



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

2020 ANNUAL REPORT





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My Fellow Ohioans,

The past year presented unprecedented challenges for individuals, families and governments. At Ohio's Common Sense Initiative (CSI - Ohio), we have stayed the course – delivering on our ongoing commitment to maintaining a reasonable regulatory environment in our state that supports entrepreneurs, businesses, and job creation.

In 2020, CSI took our work to the next level by launching a groundbreaking Artificial Intelligence (AI) Tool in order to efficiently and effectively search Ohio's laws and regulations and identify burdensome, outdated, and conflicting rules. By using this new tool, we can identify stumbling blocks that slow job creation and rid our code of those burdens.

Even as we've turned CSI's sights from defense to offense by using technology, we've continued our work on behalf of Ohio's job creators by reviewing nearly 2,000 rules, 45 percent of which were amended as a result of CSI's business-focused feedback.

In 2021, I anticipate CSI being able to deliver even greater for Ohio job creators, thanks to the innovative culture we have built in the DeWine-Husted Administration.

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 business and jobs-friendly 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

1,960 Rules Reviewed
since January 2020



45% of rules have been **improved**
by the CSI process!

4,789 Rules Reviewed
since January 2019



42% of rules have been **improved**
by the CSI process!

CSI's leadership helps ensure businesses aren't negatively impacted by burdensome regulations and red tape.

Medical Marijuana

In May 2020, the Board of Pharmacy filed rules with CSI to update regulations of Ohio's medical marijuana industry. One change proposed by the Board was to establish an updated 90-day supply maximum for medical marijuana, which prompted a significant stakeholder response during the CSI public comment period. The Board also proposed several changes to the rules unrelated to the 90-day supply maximum as a result of stakeholder feedback; however, many stakeholder concerns remained regarding the 90-day supply maximum.

Given the adverse impact the adjustment of the whole day unit that makes up that 90-day supply would have on packaging costs for regulated entities, CSI recommended that the Board continue to engage stakeholders to find an agreeable effective date for the proposed change, and that the Board should consider the amount of time necessary for stakeholders to use remaining labels and to sell remaining inventory in packaging allowed under current rules.

The Board continues to engage with stakeholders per CSI's recommendation.

Accountant Examination

In February 2020, the Accountancy Board of Ohio proposed an amended rule to change the process by which an applicant for the Certified Public Accountant examination may take the exam prior to meeting all educational requirements needed for certification, stating that candidates who take the examination with less than 150 college semester credits must have two years of experience to obtain certification.

Accounting is an in-demand job in Ohio, and stakeholders expressed concerns during the CSI review process that the proposed change would be punitive to Ohioans and would conflict with legislation pending at the time, House Bill 442. As a result of these concerns, CSI made a recommendation to the Board that they defer on making the proposed changes to the rule while HB 442 was pending before the General Assembly.

The Board agreed to hold on its proposed revisions until the disposition of HB 442 was known.



Ohio Governor Mike DeWine signs SB 7 that eliminates certain employment barriers for military families stationed in Ohio, January 27, 2020.

Military Temporary Occupational Licensure

Amended Substitute Senate Bill 7 (133rd General Assembly) provides military members and their spouses with better employment opportunities by simplifying the process to transfer their occupational licenses to Ohio. The bill mandates that state licensing agencies issue licenses or certificates to military members and spouses who already hold a valid license to practice a trade or profession in another state, in a timely manner and at no cost.

The bill required licensing agencies to adopt rules to ensure that the State of Ohio has procedures in place to provide exceptional customer service and support to our military members and their families.

This year, CSI reviewed rules drafted pursuant to Am. Sub. S.B. 7 by the Ohio Department of Commerce, State Chiropractic Board, State Cosmetology and Barber Board, Counselor, Social Worker, and Marriage and Family Therapist Board, State Medical Board, Board of Nursing, Occupational Therapy, Physical Therapy, and Athletic Trainers Board, State of Ohio Board of Pharmacy, State Board of Psychology, Speech and Hearing Professionals Board, Veterinary Medical Licensing Board, and Vision Professionals Board.

Recommendations made by CSI regarded ensuring that applicants for out-of-state military licenses are only required to meet the qualifications outlined in statute, clearly stating the license type offered as temporary or regular, clarifying that there is no application fee for these applicants, and establishing processes that ensure applications from military members and their spouses are properly tracked, prioritized, and expedited.

The Boards that have submitted a response to CSI's recommendations indicated their intentions to improve their rules based on the recommendations prior to proceeding with the rulemaking process.



The Lt. Governor participates in the Ohio Business Roundtable's Cincinnati Regional Member Meeting in June 2019.



Lt. Governor Jon Husted visits the White House to discuss regulatory reform and how we can make doing business and creating jobs in Ohio easier, February 6, 2020.

Leading Regulatory Reform

CSI is using technology to identify areas where Ohio's rules have not caught up with technology.

Artificial Intelligence

"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," said Lt. Governor Husted. "With our new AI tool, any regulatory topic can be researched and analyzed in seconds. We are going to use this new tool to bring comprehensive regulatory reform to Ohio."

Supporter statements

"A key component to Ohio's small-business community during the campaign of 2018 was the promise of an effort to streamline regulations. It is encouraging to see the DeWine Husted Administration living up to that promise. With the use of artificial intelligence, state agencies will now be able to expedite the regulatory review process and weed out those harmful unnecessary regulations that serve to stifle Ohio's economic growth. NFIB and our members greatly appreciate these types of efforts to get out of the way of Ohio entrepreneurs and let them continue to serve as the economic engine that drives our state."

—**Roger Geiger**, Vice President and Executive Director for NFIB in Ohio

"We want to commend Lieutenant Governor Husted on his efforts to speed up the review of what can often times be onerous regulations in Ohio. The partnership of CSI and InnovateOhio by utilizing an artificial intelligence tool will bring about a creative approach in Ohio's efforts to create a positive regulatory environment."

—**Andrew Doehrel**, President and CEO of the Ohio Chamber of Commerce

INNOVATE  **hio**

"Today's announcement by Lieutenant Governor Husted regarding the use of AI to uncover burdens and redundancies in Ohio's regulatory code is excellent news. The Buckeye Institute applauds the efforts of the administration, as well as leaders in the General Assembly, for finding innovative ways to reduce Ohio's regulatory burden—something Buckeye has long called for. These reforms will make it easier for businesses to create more jobs and hire more workers."

—**Robert Alt**, President & Chief Executive Officer of The Buckeye Institute

"The activists at AFP-OH are excited to see the strong leadership Lt Governor Husted has shown in responding to the call for regulatory reform. The tools this administration is unleashing should make it easier to cut the burdensome red tape that holds Ohioans back from leading their lives."

—**Micah Derry**, State Director, Americans for Prosperity Ohio



Lt. Governor Husted provides remarks during the U.S. Business Roundtable Workforce Partnership Initiative on July 11, 2019.

AI Regulatory Reform

CSI collaborated with InnovateOhio to obtain an artificial 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. It does not replace—but rather augments—human judgment, interpretation, and decision making.

Because state agencies have significant demands on their time, CSI's focus was to find technology that could enhance the way agency subject matter experts work and help them accomplish the regulatory reform goals of the Governor's office and the General Assembly.

The tool quickly sorts and links similarities among data generated by use cases the agencies choose, significantly reducing the amount of time it would take humans to do the same work. Subject matter experts can then focus their time on value-added work of analyzing the policy and streamlining their regulatory structure.

In July, CSI trained the first round of state agencies to use the software and immediately took to task scanning Ohio's rules for content that wasn't keeping up with the speed of business and improving technology. We also looked for roadblocks any government would look for in a pandemic, such as requirements for in-person interactions, physical exchange of items, paper processes, etc. Our agency teammates also have been busy brainstorming for more ways to research within their specific regulatory areas, and we look forward to those focuses shaping our work in the new year.

Broadband

Exciting early work coming out of the artificial intelligence tool project in 2020 included CSI's support of BroadbandOhio's mission. We recently completed a comprehensive review of definitions of terms used in the regulation of the broadband industry in Ohio. The idea for this research focus came from the telecommunications industry itself. There was a difference in the way two state agencies defined a term within the provision of telecommunications services.

The service a company provided was defined to be one thing by one state agency, but another thing by another state agency. That type of unpredictability makes it difficult for businesses to plan and causes them to waste precious time and resources checking and double-checking that they are correctly complying with multiple state agencies. This also discourages them from wanting to do business in Ohio.

What CSI found with the artificial intelligence tool is insightful:

- We started with about 62 different words identified as commonly used in the regulation of broadband.
- Among those 62 different words, 303 definitions were found in the rules or statutes of 25 different state agencies.
- For example, there are 16 different definitions of public utility in Ohio law across 5 different agencies.

There could be technical reasons for these differences, and we understand that. However, it is important that as regulators we ensure that the same words don't mean different things across the same government.

CSI and state agencies have similar research projects ongoing in this tool. Our goal is that the continued work over time will increase the consistency in the way the state communicates with the businesses it regulates.



Lt. Governor Jon Husted speaks on a virtual meeting.



Outdated Communications

In October 2020, the Department of Commerce submitted rules to CSI regulating licensing of the commercial construction industry. Several amendments were proposed to update ways that they could accept documents or communicate, which the current rules limited to being done in-writing. These proposed changes were based on research driven by CSI's artificial intelligence tool to identify rules that have not caught up with the speed of business and technology.

The Ohio State Racing Commission also highlighted outdated sections of the Ohio Administrative Code and proposed an amendment to remove telegraphs as a mode of communication from a rule and replaced it with more up-to-date methods better suited to the regulated community. The artificial intelligence project has made it easier and less time-consuming to locate areas of Ohio's rules that have not caught up with the speed of advancing technology.

Overall, CSI looks forward to the artificial intelligence tool's impact on Ohio's regulations, with hopes that it will help agencies innovate and stimulate economic growth, improve the citizen experience, and develop adaptive regulations.

"These are the ways we're trying to use technology to innovate and make it easier to provide the services in the private sector to the public that needs it." Lt. Governor Jon Husted.

COVID-19 Response

Rule review always keeps CSI busy, and 2020 was no different.

Agencies had to respond to the challenges of the COVID-19 pandemic in the form of emergency rules. While CSI does not take part in review of emergency rules, as they are implemented by Executive Order, we do see the rules if the agency eventually plans to file a more long-standing version of the change.

In response to the COVID-19 pandemic, several agencies submitted rules to CSI that made it easier for Ohioans to access medical services and for licensees to receive crucial training.

In September 2020, the Department of Developmental Disabilities submitted a rule that allows developmental disabilities staff to receive training remotely. The rule addresses stakeholder concerns over staff congregating for training exercises and ensures that health care professionals receive necessary training in safe environments.

The Department of Medicaid submitted several rule packages in August 2020 that made permanent changes to requirements for nursing facilities, hospice providers, and home health services. These rules allow physician assistants and advanced practice nurses to conduct additional services to ease the burden on health care staff and increase access to telehealth services that keep patients in contact with their health care providers when meeting face-to-face is not possible. During the CSI review process, stakeholders supported the Department's proposed changes, allowing providers and patients to maintain safe distances.

The Department of Medicaid also submitted a rule that establishes health care isolation centers as COVID-19 community centers, which provide care to individuals who require isolation following a COVID-19 diagnosis. The Department used feedback from stakeholders and providers to craft the obligations and requirements for isolation centers.

The Department of Medicaid filed an amended rule in October 2020 that concerns revalidation of an agreement between a health care provider and the Department. Amendments to the rule increase flexibility in response to the COVID-19 pandemic for renewing a provider agreement, by introducing email as a method for contacting providers of upcoming revalidation timelines. This amendment helps the Department reduce the cost of contacting thousands of Ohio providers and offers stakeholders convenient, current, methods for interacting with the Department.

CSI has also reviewed several rule amendments submitted by the Department of Aging allowing flexibility for long-term care consultations, adult day services, and nutrition counseling to be conducted remotely, and for certain paperwork and signatures to be obtained in a safe manner when required.



Supporting Job Creators

707 Comments Solicited from Ohio businesses and job creators to improve the state's rules and regulations
2,407 Comments Received January 2019–2020

Building Standards

In November 2019, the Board of Building Standards submitted amended rules that establish regulations of the Ohio Plumbing Code, proposed amendments to the rules, and introduced several standards for vent pipe clearances, plumbing fixtures, and drainage pipes.

As part of the CSI public comment period, the Board received stakeholder feedback providing evidence that the current version of the plumbing code offered solutions to drainage, waste collection, and venting problems that restaurants and businesses commonly experience. The stakeholder recommended that several of the proposed amendments be removed to offer businesses clear and efficient requirements for dealing with plumbing problems, as well as preventing many businesses from having to replace entire pipe systems in exchange for negligible benefits.

As a result of stakeholder comments, the Board did not implement its originally proposed changes that could have negatively impacted Ohio's businesses.



Aging and Medicaid Rule Alignment

The Department of Aging and the Department of Medicaid have continued review of their rules with an eye toward alignment, a multi-year project to help standardize rule requirements to the benefit of individuals and health care service providers. Both Departments maintain waiver programs that provide reimbursement for the provision of home and community-based services. Individuals frequently move between programs maintained by both agencies based on eligibility, age, or service needs. To make the transition easier and more consistent for all stakeholders involved, the agencies have engaged in an alignment process that creates a standardized set of services that is offered to enrolled individuals and allows for high quality care to be delivered consistently across the various waiver programs.

In March 2020, the Department of Medicaid submitted new and amended rules that represent the third phase of rule alignment between the agencies. These rules introduce service provision requirements for vehicle modifications, which can assist individuals with specific transportation needs and other specialized medical equipment. These rules represent regulatory reform that addresses the needs of Ohio's citizens and offers tangible benefits in areas that would previously result in needless confusion and frustration.



Lt. Governor Jon Husted visits the new Manufacturing Technology Experience at the Manufacturing Advocacy and Growth Network (MAGNET) in Cleveland, January 28, 2020.

Manufacturing Mentorship

In March 2020, the Department of Commerce, Division of Industrial Compliance proposed new rules to implement the Manufacturing Mentorship Program, which allows 16- and 17-year old individuals to work part-time in a manufacturing facility to gain valuable industry exposure while still in high school. These work-based learning experiences help students earn the skills needed to succeed in the workforce and help build a stronger talent pipeline for businesses in Ohio.

Orthotics, Prosthetics, and Pedorthics

In June 2020, the Occupational Therapy, Physical Therapy, and Athletic Trainers Board submitted rules to CSI regulating the orthotics, prosthetics, and pedorthics professions. The Board significantly reduced the number of continuing education hours for those licensees, while making compliance with the requirements less confusing. The Board also reduced the maximum licensure renewal fee from \$200 annually to \$120 every two years, although the Board stated that it currently only charges \$70 every two years.

Cosmetology and Barber Education

In response to the COVID-19 pandemic, the State Cosmetology and Barber Board submitted an amended rule to CSI which expanded distance learning opportunities beyond in-person settings and increased the amount of acceptable distance learning hours from 6% to 20% of the required program hours. As part of the rule drafting process, the Board surveyed licensed schools regarding their experiences with web-based education, to which access was expanded under an emergency rule, and made changes to improve the rule based off of that feedback received from stakeholders.

Physician Continuing Medical Education

In May 2020, the State Medical Board submitted rules to CSI updating continuing medical education requirements for physicians. The changes significantly reduce the burden on physicians by reducing the number of continuing education hours necessary for license renewal from 100 hours to 50 hours. At the suggestion of Governor DeWine and the workgroup formed to investigate medical misconduct, the rules also include requirements for one hour of continuing education related to a physician's duty to report misconduct or abuse, helping to ensure the safety of patients.





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.



Lt. Governor Jon Husted holds a Small Business Advisory Council meeting virtually, November 5, 2020.



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