

A CASE STUDY

How The Buckeye Institute Cut Needless Government Regulations





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A CASE STUDY: THE CHALLENGE

In 2016, when The Buckeye Institute turned its focus to cutting regulations, Ohio was one of the country's most regulated states. A 2020 **study** by the Mercatus Center found that Ohio was the third most regulated state, behind only California and New York.

With more than 300 occupational licenses and more than a quarter of a million restrictions in Ohio's Administrative Code, the state's regulatory environment was harming workers and businesses and needed to be fixed—Ohio's economic success depended on repairing this burdensome regulatory regime.



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A CASE STUDY: THE APPROACH & THE RESULT

Since 2016, The Buckeye Institute has led the effort in Ohio to cut needless and burdensome regulations. The goal was to make Ohio a national leader in adopting proven free-market policies that remove regulatory barriers to prosperity.

To achieve this goal in the area of occupational licensing reform, Buckeye implemented a strategic approach to identify and eliminate licenses that had broad support and use those victories to build momentum for greater and more impactful change. In the arena of cutting government regulations on businesses, Buckeye worked with different coalition partners and business groups to highlight the ongoing need for reducing regulations in Ohio and the ongoing costs of failure to do so.

The result of Buckeye's work is the adoption of Buckeye-champion and inspired policies that eliminated ineffective, inefficient, and burdensome regulatory requirements on workers and employers that stand in the way of job creation and economic growth and make it harder for workers to start new careers and earn promotions. Through The Buckeye Institute's continued and effective leadership and commitment to comprehensive regulatory reform, Ohio is a freer state and a model for other states on how to effectively eliminate and reduce burdensome regulations that strangle economic growth and harm workers who want to earn promotions or start new careers.

Removing Barriers to Promotion for Salon Workers (Senate Bill 213 - 2016)

The Buckeye Institute identified three stylists—Alisha, Ashleigh, and Courtney—struggling to advance in their careers. Under Ohio law at the time, they, and thousands of other stylists across the state, were forced to pay thousands of dollars in tuition to be eligible for promotion to salon manager. Using Alisha, Ashleigh, and Courtney's personal stories, Buckeye launched its effort to eliminate the salon managers license at a Statehouse press conference with supporters from both sides of the political aisle, including then State Representative Kristina Roegner, who was eager to become a champion of occupational licensing reform and would become a leader in eliminating unnecessary licenses. As the legislation moved through the General Assembly, Buckeye was instrumental in convening and leading stakeholder meetings with lawmakers, salon workers, and salon owners to maintain support for the reforms. Senate Bill 213 passed both the Ohio Senate and the Ohio House unanimously and was signed into law in June 2016. The Buckeye Institute's leadership was recognized with an invitation from the governor's office to participate in the bill signing ceremony. No longer would special interest beauty schools have a say in who received promotions in salons in Ohio.

Cosmetologists aspiring to become store managers now have a more straightforward career path in Ohio thanks to the work of The Buckeye Institute. The Buckeye-championed Senate Bill 213 eliminated Ohio's mandatory salon-managers license, thus alleviating an unneeded burden on Ohioans looking to advance in their careers. Before Buckeye's victory, cosmetologists had to undergo an additional 300 hours of training to obtain a government-issued salon-manager license on top of the 1,500 training hours they already spent to receive their cosmetology license. The manager's license wasn't about public safety or cosmetology competence. It was a way to add 300 hours of training so private cosmetology schools could generate an extra \$1,925 in federal aid per student for their multi-million dollars businesses. By eliminating this unneeded license, The Buckeye Institute helped cosmetologists—whose average hourly wage in 2016 was \$12.16—save tens of thousands of dollars for the right to get a promotion and a raise.

Removing Barriers to Employment for Citizens Turning Their Lives Around (Senate Bill 3 - 2017)

Prior to the passage of Senate Bill 3, people convicted of felonies in Ohio faced unique burdens beyond those occupational licensing barriers faced by the average citizen. A felony conviction carried with it more than 800 distinct collateral consequences—including numerous restrictions on their ability to obtain occupational licenses—many with little or no connection to the offense they committed or their continuing threat to the community. To address this injustice, The Buckeye Institute brought together a broad coalition of conservative and criminal justice reform groups, including Justice Action Network and the Institute for Justice, to outline how changing Ohio's Certificate of Qualification for Employment program would enable more individuals with criminal records to obtain an occupational license that their records would otherwise prohibit them from pursuing. Senate Bill 3 passed the Ohio Senate unanimously and passed the Ohio House with only one no vote. It was signed into law in November 2017.

The Buckeye Institute-championed program now creates a rebuttable presumption that an individual's underlying offense does not disqualify them from receiving an occupational license. This change in the law now allows an individualized assessment, protecting public safety while giving offenders a fair chance.

Giving Lawmakers the Tools to Cut Occupational Licenses (Senate Bill 255 - 2019)

Recognizing that often the most effective reforms are highly technical and unsexy, The Buckeye Institute set about to ensure that Ohio's oppressive occupational license regime was dismantled. Working with other experts in the field of licensing reform, including Americans for Prosperity, the Institute for Justice, and the American Legislative Exchange Council, Buckeye developed a proposal that could both slow the creation of new licenses (a sunrise provision) as well as a mandate to review and potentially eliminate existing regulations (a sunset provision). The Buckeye Institute-inspired Senate Bill 255 accomplished those goals by requiring government agencies to adopt the least restrictive regulation when it comes to promoting real and definable public safety concerns (the sunrise) and requiring all licensing boards to be renewed at least once every six

years, or they automatically expire (the sunset). To ensure more exciting issues didn't overlook this critical but wonky and highly technical reform, Buckeye successfully recruited key legislators—including one who would become the committee chair overseeing licensing renewals—who had the influence to act as lead sponsors and drafters of the legislation. Buckeye then leveraged its relationships with national experts to engage them in the process. Buckeye led national coalition calls, linked national experts with Ohio lawmakers to outline the importance of these reforms, and brought in experts to testify on the reforms. Senate Bill 255 was passed by the Ohio General Assembly in December 2018 and was signed into law in January 2019.

Powerful, entrenched interests prospered from a restrictive occupational licensing regime in Ohio for decades. This dysfunctional form of crony capitalism narrowly benefited the well-connected while disadvantaging people seeking to start new professions or become eligible for promotions. The Buckeye Institute recognized the injustice and worked to combat this unfair system. Under the Buckeye-inspired Senate Bill 255, Ohio codified that the state will 1) seek the least restrictive regulation when it comes to promoting real and definable public safety concerns; 2) require all licensing boards be renewed at least once every six years, or they automatically expire; and 3) require all new licensing legislation be reviewed to ensure it meets the least restrictive regulation law. Buckeye's work made Ohio a national leader in occupational licensing reform and made it harder for the government to put more needless roadblocks in Ohioans' efforts to start new careers.

Removing Barriers to Employment for Military Spouses (Senate Bill 7 - 2020)

With previous significant wins under its belt, The Buckeye Institute's next campaign was to exempt a whole group of people from needless occupational license requirements. Under Ohio law at the time, spouses of our military forces were required to meet all Ohio licensing requirements including returning to school if need be—to obtain an Ohio license for a job they were already licensed for in another state. This ludicrous requirement was particularly noxious for military spouses, given the federal government controlled where they lived and when they had to move typically at least once every three years. Buckeye outlined the need for reform in its report Increasing Job Opportunities for Military Families and approached the then speaker of the Ohio House, himself a veteran, to enact the reforms. With the speaker's support, Buckeye turned its attention to identifying champions-military spouses forced to jump through Ohio's hoops to restart their careers after the Department of Defense transferred their spouse to an Ohio base. Brianna McKinnon, a special-education teacher and military spouse, and Melonia Lillie, a registered nurse, military spouse, and veteran, become the face of Buckeye's effort to change this needless policy that did nothing to ensure public safety or health. Through a series of published opinion pieces, blogs, interviews, and testimony before the Ohio General Assembly, McKinnon and Lillie told the story of thousands of military spouses. Buckeye also enlisted the help and support of leaders of the Ohio National Guard and veterans' groups. Senate Bill 7 unanimously passed both chambers of the Ohio General Assembly in December 2019.



The Buckeye Institute's tireless efforts to increase job opportunities for Ohio's military families culminated in the passage of Senate Bill 7, which Ohio Governor Mike DeWine signed into law at a ceremony at Wright Patterson Air Force Base Monday that Buckeye's president and CEO Robert Alt was invited to attend. Also joining the governor that day was Buckeye's champion, Brianna McKinnon. Senate Bill 7 grants the spouses of active-duty military men and women relocated to Ohio reciprocity for their valid out-of-state occupational licenses, allowing them to continue working in their chosen profession. This commonsense reform is based upon The Buckeye Institute's recommendations to remove unnecessary barriers and burdens on military families, as stated in Buckeye's landmark 2016 policy paper, *Increasing Job Opportunities for Military Families*. Senate Bill 7 is a victory for military spouses like Brianna McKinnon and Melonia Lillie.

Eliminating Regulations on Small Businesses During the Pandemic (House Bill 669 - 2020)

As the pandemic hit Ohio, The Buckeye Institute recognized that the impact of government shutdown orders would ravage small businesses. To ensure these businesses, vital to Ohio's economy, could withstand the pandemic, Buckeye outlined immediate actions policymakers could take to support Ohio's workers, small businesses, and the economy in its *Policy Solutions for the Pandemic* series. Ohio's shutdown orders prohibited in-person service at all restaurants and bars. To survive this draconian order, many restaurants and bars turned to carryout service to keep their businesses afloat and workers employed. But in Ohio, it was illegal for restaurants and bars to sell customers alcohol for carryout—even if it was unopened. Working alongside the Ohio Restaurant

Association, The Buckeye Institute urged lawmakers to lift this prohibition, making it easier for restaurants and bars to serve customers during the pandemic. Buckeye also successfully eliminated regulations and permits once necessary for outdoor seating, enabling hundreds of restaurants to reopen to in-person service. House Bill 669 passed the Ohio Senate and Ohio House by near-unanimous votes and was signed into law, going into effect immediately. Buckeye's blueprint was critical in providing a path for lawmakers to help businesses and workers during the pandemic.

The Buckeye-championed policies in Hose Bill 669 permanently allowed restaurants and bars to offer alcohol on their carryout and delivery menus, lifting unnecessary regulations that offered a lifeline to restaurant and bar owners and their employees. The consistent revenue stream offered through these regulatory changes enabled many small businesses to keep their doors open and people employed during the economic crisis that resulted from the pandemic.

Ending Needless Occupational License Requirements (House Bill 442 - 2021)

A requirement of the Buckeye Institute-inspired Senate Bill 255 was for lawmakers to review all licensing boards at least once every six years. If a licensing board was not reviewed and renewed by the General Assembly, it would automatically expire, as would all its job licensing requirements. House Bill 442 was the first legislative review of nearly one-third of Ohio's occupational licensing boards. As part of the review process, The Buckeye Institute drafted a key report, Opening Doors: Occupational Licensing Reform in Ohio After Senate Bill 255, outlining recommendations on the licenses to be reviewed. Recognized as a leading expert in the area of occupational licensing reform, Buckeye's recommendations informed many of the decisions lawmakers made. As the review process played out in committee hearings, it soon became apparent that every licensing board thought it and all of the licenses it issued were critical to public health and safety. Once again, lawmakers looked to Buckeye to help them devise a questionnaire that provided lawmakers with hard data that they could use to determine if a license was essential or was just a way to take money out of the pockets of Ohioans. Buckeye's recommendation to have a comprehensive comparative analysis of Ohio's licensing requirements was also adopted. This analysis provides lawmakers a complete picture of where Ohio's requirements stand related to other states, particularly Ohio's neighbors, a critical data point when determining if a license is necessary or overly burdensome. House Bill 442 passed both chambers with overwhelming support, significantly reducing the occupational licensing burden on Ohioans.

The legislature adopted many of The Buckeye Institute's recommendations and eliminated five licenses and reduced training hour requirements for another 11 licenses. The changes saved Ohioans hundreds, if not thousands, of dollars and countless hours in training.

Expanding Access to Telehealth (House Bill 122 - 2021)

When the pandemic hit, The Buckeye Institute took a two-step approach to expand access to telehealth services. First, Buckeye worked with the executive branch to temporarily allow

telehealth through executive orders. The second step was to make this expansion permanent through policy reforms enacted by the General Assembly. As it often is, Buckeye's approach was to demonstrate the effectiveness of its policy recommendations with research. Access to Health Care Made Easier: Promoting Best Practices in Ohio's Telehealth Policy and Improving Ohio Health Care with Freedom, along with numerous opinion pieces and legislative testimony, formed the intellectual ballast of Buckeye's efforts. Working with supportive medical providers, and national coalition allies, Buckeye outlined how telehealth would expand access to healthcare, particularly for the elderly and people living in rural areas, at in-person meetings and national conferences. With numerous entrenched special interests opposed to the reforms, Buckeye also undertook an extensive effort to educate the chair of the Senate Health Committee on the positive impacts these reforms would have. As a result of Buckeye's efforts, House Bill 122 unanimously passed both chambers of the General Assembly in December 2021 and was signed into law that same month.

This Buckeye Institute-championed policy modernized Ohio's telehealth rules and made it easier for people to access medical services—particularly the elderly and those in rural Ohio. As Buckeye outlined in *Access to Health Care Made Easier: Promoting Best Practices in Ohio's Telehealth Policy*, telehealth can reduce healthcare costs and increase flexibility for patients and medical professionals. In signing this proven free-market policy into law, Ohio allowed all Ohioans to see their healthcare providers and get the care they needed.

Stopping the Growth of Government Regulations (Senate Bill 9 - 2022)

For years, The Buckeye Institute had a strong ally in regulatory reform, Senate President Larry Obhof. That didn't make the effort to cut Ohio's overall regulatory burden any easier, but it did mean Buckeye was working alongside one of Capitol Square's most influential policymakers. Starting in 2018, The Buckeye Institute partnered with the Mercatus Center to draw attention to the number of restrictions imposed on Ohio businesses. Mercatus found that Ohio is one of the most heavily regulated states, with nearly 247,000 restrictions set in law. Armed with this data, Senator Obhof, with the assistance of Buckeye, went to work to highlight Ohio's regulatory burden and its impact on business owners and Ohio's economy. The campaign was launched at a Statehouse press conference called by the Senate President and featuring Buckeye's president and CEO, Robert Alt. The press conference was followed by the introduction of Senate Bill 293 during the 132nd General Assembly. As happens too often, powerful special interests did all they could to delay and derail these essential reforms. Still, Buckeye and Senator Obhof did not abandon the effort. They were back in the 134th General Assembly with Senate Bill 9, which would require government agencies to reduce regulatory restrictions by 30 percent by 2025 and, if agencies could not meet that requirement, prohibited them from adding new restrictions without removing two. Senate Bill 9 passed both chambers of the General Assembly in March 2022 with overwhelming support and was signed into law that same month.



The Buckeye-championed reforms in Senate Bill 9 cut unnecessary regulations, restrictions, and red tape that strangle Ohio's economy, entrepreneurs, and workforce. Under the bill, Ohio 1) created an inventory of agency regulations to give policymakers a clearer picture of the amount of bureaucratic red tape Ohioans face; 2) capped regulatory restrictions to force the state to prioritize any proposed restrictions more carefully; 3) prohibited state agencies from adding new restrictions without removing two; 4) required state agencies to reduce regulatory restrictions by 30 percent by 2025; and 5) launched an online portal—Cut Red Tape Ohio—to give businesses easier access to information about new rules and restrictions. The Buckeye-championed bill also inspired the DeWine/Husted administration to implement a plan to cut one-third of Ohio's Administrative Code by targeting duplicative provisions, outdated sections, and unnecessary requirements. These policies were another successful addition to Buckeye's regulatory reform effort.

Creating a Pro-Growth Regulatory Environment for Fintech (Senate Bill 249 - 2022)

Ohio is home to many national banks and financial institutions. Still, it risked losing these employers to other states that created environments where these companies could develop and deploy new products and services to customers. The Buckeye Institute knew the solution to this problem was to build a fintech regulatory sandbox. Buckeye outlined how this innovative regulatory tool would work and benefit Ohio in *Policy Solutions for More Innovation: Build a Regulatory Sandbox for Financial Technology Innovators* and partnered with Senator Steve Wilson, who sponsored legislation that included many recommendations from Buckeye's report. Buckeye

also made a case for a fintech sandbox in numerous opinion pieces that explained how the new policy would make Ohio's regulatory process less daunting, less expensive, and more transparent for financial technology employers looking to expand or relocate to Ohio. Senate Bill 249 passed the Ohio Senate and the Ohio House unanimously in November 2021 and was signed into law in December.

As The Buckeye Institute called for in *Policy Solutions for More Innovation: Build a Regulatory Sandbox for Financial Technology Innovators*, Ohio is constructing a regulatory sandbox, which cuts red tape that often keeps innovative technology from reaching users while protecting consumers from potentially harmful new products. This controlled regulatory and consumer-centric environment allows approved firms to experiment with new technology for a limited time and makes it easier and more affordable for fintech firms to test new products and services, thus making Ohio a more inviting place for financial technology companies to move to or expand.

Adopting Universal Occupational License Recognition (Senate Bill 131 - 2023)

For years, The Buckeye Institute was focused on passing reforms to cut the occupational licensing burden on Ohioans—coordinating press conferences and meetings and calls with stakeholders and lawmakers, speaking at conferences, conducting research, and developing infographics and messaging materials—all to prove success and parlay that success into further reforms to benefit Ohioans. Over that time, Buckeye built an impressive library of research that demonstrated the negative impacts of occupational licensing on employment and job growth. Forbidden to Succeed: How Licensure Laws Hold Ohioans Back, Still Forbidden to Succeed: The Negative Effects of Occupational Licensing on Ohio's Workforce, and Universal Licensing Reciprocity: How to Welcome Workers to Ohio formed the backbone of Buckeye's research. In 2023, it was time to go for the gold and pass universal occupational license recognition. The Buckeye Institute reactivated its national coalition of occupational license reform leaders and identified influential lawmakers who could deliver on this critical issue, most notably Senator Kristina Roegner, who, as a member of the Ohio House, Buckeye identified as a champion of licensing reform nearly a decade prior. Senator Rob McColley, an early Buckeye partner on occupational licensing reform who was now in Senate leadership, joined the effort as a co-author of the legislation. Working with Americans for Prosperity, the Goldwater Institute, and Institute for Justice, Buckeye led coalition calls to coordinate messaging, testimony, meetings, and calls to members to educate them on how this policy would benefit Ohio, and Buckeye engaged the DeWine administration, which had made comprehensive occupational licensing reform a part of its campaign platform in 2018. In addition to research, opinion pieces, blogs, and testimony, Buckeye organized to open letters to members in 2020 and 2022 encouraging them to adopt universal occupational license recognition and make it easier for licensed workers in every profession to move to the Buckeye State where they can earn a living here in their chosen careers. Senate Bill 131 unanimously passed the Ohio Senate and the Ohio House with only three no votes. It was signed into law in January 2023.



Taking its place among the nation's leaders in occupational licensing reform, Ohio adopted The Buckeye Institute-championed universal occupational license recognition, which allows new and prospective Ohioans to live out their dreams in the Buckeye State and fuels the economic growth Ohio state desperately needs. Under Senate Bill 131, people with an occupational license from another state can move to Ohio and immediately return to work. These policies ease worker shortages and encourage skilled workers to pursue their careers and professions in the Buckeye State—an integral component to modernizing Ohio's outdated economic system.

Cutting and Reducing Needless Occupational License Requirements (House Bill 509 - 2023)

As with House Bill 442, House Bill 509 undertook a review of nearly one-third of Ohio's licensing boards as required by the Buckeye Institute-inspired Senate Bill 255, which states that if a licensing board is not reviewed and renewed by the General Assembly, it will automatically expire as will all its job licensing requirements. As part of this review process, The Buckeye Institute outlined its recommendations in *Opening Doors II: Occupational Licensing Reform in Ohio After Senate Bill 255* and shared them with the committee chair and other key legislators. Known for its honest and reliable assessment, many of Buckeye's recommendations on licenses that could be eliminated or reduced were included in the final legislation, and once again, Buckeye's questionnaire that was given to licensing boards provided lawmakers with hard data that they could use to determine if a license was necessary. In fact, Buckeye's reputation in this space has led many government licensing boards to attempt to lobby Buckeye on its value. Unswayed by anything but good and effective policy, Buckeye continues to call for eliminating unnecessary licenses. House Bill 509

passed the Ohio House and Ohio Senate with only three no votes and was signed into law in January 2023.

In this review of Ohio's occupational licenses, the legislature eliminated 14 licenses and reduced training hour requirements for another 25 licenses. Buckeye made these recommendations in its brief *Opening Doors II*: *Occupational Licensing Reform in Ohio After Senate Bill 255*, and as with House Bill 442, the changes saved Ohioans hundreds, if not thousands of dollars, and countless hours in training.

Removing Antiquated and Redundant Regulations from Ohio's Administrative Code (House Bill 33 – 2023)

Ohio's Administrative Code contains numerous antiquated or redundant rules that are overdue for removal—many required people to print government forms, fill them out, and submitted to the government via snail mail. These inefficient 20th century procedures are needlessly costing 21st century taxpayers millions. Partnering with the DeWine/Husted administration and Ohio's leading business associations, The Buckeye Institute pushed to Innovate the Code and eliminate and streamline these outdated requirements. Initially proposed in House Bill 76, The Buckeye Institute testified that "the bill's commonsense changes could save taxpayers an estimated \$44 million and 58,000 hours of state employee labor." Throughout the legislative session, Buckeye highlighted the policy's benefits and urged its adoption. The policy was in Ohio's budget and signed into law in July 2023.

Often seemingly small changes in government regulations have a notable impact on people's lives. Such is the case with the Innovate the Code changes. By updating antiquated or redundant rules and regulations, state government will shift from a 20th century approach to doing business and join the 21st century. While the shift will be slow and further improvements are needed, this change will save taxpayers an **estimated** \$44 million and 58,000 hours of state employee labor.

Continuing to Cut and Reduce Needless Occupational License Requirements (House Bill 238 – 2024)

House Bill 238 represented the third review of Ohio's occupational licenses under the Buckeye-inspired Senate Bill 255, which requires all licensing boards be renewed at least once every six years, or they will automatically expire. Echoing numerous recommendations from The Buckeye Institute's *Opening Doors III*, the General Assembly eliminated 19 licenses and reduced the burdens of another 18. One especially important reform was the elimination of the requirement that individuals aspiring to be real estate brokers must have a college degree. The bill passed both chambers overwhelmingly and The Buckeye Institute's invaluable work was recognized with an invitation from Governor DeWine to join him at the signing of the bill.



Ohio Gets Closer to Cutting Regulations by 30 Percent (Senate Bill 9 - 2024 Update)

The Buckeye-championed reforms in Senate Bill 9 cut unnecessary regulations, restrictions, and red tape that strangle Ohio's economy, entrepreneurs, and workforce. As outlined in *Making the Grade*, 23 out of 27 state agencies met the Senate Bill 9 interim-requirement to cut the regulations they impose on Ohioans by at least 20 percent with the goal of cutting regulations by 30 percent by the end of 2025. Thirteen state agencies have already completed or exceeded the 30 percent requirement. While Senate Bill 9 is cutting regulations, The Buckeye Institute is working on additional reform, including detailed state-by-state comparisons of regulatory burden, to pave the way for the elimination of more regulations than those established in Senate Bill 9.



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A CASE STUDY: FUTURE OPPORTUNITIES

The Buckeye Institute has laid the foundation for future success and even more regulatory reforms through these tremendous and compounding reforms. Building on its incredible track record of success, The Buckeye Institute is now focused on eliminating restrictions that block the supply of healthcare, such as regulations that prevent qualified medical professionals from practicing at the top of their licenses and removing regulations that strangle innovation, hinder new technologies from being developed in Ohio, and keep Ohio from modernizing its outdated economic system.



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