed rules which outlined education requirements, examinations, and approved educational institutions for certified public accountant applicants. These rules were the result of the passage of House Bill 442 (HB 442) of the 133rd General Assembly, which required the Board to propose rules pursuant to the legislation.

During the CSI process, the Ohio Society of CPAs submitted comments expressing concerns with the education requirements outlined in the rules to sit for the CPA examination, as it would make examination requirements in Ohio higher than those in competing states, as well as concerns that the proposed requirements conflicted with the intent of HB 442. As a result of these comments, the Board removed one rule from the rule package indicating that it would conduct further dialogue with the CPAs to improve the rule. CSI then issued a recommendation memorializing that commitment by the Board. In June of 2021, the Board returned that rule to CSI with changes better informed by public input. This included requiring prospective examination applicants to have at least 120 semester hours of courses completed, with 24 of those semester hours being in specific accounting courses.

This is another example of the CSI process working to create effective, common-sense regulations.
CSI is using technology to identify areas where Ohio’s rules have not caught up with technology.

Innovate the Code Legislation

Ohio has over 200 years of rules and regulations that have been patched together in a way that no one person or team of people can fully understand them. CSI has collaborated with InnovateOhio to obtain an augmented technology software tool that ingests and standardizes the Ohio Revised Code and Ohio Administrative Code with natural language processing to make it more accessible, functional, and interpretable. While this report will discuss CSI’s project to modernize the Administrative Code on page 7, we celebrate the culmination of our work with the state agencies to modernize the Revised code. In December, Lt. Governor Husted, joined by Senator Steve Wilson and Representative Thomas Hall, announced legislation to update and innovate the Revised Code, through “Innovate the Code” legislation.

Regulations must reflect the way we live and work in today’s world. Outdated laws and regulations are costly and can slow down business, potentially stalling innovation and job creation. The reforms in this legislation remove outdated communications requirements and unnecessary barriers from the Revised Code. These reforms move the needle on our goal of improving customer service across state government while also, over the next 10 years, saving an estimated $44 million in taxpayer dollars and saving the state approximately 58,000 hours of labor through efficiency improvements.

For example, one change allowing the Ohio Department of Taxation to communicate with taxpayers electronically instead of through 600,000 pieces of certified mail every year will save an estimated $3.4 million annually. This change will not only save taxpayer dollars, but it will streamline the process for business and individual tax filers by transmitting important tax information through a one-stop-shop online portal.

Another provision of the bill allows for a citizen to appear remotely at a driver’s license suspension hearing. Currently, someone attending a hearing would have to physically travel to Columbus, potentially taking a day off work and paying for travel just to appear. With this legislation, this can be done remotely, saving citizens valuable time.

The work to modernize state government operations does not end with the introduction of this legislation. Ultimately, more than 100 provisions are expected to be added to this bill to improve customer service and streamline interactions with government.

“For over 200 years, lawmakers have grown the size of the Ohio Revised Code, and with this bill, we aim to give it a trim. We did it in a smart way, using an artificial intelligence tool and human collaboration to identify outdated processes and unnecessary in-person interactions that will save millions of dollars and thousands of hours of people’s time and money.”

—Lt. Governor Jon Husted
AI Regulatory Reform

CSI’s augmented intelligence tool allows users to quickly sort and link similarities in rule language and find areas in need of attention and analysis. Over the past year, it has been a valuable resource to Ohio’s government agencies that delivers concise, digestible information about Ohio’s regulations at a fraction of the time necessary to browse even small portions of the code manually.

Through partnership with subject matter experts at Ohio’s state agencies, CSI has utilized the tool to pinpoint language within the Ohio Administrative Code burdened by outdated forms of communication and unnecessary in-person interactions. Throughout the course of the project, agencies have made 236 changes to help government agencies serve Ohioans in ways that reflect modern methods of doing business.

The augmented intelligence tool helped agencies find and update provisions that previously required information to be transmitted via certified mail, written paperwork, or unnecessary duplicate copies. These rule updates now permit data to be collected rapidly and efficiently through electronic means, allowing instantaneous completion of tasks such as updating information filed with an agency and notifying licensees of approaching renewal deadlines. Agencies identified portions of the Administrative Code which were overdue for an update, removing technological relics like telegrams and telefax from the required modes of communication.

Agencies also identified ways to make everyday tasks more efficient, including the use of online databases instead of traditional paper filing cabinets, conducting remote training, and processing payments and signatures electronically. Unnecessary in-person interactions have been updated, including rules that no longer require Ohioans to make an extra trip to sign up for the Golden Buckeye Program.

The augmented intelligence tool has made an immediate impact on the ways in which government can modernize its services, ease burdens on businesses, and keep up with the speed of business.

“Americans for Prosperity – Ohio would like to commend Lt. Governor Husted and his team at CSI for their thoughtful leadership and proactive efforts to drive efficiency in government services that will ultimately lower costs for taxpayers. Modernizing state law and thereby making steps of some compliance processes easier for Ohioans to navigate is undeniably a good thing. AFP would also like to thank Sen. Wilson and Rep. Hall for taking up this legislation, and we look forward to supporting the bills and working with the sponsors throughout the committee process.”

–Jeff Dillon
Legislative Director, AFP Ohio

“The policies in the Innovate the Code legislation are the types of policies that The Buckeye Institute has long championed and are commonsense ways to cut government red tape and save taxpayer dollars. By using AI to find antiquated and out-of-date communications requirements buried in Ohio law, the DeWine/Husted Administration is rolling back regulatory red tape and removing unnecessary regulations and requirements that make it more difficult for businesses to succeed.”

–Greg R. Lawson
Research Fellow, The Buckeye Institute
Supporting Job Creators

643 comments solicited from Ohio businesses and job creators to improve the state’s rules and regulations
2,792 comments received from January 2019–December 2021

**PUCO Unified Carrier Rule**

CSI has been working with state agencies, including the Public Utilities Commission (PUCO), to encourage them to identify areas where regulatory overlap exists between the state and federal government. CSI worked with PUCO this year to update registration regulations for interstate motor carriers. In December of 2015, the federal government began requiring new Unified Registration System (URS) applicants to utilize the federal online application form to register and obtain a federal Department of Transportation number. However, Ohio rule previously required interstate URS applicants to register (and pay a fee) through PUCO. To remove the potential for a duplicative registration requirement for interstate carrier companies, the rule change allowed interstate motor carriers to exclusively utilize the federal online system to register and pay the appropriate fee rather than being required to navigate both a state and federal system.

Additionally, PUCO also identified a requirement for registrants to notify PUCO within 90 days of a change in name, address, or place of business, or if a new United States Department of Transportation number must be issued. However, the PUCO review of the rule determined that other Ohio registration rules already require intrastate transporters to transmit this information and that federal rules establish the same procedure for interstate carriers. Accordingly, the requirement was removed, and Ohio motor carrier businesses will thus not be required to file duplicate reports to state and federal regulators when their business information changes.

**Surprise Billing Rule**

The Department of Insurance submitted to CSI this year a set of regulations implementing the “surprise billing” protections created by House Bill 388 of the 133rd General Assembly, which is designed to protect Ohio healthcare recipients from unexpected out-of-network healthcare bills. CSI received numerous comments during the comment period seeking additional clarification in the rule. Healthcare providers raised concerns with CSI over the way the rule determines the relevant region for purposes of calculating the appropriate healthcare payment.

Providers also requested additional time to determine whether to proceed to arbitration if the provider and the payer do not come to an agreement regarding the appropriate payment amount. In response to the feedback, the Department provided additional clarification to providers in determining the appropriate region in which a service was provided and informed CSI that it intends to use business days rather than calendar days for purposes of the amount of time providers must negotiate with payers prior to arbitration. These changes, based on real feedback from businesses during the CSI process, will help to reduce arbitration and related legal expenses for the healthcare community and provide clarification to help providers and payers negotiate the appropriate payments for out-of-network care, saving all parties (including consumers) money.

As part of Manufacturing Day on October 1st, Lt. Governor Husted visited Worthington Industries to discuss workforce development in advanced manufacturing.
Commercial Driver Training Schools

The Department of Public Safety proposed rules this year that establish driver training school and instruction requirements for commercial driver licenses (CDL). Amendments were proposed to reorganize and consolidate rules to comply with new federal CDL requirements, and other updates. The rules also modernized parts of the process by permitting driver training schools to provide instruction virtually, removing a prohibition on certificates being sent electronically, and allowing license application fees to be paid electronically. These changes were driven by the CSI augmented intelligence tool.

During the CSI process, comments submitted from the Commercial Training Vehicle Association and the Ohio Trucking Association concerned ratios of instructors to students, and that the language was unclear making compliance for the schools and instructor unnecessarily difficult. DPS worked with both associations and CSI and amended the rules to a ratio supported by the business community.

Pharmacy Board- Pharmacy Technicians

The Pharmacy Board proposed rules outlining requirements of pharmacy technicians. The rules provided for the performance of remote order entry for pharmaceuticals by a technician residing outside of Ohio, requiring that they be registered in Ohio. CSI received several comments that advocated for the removal of that provision because home states of pharmacy technicians typically regulate the scope of pharmacy staff, potentially causing burdensome and unnecessary regulation. As a result of the business community actively engaging with the Board on its rules and making these comments, the Board removed the proposed language.

Governor DeWine and Lt. Governor Husted announce that Ohio has initiated steps to pay off the federal unemployment loan, saving employers from unemployment tax increase.
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 the Lieutenant Governor

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

Doug Barry  
President,  
BarryStaff, Inc.  
Montgomery County

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

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

Carvel Simmons  
Founder,  
Trio Trucking, Inc.  
Ross County

Appointees of the President of the Ohio Senate

Scott Shutt  
Vice President and General Manager,  
Kewpee Hambergers  
Allen County

Bob Sielschott  
Accountant,  
Sielschott, Walsh, Keifer, Regula & Sherer CPAs, Inc.  
Allen County

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

State Representative  
George F. Lang  
Butler County

Appointees of the Speaker of the Ohio House of Representatives