



Common Sense Initiative

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Business Impact Analysis

Agency, Board, or Commission Name: Ohio Development Services Agency (Development)

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Regulation/Package Title (a general description of the rules' substantive content):

Community Services Block Grant Rule Changes

Rule Number(s): 122:5-2-03

Date of Submission for CSI Review: 9/11/20

Public Comment Period End Date: 9/18/20

Rule Type/Number of Rules:

New/ rules

No Change/ rules (FYR?)

Amended/ X rules (FYR?)

Rescinded/ rules (FYR?)

The Common Sense Initiative is established in R.C. 107.61 to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Under the Common Sense Initiative, agencies must balance the critical objectives of regulations that have an adverse impact on business with the costs of compliance by the regulated parties. Agencies should promote transparency, responsiveness, predictability, and flexibility while developing regulations that are fair and easy to follow. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

Reason for Submission

- 1. R.C. 106.03 and 106.031 require agencies, when reviewing a rule, to determine whether the rule has an adverse impact on businesses as defined by R.C. 107.52. If the agency determines that it does, it must complete a business impact analysis and submit the rule for CSI review.**

Which adverse impact(s) to businesses has the agency determined the rule(s) create?

The rule(s):

- Requires a license, permit, or any other prior authorization to engage in or operate a line of business.**
- Imposes a criminal penalty, a civil penalty, or another sanction, or creates a cause of action for failure to comply with its terms.**
- Requires specific expenditures or the report of information as a condition of compliance.**
- Is likely to directly reduce the revenue or increase the expenses of the lines of business to which it will apply or applies.**

Regulatory Intent

- 2. Please briefly describe the draft regulation in plain language.**

Please include the key provisions of the regulation as well as any proposed amendments.

The Community Services Block Grant (CSBG) is funding from the U.S. Department of Health and Human Services to reduce poverty, build strong communities, and provide resources and services to support low-income Ohioans in achieving self-sufficiency. The Ohio Development Services Agency (Development), Office of Community Assistance administers CSBG funding to Community Action Agencies (CAAs) throughout Ohio. Development ensures accountability of the grant funds and evaluates CAAs' performance to make sure program goals are met and to ensure program and fiscal accountability.

The proposed changes amend the following:

122:5-2-03 (A)(1)(a) added "youth" to insure that CSBG funding is being used to address the increasing emergency needs of the youth of our communities and to match the CSBG federal program guidelines. We want to reinforce that the CSBG funding can be used to address the current needs of youth due to COVID-19. Communities need to provide programming that focuses on keeping youth engaged in productive activities using innovative tools that adhere to current health guidelines.

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122:5-2-03 (B) added “or at an eligibility level designated by the United States Congress or the federal U.S. Department of Health and Human Services” and that “Participant Income must be documented for compliance review”.

122:5-2-03 (B)(1) changed income to have the same meaning as OAC 122:5-3-01.

122:5-2-03 (B)(2) changed period to be 30 days instead of 90 days.

- 3. Please list the Ohio statute(s) that authorize the agency, board, or commission to adopt the rule(s) and the statute(s) that amplify that authority.**

ORC 122.68(E)

- 4. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program? If yes, please briefly explain the source and substance of the federal requirement.**

Yes, the regulations being reviewed and amended serve to implement federal CSBG requirements.

- 5. If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

N/A

- 6. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

The regulations are needed to ensure compliance with the federal CSBG requirements and to provide a structure for administering the program. Development must ensure the funds received from the federal government are accounted for and used in the most efficient manner to accomplish the CSBG program goals. Development believes the regulations are beneficial to the agency’s administration of CSBG funds and to the performance of CAAs.

- 7. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

The success of the regulations will be measured through the Results Oriented Management and Accountability (ROMA) performance system, on-site and desk-top monitoring of CAAs. Development will see an increase in the number of clients, programs, and services offered throughout Ohio communities.

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- 8. Are any of the proposed rules contained in this rule package being submitted pursuant to R.C. 101.352, 101.353, 106.032, 121.93, or 121.931?**

If yes, please specify the rule number(s), the specific R.C. section requiring this submission, and a detailed explanation.

No

Development of the Regulation

- 9. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.**

If applicable, please include the date and medium by which the stakeholders were initially contacted.

Development issued notification to stakeholders on Monday, August 24, 2020 requesting feedback on the rule changes and the impact to the CSBG program. Development requested stakeholders provide their feedback no later than Monday, August 31, 2020.

- 10. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?**

Development did not receive any feedback from stakeholders.

- 11. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?**

As previously mentioned, the purpose of the rule change is to provide Development with the ability to adjust the poverty level guidelines as designated by the United States Congress or according to the federal U.S. Department of Health and Human Services for the administered programs. The rule change will also reinforce that CSBG funding can be used to address the current needs of youth due to COVID-19 and enable communities to provide programming focusing on keeping youth engaged in productive activities using innovative tools that adhere to the current health guidelines.

- 12. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?**

No alternative regulations were considered; however, depending on the filed comments and any replies thereto, Development will further consider revising the proposed regulations.

- 13. Did the Agency specifically consider a performance-based regulation? Please explain. Performance-based regulations define the required outcome, but do not dictate the process the regulated stakeholders must use to achieve compliance.**

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A performance-based regulation is not appropriate in this instance. The rules must be designed to ensure compliance with the CSBG program.

14. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?

The CSBG was established in section 122.68 of the Revised Code and Development was granted exclusive rulemaking authority regarding the subject matter at issue. There is not a possibility of duplication of existing Ohio regulations.

15. Please describe the Agency’s plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.

The amended rule is already being implemented for the CSBG program and the CAA community is administering the CSBG program successfully. There will be continued communication with the CAAs’ executives and board members in mailings, web-based training events and during grant monitoring. Stakeholders will also be made aware of any changes via an Information Update email from Development.

Adverse Impact to Business

16. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:

a. Identify the scope of the impacted business community; and

Currently, Development partners with 47 Community Action Agencies in Ohio.

b. Identify the nature of all adverse impact (e.g., fees, fines, employer time for compliance,); and

There should not be an increased adverse impact associated with the proposed changes to this rule. There is still the administrative cost of running a program, however, the proposed changes lessen the income documentation required to be eligible and streamline the process across similar programs. There could be an increase in clients served by the program with the expanded eligibility requirements.

c. Quantify the expected adverse impact from the regulation.

The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a “representative business.” Please include the source for your information/estimated impact.

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The impact of this amendment should save time for each CAA to do client intake now that 30 days of income is reviewed versus 90 days for each client application. The impact to having a potential increase in clients is unknown and hard to predict.

17. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

The importance of having streamlined program guidelines will increase efficiency and improve client satisfaction of the CSBG program.

Regulatory Flexibility

18. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.

No. Development will work with affected businesses to ensure compliance with the rules.

19. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?

N/A

20. What resources are available to assist small businesses with compliance of the regulation?

Development will meet with and provide educational materials on the rule changes to CAAs that provide services to the affected population.