

as they will no longer have to give public notice by publishing proposed rule changes in multiple newspapers.

- Rule-filing agencies will see a decrease in costs, as proceedings will no longer need to be recorded by a stenographer.
- JCARR will be required to hold an additional 5 to 6 meetings per year. The additional costs to reimburse members will range from \$7,500 to \$9,000 plus an additional fee for each member’s travel expenses.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

This bill improves opportunities for public participation in the rule-making process. To achieve this, the bill makes the following specifications:

- creates an electronic publication, the Register of Ohio, that is intended to serve as a single source of public information and to give the public notice of and information about agency rule-making processes
- requires agencies to prepare guides to their rule-making processes that will aid members of the public who wish to participate in the rule-making process
- enables an interested party to submit testimony on a rule change before or after the public hearing without having to be present at the hearing
- agencies must hold public hearings before the rule changes are considered by JCARR
- enables an agency to create advisory committees that includes affected parties to assist in rule development, amendment and rescission
- makes it easier for the Joint Committee on Agency Rule Review (JCARR) to achieve a quorum by authorizing the designation of substitute JCARR members when it is known that a member will not be able to attend a JCARR meeting.

Register of Ohio

This bill creates the Register of Ohio, a weekly electronic publication that will provide the public a single source of notice of and information about the rule-making process. The register will be published by the Director of the Legislative Service Commission and will contain the full text of the original and each revised version of a proposed rule, amendment, or rescission; the full text of a public notice; the full text of a rule summary and fiscal analysis that have been filed with the LSC Director; the full text of an emergency rule, amendment, or rescission; and the agency’s rule-making guide.

Start up and annual maintenance costs are listed in the chart below. Start up costs will be paid from GRF funds.

| Expense | Start Up Costs | Annual Maintenance |
|-------------------------------------------|---------------------------|---------------------------|
| Personnel | \$78,500 | \$110,000 |
| Application Development (contracted) | At least \$150,000 | \$10,000 |
| Ohio Data Network Support | Up to \$10,000 | Up to \$10,000 |
| Server Management | \$3,600 | \$3,600 |
| Hardware (dedicated server) | \$27,000-\$40,000 | \$5,000 |
| Software (database, web license, etc.) | \$15,000-\$30,000 | \$8,000 |
| Printing/Publishing | \$3,750 | \$15,000 |
| Total Costs | At least \$287,850 | \$161,600 |

To accomplish this project, LSC will need to hire someone with database design and management as well as internet expertise who will be responsible for overseeing the project's implementation as well as managing its day to day operations. The state has a current payroll classification of Database Administrator 2, which would fit the needed criteria. The salary for this position is \$52,146 or approximately \$68,000 with benefits. LSC would also need a Public Information Officer 1, to edit and compile information for the Register. The salary for this position would be \$32,200 or approximately \$42,000 with benefits. LSC has other personnel that could assist on this project in a clerical capacity when needed.

Due to the complexity of building a system that will meet the needs of up to 130 different agencies, LSC will need to contract with an outside agency to develop the system for the Register. It is estimated that this will cost at least \$150,000 if there is a basic level of compatibility among agency systems. LSC will also have some additional costs for new equipment and software for the project. Costs for these components will vary based on the number of users. LSC will also need to establish a separate connection with the Ohio Data Network System for the Register.

LSC must publish the register at least once a week in an electronic format. The register will be displayed free of charge on the Internet. The agency will still have some printing costs that can be recovered as printed copies will be available on request for a nominal fee that covers the cost of printing and delivering the register to the person requesting it.

LSC may offset publication costs by charging the agencies that are published in the register a fee based on space used. This fee may be reduced by the value of the agency's assistance to LSC with respect to publication of the agency's rule changes in the register. This fiscal note assumes that user fees would not cover the all of the start-up costs. Start-up costs will be incurred in FY2000 as production on the project is scheduled to begin on October 1, 1999.

Electronic Rule Filing

This bill requires LSC to establish and maintain an electronic rule filing system that would enable rules, rule-making, and rule-related documents to be filed and official responses to be made electronically. The project has a staggered implementation schedule that begins on October 1, 1999 and ends with the full implementation of the system on April 1, 2002 when all filings and responses must be made electronically. The cost of the project will depend on the system chosen and the system's degree of automation. A cost estimate for a project of this type ranges from \$50,000 to \$150,000, which would include hardware, software, and consultation

fees. It is possible that other participants in this system, such as the Secretary of State, JCARR, and other rule filing agencies, may have additional costs to make their systems compatible with LSC's.

Rule-Making Agencies

Although the agencies will see an increase in costs paid to LSC for the register's publication, the savings to these agencies will more than offset the annual expense. Agencies will see some savings as the publication of rule changes in the register is considered sufficient public notice unless explicitly provided by statute. The Register of Ohio is intended to serve as a single source of information, and while it is not required, agencies may still publish public notices elsewhere if the agency determines that it is reasonably necessary to ensure that notice is given to all persons affected by the rule change. Based on agency estimates, savings to the largest rule-filing agencies from not having to file public notices in newspapers will range from \$654,000 to at least \$854,000 per year. The chart below lists the annual costs for filing public notices for some of the larger rule-making agencies. Keep in mind that the number of rules filed varies from year to year. Rule-making agencies, other than the ones listed below, will see cost savings as well.

| Agency | Total Annual Cost |
|---------------------------------|---------------------------|
| Bureau of Motor Vehicles | \$6000 |
| Bureau of Workers' Compensation | \$23,000 |
| Environmental Protection Agency | \$300,000 to \$500,000 |
| Department of Health | \$25,000 |
| Department of Human Services | At least \$300,000 |
| Total for Above Agencies | At least \$654,000 |

LSC will bill each agency a fee based on the amount of space allocated to each agency's filings. This amount may be reduced by the value of assistance provided to LSC from the rule-making agency. Presumably if an agency submits web-ready documents to LSC, then LSC's costs to convert the document would be less and these savings could be passed along to the rule-making agency. Given the annual figures for maintaining the publication of the register, the savings to rule-making agencies will more than offset the register's publication costs.

Other changes that will affect rule-making agency expenditures are the elimination of the stenographer requirement at agency hearings and the requirement that each agency publish a guide to its rule-making process. This bill removes the requirement that a stenographer record agency hearings. Under new law, hearings need only be recorded. If a person requests a written transcript, the agency may require the person to pay all or part of the costs required to convert the document. The Department of Human Services (DHS) holds an average of 18 public hearings per year. To hire a stenographer for a public meeting costs the department approximately \$75 per hearing. The elimination of the stenographic record requirement will save the department over \$1300 in an average year. All the other rule-making agencies will see similar cost savings.

Finally, each agency must publish a guide that explains its rule-making process. This guide must be published both in the Register of Ohio and in pamphlet form. Costs for publication of this should be minimal for each agency as the brochure can be published in house and need only be distributed upon request.

JCARR

JCARR normally meets once a month. Under the stipulations of this bill, meetings will be more frequent. As a result, JCARR will be required to meet an additional 5 to 6 times per year. JCARR members are paid \$150 per day, if the meeting is held when there is not a voting session in the member's house of the General Assembly, plus their necessary traveling expenses. The extra meetings will result in an additional expenditure to JCARR of up to \$7,500 to \$9,000 plus travel expenses for each member.

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