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Good afternoon, Chairman Wiggam, Vice Chair Ginter, Ranking Member Kelly and members of the House State and Local Government Committee. Thank you, Mr. Chairman, for giving us the opportunity to speak on SB 1, the Regulatory Reform Bill.

Because this committee has already heard extensive testimony on HB115, the companion legislation sponsored by Representative Riedel and Representative Roemer, our testimony will be focused on the differences between this legislation and HB 115. Many of the Senate changes were made after working with the Joint Committee on Agency Rules and Review (JCARR), and other members from both sides of the aisle, and are aimed at making the rule reduction requirement in the bill work more smoothly from a logistical standpoint.

One of the most significant changes made to this legislation in the Senate is allowing state agencies the right to show cause to JCARR as to why the required regulatory reductions in the bill cannot be met. If the agency succeeds in establishing that it cannot satisfactorily accomplish its intended mission and reduce its number of regulatory restrictions according to the schedule set in SB1, JCARR is permitted to adjust the agency's regulatory restriction goal accordingly. In other words, if a state agency fails to reach the required 10% annual rule reduction in any of the three years, it may approach JCARR and ask for an adjusted rule total. If JCARR chooses to grant the adjustment, the agency may avoid the 2 for 1 rule reduction penalty measures established in SB1 and utilize the adjusted rule reduction level as its newly authorized number of rules. If JCARR chooses to not grant the adjustment, the agency must either meet the rule reduction schedule in SB1, or face the 2 for 1 rule reduction penalty measures established for agencies that fail to comply.

Another change made to SB1 in the Senate involves the narrowing of the type of rules that are under JCARR review. Amendments made in the Senate removed certain references in the bill to lottery instant game rules (which are not under JCARR review), confidential personal information rules (which prevent personal information from being used for state purposes), rules incorporated by reference (since JCARR does not have the ability to change a referenced document) as well as emergency rules (which are also not under JCARR

review). Additionally, the Common Sense Initiative (CSI) will have authority to review existing state agency rules for purposes of reducing regulatory restrictions and compelling agencies to eliminate rules.

These regulatory requirements have been placed at the cabinet level agencies, instead of the individual agency level, to alleviate burden on smaller agencies and to widen the focus on overall regulatory reduction. A website will be created so that individuals and businesses can directly report to JCARR what regulations cause the greatest limitations and struggles. This legislation is pro-business, and has received support from the Ohio Chamber of Commerce and NFIB.

SB 1 is an important step in reducing the government's impact on Ohioans lives and businesses. We need to know how many restrictions we have, we need to systematically review them, and we need to eliminate the rules that are unnecessary. Thank you for the opportunity to speak about SB 1; we are happy to answer any questions you may have at this time.