



*BEFORE THE SENATE TRANSPORTATION, COMMERCE AND WORKFORCE
COMMITTEE
PROPONENT TESTIMONY ON SB 293
Wednesday, May 23, 2018*

Chair LaRose, Vice Chair Kunze, Ranking Member Schiavoni, and members of the Senate Transportation, Commerce, and Workforce Committee, thank you for the opportunity to provide testimony in support of Senate Bill 293. My name is Kevin Boehner and I am the Director of Small Business and Workforce Policy for the Ohio Chamber of Commerce.

The Ohio Chamber is the state's leading business advocate, and we represent nearly 8,000 companies, of all sizes, that do business in Ohio. As part of my role at the Ohio Chamber, I serve as the Director of the Ohio Small Business Council. Our support for SB 293 is relative to the cost and resources that are attached to government bureaucracy and red tape. Regulations impact businesses of all sizes, but severely impact small businesses who often times lack the resources to comply with the ever-changing regulatory environment.

Last year, the Ohio Chamber established a new 501(c)3 Research Foundation. Its mission is to deliver research that will drive and promote the economic well-being of Ohio. One of its first projects was to begin conducting a quarterly survey of business leaders – primarily CEOs, owners, and other C-Suite executives – to determine the economic health of Ohio businesses. This survey we call the “Prosperity Pulse”.

One of the questions we ask business leaders as part of our quarterly survey is which issues are of most concern because of how they currently impact the company while doing business in Ohio. In our latest quarterly survey – 1st Quarter 2018, released earlier this month – as well as consistently since we began doing it, state regulations have ranked among the top issues of concern to business leaders.

That's why the Ohio Chamber has always supported maximizing regulatory benefits in the most cost-effective manner, and firmly believes that businesses should be able to operate and innovate without intrusive government mandates.

In 2011, we supported SB 2, which created the Common Sense Initiative Office (CSI). The changes this bill made to the rules process have resulted in a significant, positive difference in the way in which rules are developed and distributed to the general public. Specifically, the Business Regulation Impact Analysis required with each rule package is an important tool that ensures the real-world costs of implementing a new rule are known. Two years later, we supported SB 3, which made additional changes to the rule making process and brought no change rules under the same scrutiny as new rules.

Then, just last month, the Senate passed SB 221. This legislation compliments SB 2 and SB 3 and is a vital next step in rule and regulatory reform. The Ohio Chamber and Ohio Small Business Council are now championing this bill in the House. Nearly everyone on this committee voted for SB 221, and we thank you for your support.

Now, SB 293 would represent another huge step forward by requiring the reduction of regulatory restrictions by 30% by 2022. If agencies are unable to meet the reduction schedule put forth in this bill, they are not allowed to implement a new regulatory restriction without first eliminating two or more existing restrictions. The end result of this strategy: decreasing barriers of entry, thus more economic competitiveness.

In their testimony last week, the sponsors of SB 293 made reference to a recent study done by The Mercatus Center at George Mason University that showed that there are presently around 246,000 regulatory restrictions in Ohio. These are, of course, in addition to the nearly 1.1 million additional restrictions in the federal code – and businesses have to navigate both to be in compliance. Even more concerning, the Mercatus study showed that Ohio is one of the most heavily regulated states they have analyzed. Mercatus has also authored another report that sheds some light as to the cost faced by businesses in the United States as it relates to regulations. They estimate that between “red tape” and regulations, over \$150 billion are spent annually by businesses to comply with regulations in the U.S.¹

Regulations have accumulated over many decades, piling up over time. While CSI and the Business Impact Analysis ensure that the likely benefits and compliance costs of Ohio rules are evaluated, it’s important not to forget that regulations have a greater effect on the economy than analysis of individual rules, or even rules packages, can express. We believe that SB 293 can help businesses who operate in Ohio by reducing the overall regulatory burden. At the same time, we acknowledge that a 30% reduction for each agency is going to be difficult to accomplish. However, in order to increase economic competitiveness, encourage free enterprise, and create the best economic environment for businesses to thrive in our state, reduction of overall regulations is an important objective.

Thank you, Mr. Chairman and members of the committee, for the opportunity to provide proponent testimony and I would be happy to answer any questions you may have at this time.

¹ <https://www.mercatus.org/system/files/Jones-Reg-Reform-British-Columbia.pdf>