Greenbook

LBO Analysis of Enacted Budget

Joint Committee on Agency Rule Review

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Quick look...

- The Joint Committee on Agency Rule Review's (JCARR) primary responsibility is to review proposed new, amended, and rescinded rules from over 100 state agencies to ensure they do not exceed the rulemaking authority granted them by the General Assembly.
- JCARR is a ten-member joint legislative committee supported by four full-time staff.
- Biennial appropriation of $1.1 million: $570,000 in each of FY 2026 and FY 2027.
- GRF line item 029321, Operating Expenses, provides 100% of JCARR's funding.

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
GRF ALI 029321, Operating Expenses					
$498,458	$403,088	$450,249	$533,317	$570,000	$570,000
% change	-19.1%	11.7%	18.4%	6.9%	0.0%

Agency overview

The Joint Committee on Agency Rule Review (JCARR), created in 1977 by the General Assembly is responsible for the oversight of proposed new, amended, and rescinded rules from over 100 state agencies. JCARR is a ten-member joint legislative committee.

JCARR meets and holds public hearings not less than once every three weeks throughout the year. Members are paid a per diem of $150 for committee work on days when there is not a voting session for their chamber. In addition, members are reimbursed for necessary committee-related travel expenses. JCARR has a staff of four full-time employees, including an executive director, a deputy director, a rule analyst, and a rule processor. The Legislative Service Commission acts as JCARR's fiscal agent.

Analysis of FY 2026-FY 2027 budget

JCARR's operations are funded by a single GRF line item (029321, Operating Expenses). The budget appropriates $570,000 in each of FY 2026 and FY 2027, totaling $1.1 million for the biennium. These annual amounts represent a 6.9% increase ($36,683) from the actual FY 2025 expenditures.

The budget authorizes JCARR's Executive Director to certify to the Director of Budget and Management an amount up to the unexpended, unencumbered balance of this line item at the end of FY 2025 and FY 2026 to be reappropriated to FY 2026 and FY 2027, respectively, and appropriates those amounts.

Vetoed provisions

The Governor vetoed serval provisions impacting JCARR. The Governor's Veto Message for these vetoes largely cite that these new requirements would have lengthened and complicated the rulemaking process for state agencies when implementing certain public policy and additionally that, under current law, rules are already subject to rigorous review and public comment. Further delay in their adoption would cause administrative delays and inefficiency of program operations for state agencies. These provisions are briefly discussed below.[1]

Restatement of principle of law or policy in rule

The bill requires state agencies with a continuing law duty to review their operations for principles of law or policies that should be restated in administrative rule to complete a review and file a report with JCARR no later than November 30, 2025. If, through this process, the agency determines a rule should be restated, it requires the rulemaking process to begin within three months, instead of six months.

Regulatory restrictions in administrative rules

The bill makes changes to the process a state agency must follow to review administrative rules by requiring a state agency that has already complied with S.B. 9 of the 134th General Assembly and met the requirement to reduce regulatory restrictions in its administrative rules by 30% to eliminate one regulatory restriction for each new regulatory restriction the agency adopts. It also requires that, beginning on July 1, 2025, a state agency appear before JCARR to show cause on why the agency should be permitted to adopt a rule that would cause the number of regulatory restrictions to exceed the state limit.

Proposed rules and revised proposed rules

The bill allows JCARR to request an agency designee to appear before it to answer questions. This can occur if a rule summary and fiscal analysis (RSFA) for a proposed or revised rule indicates one of the following: (1) the rule will increase the agency's expenditures during the current biennium by $100,000 or more, (2) the cost to comply with the rule for a directly affected person will be $100,000 or more, or (3) the rule will impose an annual effect on Ohio's economy of $1 million or more.

When an RSFA indicates any of these effects, the JCARR Executive Director is required to inform members of the General Assembly and include all documentation from the agency's original rule filing. Subsequently, JCARR can permit the rule's adoption by allowing the time for legislative review to expire, recommend the adoption of a concurrent resolution invalidate all or part of the rule, or refer the rule to the General Assembly to enact a bill approving the adoption before the rule can take effect.

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[1] For more information on these provisions, please refer to the Comparison Document – Vetoed Items available on the LSC website at lsc.ohio.gov. See items JCRCD3, JCRCD4, JCRCD5, JCDCD6, JCRCD7, and JCRCD8 which were subject to the veto.