



OKLAHOMA

STATE OF OKLAHOMA
EFFICIENCY IN LICENSING TASK FORCE

EFFICIENCY IN LICENSING TASK FORCE FINAL REPORT

2024

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TASK FORCE MEMBERS

SUSAN WINCHESTER, Chairwoman
Secretary of Licensing and Regulation

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*Director, Office of Management and
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*Speaker of the House Charles McCall
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*Speaker of the House Charles McCall
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SENATOR JULIE DANIELS
*Senate President Pro Tempore Greg Treat
appointee*

SENATOR ALLY SEIFRIED
*Senate President Pro Tempore Greg Treat
appointee*

STATE OF OKLAHOMA EFFICIENCY IN LICENSING TASK FORCE

The Honorable Governor J. Kevin Stitt, Senate President Pro Tempore Lonnie Paxton and Speaker of the House Kyle Hilbert:

Realizing that unnecessary restrictions hinder job creation, Governor Stitt issued [Executive Order 2024-14](#) directing all state agencies to compile an electronic catalog of licenses currently being issued in Oklahoma. The catalog was to include a description of the license issued, the fees charged for the license, the method by which licensing applications are received and the justification for requiring the license. In addition, the order created the Efficiency in Licensing Task Force to examine and simplify the occupational licensing process for working Oklahomans.

While utilizing the catalog created, the Task Force was charged to study, evaluate, and make recommendations regarding current policies and programs and to propose legislation that would simplify the process of securing a state-issued license, eliminate barriers to professional opportunities and lower the costs associated with obtaining a license.

The eleven members of the Task Force worked over several months to determine the recommendations we propose in our report. We recognize the purpose of occupational licensing is to protect the health, safety and welfare of the public while ensuring the integrity of the trades and occupations

It is imperative we make the licensing process in Oklahoma easy, accessible and affordable and sincerely hope the recommendations we have proposed move Oklahoma forward.

Respectfully,

The Oklahoma Efficiency in Licensing Task Force



FILED
June 17, 2024
Secretary of State
State of Oklahoma

J. Kevin Stitt
Office of the Governor
State of Oklahoma

EXECUTIVE DEPARTMENT
EXECUTIVE ORDER 2024-14

WHEREAS, breaking the red tape that hinders job creation and eliminating barriers to professional opportunities remain priorities for my administration; and

WHEREAS, simplifying state-issued licenses processes and lowering costs will remove unnecessary barriers for those seeking to enter the workforce in Oklahoma.

NOW THEREFORE, I, J. Kevin Stitt, Governor of the State of Oklahoma, pursuant to the power and authority vested in me by Sections 1 and 2 of Article VI of the Oklahoma Constitution, and to the fullest extent permitted by law, hereby order as follows:

1. Each “state agency”¹ (hereinafter “Agency”) that issues licenses shall compile an electronic catalog² of the types of licenses it issues and electronically submit that catalog to the Executive Director of the Office of Management and Enterprise Services (“OMES”) within sixty (60) days of the effective date of this Executive Order. At minimum, the catalog shall include:
 - a. A description of each type of license issued by the Agency, the term thereof, and the statutory, regulatory, or other basis therefor;
 - b. The fee charged by the Agency for each type of license and the statutory, regulatory, or other basis therefor;
 - c. The method by which the Agency receives applications for each type of license (*e.g.*, paper, electronic, etc.) and when that method was last significantly updated;
 - d. The Agency’s analysis of and arguments justifying the need for each type of license issued by the Agency.
2. The Efficiency in Licensing Task Force (the “Task Force”) is hereby created. An organizational meeting of the Task Force shall be held not later than sixty (60) days after the effective date of this Executive Order. Using the catalogs generated pursuant to Section 1 above, the Task Force shall study evaluate, and make recommendations regarding policies and programs and propose legislation that will:

¹ In this Executive Order, “state agency” means, as it does in 61 O.S. § 327(A), “any department, board, commission, institution, or agency or entity of state government.”

² An electronic catalog template will be distributed to Agency heads along with a copy of this Order.

- a. Simplify the process of securing state-issued licenses, including but not limited to through the consolidation of the State's agencies, boards, and commissions;
- b. Eliminate barriers to professional opportunities; and
- c. Lower the costs associated with securing a state-issued license to work.

The Task Force shall electronically submit to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives a report on or before December 31, 2024, detailing its findings and recommendations.

The Task Force shall be composed of eleven (11) members determined as follows:

- a. The Executive Director of OMES or designee;
- b. The Secretary of Licensing and Regulation or designee;
- c. The Secretary of State or designee;
- d. The Commissioner of Labor or designee;
- e. The Chief Executive Officer of Service Oklahoma or designee;
- f. The State Chief Transformation Officer or designee;
- g. The State Chief Information Officer or designee;
- h. Two (2) members to be appointed by the President Pro Tempore of the Senate; and
- i. Two (2) members to be appointed by the Speaker of the House of Representatives.

The Governor shall designate from among the appointees a Chair of the Task Force. The Chair shall have the authority to create committees and name committee chairs to facilitate the work of the Task Force and shall have the authority to appoint Task Force members and non-members to serve on committees. The Task Force shall meet as often as deemed necessary by the Chair allowing for timely completion of its work. A majority of the members shall constitute a quorum for the purpose of conducting the business of the Task Force. Members, including those appointed to committees who are not members of the Task Force, shall serve without compensation.

OMES shall provide staff and administrative support for the Task Force. All executive departments, officers, agencies, and employees of the State shall cooperate with the Task Force, including providing any information, data, records, and reports as may be requested.

3. Nothing in this Executive Order shall be construed to impair or otherwise affect the authority granted to an Agency by the Oklahoma Constitution, the Oklahoma Statutes, or the Oklahoma Administrative Code. Further, this Executive Order does not create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the State, its Agencies or agents, or any other person.
4. If any provision of this Executive Order, or the application of any provision to any person or circumstance, is held to be invalid, the remainder of this Executive Order and

the applicability of its other provisions to any other persons or circumstances shall not be affected thereby.

5. This Executive Order shall be distributed to each member of the Task Force specifically identified herein and to each person appointed to a Task Force Committee.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Oklahoma to be affixed at Oklahoma City, Oklahoma, this 17th day of June, 2024.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA



ATTEST:



Josh Cockroft, Secretary of State



LICENSING EFFICIENCY TASK FORCE REPORT

Occupational licensing is the process by which the state legislature grants an agency or board the power to enforce and maintain licensing requirements for people providing regulated, professional or occupational services. A licensure board is typically made up of individuals from the profession or occupation being licensed and who will accept and review applications or oversee the administration of certain requirements for licensure. The powers and the organization of the licensing body are created by the Legislature.

Purpose:

The purpose of occupational licensing is to protect the health, safety and welfare of the public while ensuring the integrity of trades. Both the public and the trades are protected through establishing minimum standards of quality and expertise which is important to a functioning community. However, trades and occupations should not rely on their license as the sole indicator of credibility for the industry.

Benefits

Occupational licensing ensures integrity of the profession or occupation and protects the public. Individuals may seek to become licensed as a move toward greater professionalism. Consumers benefit as they can research information through a licensing entity before seeking services. Licensing creates incentives for individuals to invest in increased training and skill development for higher quality services and also builds community and cohesiveness within an occupation and standardizes work functions.

Downside

Occupational licenses act as **a barrier to entry and prosperity** for many people to perform certain professions. These barriers decrease the ability of people to be gainfully employed which in turn decreases the availability of services for consumers and leads to higher prices. While it is important for legislators to protect the health and safety of the public, many times occupational licenses are required for reasons other than health and safety, and there are more effective and less restrictive ways of regulating a profession.

Oklahoma ranks 43rd in per capita income. Any barrier to entering the workforce is problematic and reduces the potential income for an employee. Data from the Census Bureau 2023 American Community Survey shows Oklahoma's poverty rate was 15.9%, the nation's sixth highest.

It is imperative we make the licensing process in Oklahoma as easy, as accessible, and as affordable as possible.

BACKGROUND

History of Licensing Reform in Oklahoma

The 2011 Oklahoma Legislature enacted legislation ([SB 772](#)) to establish the "Business and Professional License Facilitation Task Force". The Task Force was charged with identifying steps needed for Oklahoma to implement a **centralized government model for professional licensing**. Its report detailed the benefits of other states' "One Stop Shop" licensing models and proposed a phased in approach for implementing a similar structure for Oklahoma.

In 2017, Governor Fallin through [E/O 2016-39](#), created the Oklahoma Occupational Licensing Task Force to review occupational licensing and provide recommendations for the potential removal of license requirements that do not promote the health and/or safety of Oklahomans and are unreasonable barriers to Oklahoma workers' workforce entry.

The Task Force found a state of complete disarray in licensing review and administration and recommended further analysis of licenses by an independent entity utilizing an "Occupational Regulation Blueprint" to review the necessity, utility and impact of existing licensing regulations. The study resulted in passage of [SB 1475](#) during the 2018 legislative session which created the Occupational Licensing Advisory Commission, as well as twelve additional recommendations, three of which have been put into law: creating a publicly available directory of Oklahoma's occupational licenses, recognition of comparable licenses issued by other states for individuals relocating in Oklahoma and opening certain occupations or professions to individuals with prior criminal records.

The Occupational Licensing Advisory Commission functioned for four years and was subsequently sunset after all state licensing agencies had been evaluated.

In 2019, Oklahoma contracted with Guidehouse, a consulting group, to conduct an agency collaboration assessment for the Oklahoma Executive Branch. Their recommendations included combining a majority of all licensing agencies within the state and moving those agencies to a newly created Cabinet of Licensing and Regulation. Other recommendations included combining certain agencies with similar missions under one board as well as the elimination of certain agencies all together.

In 2022, the Legislative Office of Fiscal Transparency (LOFT) was asked to evaluate the public benefits and costs of occupational licensing and to examine both the expenditures and accountability of Oklahoma's licensing entities. LOFT published their [report and recommendations](#) in October 2022.

Licensing restructure was also a focus of legislative interest during the 2024 Legislative Session. Bills introduced included: [HB 3167](#) by Rep. Kerbs and Sen. Hall; [SB 1444](#) and [SB 1379](#) by Sen. Bergstrom; and [SB 1764](#) by Sen. Garvin. None of the bills were enacted into law.

Following the legislative session, Governor Stitt continued the evaluation of occupational licensing in Oklahoma by issuing [Executive Order 2024-14](#) directing all state agencies to compile an electronic catalog of the licenses they issued including a description of the license, the fees charged, the method by which licensing applications are received and the justification for requiring the license. In addition, the order created the Efficiency in Licensing Task Force to examine and simplify the occupational licensing process for working Oklahomans.

While a tremendous amount of research has been accomplished since 2011, only a few of the recommendations have been put into place. In order to address the Governor's charge through his Executive Order, the Task Force on Licensing Efficiency makes the following recommendations.

RECOMMENDATIONS

Executive Order 2024-14 charged the Task Force, while utilizing the catalog generated pursuant to Sec. 1 to study, evaluate and make recommendations regarding policies and programs and propose licensing that will: simplify the process of securing state-issued licenses, including but not limited to the

consolidation of the State’s agencies, boards and commissions; eliminate barriers to professional opportunities; and, lower the costs associated with securing a state-issued license to work.

Simplify the process of securing state-issued licenses, including but not limited to the consolidation of State’s agencies, boards and commissions.

1. Beginning with the 2011 Task Force and continuing through both the 2017 Task Force as well as the report from LOFT have each recommended creating an “Centralized Agency” for handling the licensing process. Currently, Service Oklahoma provides a variety of licensing services for the state of Oklahoma. The Task Force recommends having Service Oklahoma provide a 2-year strategic plan outlining current services and projecting future services that could be implemented within licensing agencies.
2. Following the suggestion of the 2011 “Business and Professional License Facilitation Task Force”, examine licensing structures from other states like the Utah Division of Professional Licensing and Certification and determine if this is a structure that works for Oklahoma. Other viable examples include the New Hampshire Office of Professional Licensing and Certification, the Missouri Division of Professional Registration, or the Virginia Department of Health Professions and create a similar structure for Oklahoma.
3. Recreate a Commission similar to the former Occupational Licensing Advisory Commission and expand the responsibilities of the Commission to include not only the review of agency licenses but also a review of the purpose and function of its boards and advisory committees; whether the board encourages public participation in its decision making processes; whether consumer concerns about the operations of the boards are adequately addressed; and, whether there are opportunities for improving board management.
4. Examine the elimination or consolidation of boards, commissions and advisory committees with careful consideration for boards primarily composed of members who are active practitioners within the areas they regulate. The US Supreme Court has held that boards may be subject to greater scrutiny and will require active state supervision if they are composed of a controlling number of market participants.
5. If not centralized, agencies could be combined into industry-specific groups. If this is an option, we recommend adding an assigned elected or appointed-and-confirmed State official with the duty to review and the power to overrule agency board actions.
6. Examine whether similar existing boards are licensing the same if not similar licenses and if so, eliminate the duplication.
7. Determine if there are similar boards with similar missions and if so, combine the boards.

Eliminate barriers to professional opportunities

1. Recognizing the need for a centralized resource to provide businesses with all necessary licensing information for starting operations, it is recommended to build upon the efforts already initiated by the Department of Commerce. Additionally, it is important to acknowledge that other agencies/entities may have similar initiatives in progress, and these efforts should be coordinated to ensure alignment and efficiency. Specifically, the Department is encouraged to collaborate with stakeholders across government agencies and the community to develop a comprehensive, user-friendly resource. Making this centralized resource accessible through multiple platforms and locations is also recommended to maximize its usability and reach.

2. Excessive occupational licensing may unnecessarily harm individuals who are aspiring to work, including low-income Oklahomans. High barriers to an occupation may create a poverty trap and force more people to rely on government assistance. Evaluate unnecessary and underutilized licenses and recommend rule or statute changes by having the legislature create both a sunrise and sunset review process and ensure the review process is shielded from special interest lobbying efforts.
3. Evaluate the steps needed to meet licensing requirements including but not limited to hours of professional education, testing requirements, continuing education and language barriers and include a comparison of other states' regulation of similar occupations.
4. Initiate additional legislation that further recognizes the occupational license, work experience and/or private certification obtained by a worker in another state when applying for an occupational license.
5. While it is imperative for essential workers to be able to move and work across state lines during emergencies the demand for workers from other states exists outside pandemics. Evaluate the temporary emergency measures put into place during the recent pandemic and formalize these measures into permanent legislation or rules.
6. Encourage licensing agencies to explore and implement additional compact or reciprocity agreements with other states.

Lower the costs associated with securing a state-issued license to work

1. Non-appropriated licensing agencies fund their operations with user fees paid by the licensee. The largest expenditure within the agencies includes employee compensation and administrative costs (office leases, legal, information technology, services provided by other state agencies). Combining agencies within a centralized format would reduce these costs significantly.
2. Conduct a comparative analysis of licensing fees imposed by the states surrounding Oklahoma and implement fees that are reflective.
3. Evaluate the statutory authority to set fees and make changes if needed.
4. Ensure that all agencies can provide total on-line licensing capabilities.
5. Immediately institute multi-year licensing.
6. Implement a licensing structure that offers a variety of ways for applicants to apply for a license making it easier for applicants to apply and reduce the complexity of the process.
7. Allow state agencies/boards to accept credit cards for payment on site. Currently, agencies are allowed to accept credit cards only through the online renewal system. For those appearing in person for assistance with a license must pay with either a check or money order. Agencies are not allowed to accept cash due to state auditing standards.

AUGUST 15, 2024 MEETING MINUTES

**Efficiency in Licensing Task Force
Office of Management and Enterprise Services
Special Meeting Minutes
Senate Conference Room 4s.9
2300 N. Lincoln Blvd., Oklahoma City, OK 73105
Thursday, August 15, 2024, 10:30 AM**

A meeting notice was filed with the Secretary of State, and the agenda was posted in accordance with the Open Meeting Act.

MEMBERS PRESENT:

Susan Winchester, Chairwoman, Secretary of Licensing and Regulations
Joe McIntosh, State Chief Information Officer
Will Milam, Secretary of State designee
Leslie Osborn, Commissioner of Labor
Jay Doyle, Chief Executive Officer of Service Oklahoma
Katie DeMuth, Interim Director of Office of Management Enterprise Services (OMES)
Jerry Moore, State Chief Transformation Officer
Senator Julie Daniels, District 29, Senate President Pro Tempore, designee
Representative Gerrid Kendrix, District 52, Speaker of the House, designee
Representative Mike Osburn, District 81, Speaker of the House, designee

MEMBERS ABSENT:

Senator Ally Siefried, District 2, Senate President Pro Tempore, designee

GUESTS:

Beverly Hicks, OMES	Danna Fowble, OKFBAA/OPA
Mathew LaFon, DGC, OMES	Jim Dunlap, OSMA
Jacob Walker, OMES	Liz Searock, ODOL
Danielle Burk, OMES	Will Roberts, Realtors
Nitasha Devan, OMES	Shawn Lepard, Lepard Group
David Oakley, LegisOK	Jennifer Leppard, Lepard Group
LeRoy Young, DO. ODA	

1. Call to order:

Secretary Winchester called the special meeting to order at 10:30 a.m., reaffirming the task force's commitment to transparency. She was advised that a meeting notice was filed with the Secretary of State, and the agenda was posted in accordance with the Open Meeting Act.

2. Roll Call and announcement of a quorum:

A roll call was taken, and a quorum was established.

3. Welcome/introductions:

Chairwoman Winchester welcomed task force members and guests to the meeting. Each member present gave an introduction of themselves. An overview of the task force's objectives and responsibilities was given at the meeting.

4. Presentation on the Oklahoma Open Meeting Act:

Task force attorney Matthew LaFon gave task force members an overview of the Oklahoma Open Meeting Act law.

5. Review of Executive Order 2014-14:

Chairwoman Winchester gave an overview of Executive Order 2014-14, which addresses Efficiency in Licensing. The Task Force members then discussed efficiency improvements. The Task Force was formed by EO 2024-14 to evaluate and make recommendations to simplify state licensing. Task Force members have been asked to identify barriers to licensing, simplify the process, and lower licensing fees.

Each agency has been asked to provide the Office of Management and Enterprise Services (OMES) director with a list of licenses they administer. From the executive order's signature, agencies have sixty (60) days to comply and provide their list electronically. A report will be created that captures the task force's work and recommendations and will be submitted to the Governor, Senate President Pro Tempore, and the Speaker of the House of Representatives no later than December 31, 2024.

6. Status Updates: Agency Submissions

Danielle Burk and Jacob Walker from OMES gave a presentation on initial catalog submissions. They discussed progress and challenges faced by agencies regarding process and legislation.

Ms. Burk reported that OMES had received 52 reports from state agencies as of this meeting. She is aware of 195 agencies/boards that need to report and 138 that need to send in a submission. Given the responses received at that time, OMES was able to analyze submissions from 30 agencies.

Ms. Burk introduced her colleague, Jacob Walker, who explained the metrics of the OMES process of catalog submissions to task force members.

Mr. Walker reported that, according to the information received at the time these metrics were put together, OMES had 30 agencies that reported. Of those agencies, 272 fees were identified, including initial application and annual renewal fees, with a median renewal amount of \$100. The median was chosen for that metric as some high-cost renewal fees skewed the mean. The average

initial was \$350.67. With the initial rounds of information OMES was provided, they created a donut chart representing how submissions and applications were submitted to the agencies.

Ms. Burk clarified for task force members that OMES is not clear in the submissions what online or electronic fees are. The submissions say electronic, but OMES does not know if that means they have a system, if they are submitting it via email, or exactly how they are submitting it. It is the information that was submitted.

Ms. Burk reported that all agencies in the state are expected to send a report to OMES on whether they are licensed or not. If agencies are licensed, they are expected to submit a submission of their license and fees. If agencies are not licensed, they need to inform OMES. Of those submissions analyzed before the meeting, 164 license applications had online submission processes, 52 application processes had both online and paper submission options, 30 were paper submissions, 17 were paper currently but actively working on systems to update to online submission, and 7 had paper on email submissions.

Commissioner Osborn informed task force members that the Department of Labor's (ODOL) review found that out of all submissions, only 42 agencies issue occupational licenses, which is updated on the ODOL website. She believes those agencies regarding occupational licensing, which, with the Council of State Governments work done by Representative Mike Osburn and Senator Adam Pugh, put Oklahoma directly in the mean or median of the United States.

7. Feedback and Recommendations:

Chairwoman Winchester received initial feedback on submitted catalogs. Task force members discussed identifying common issues and potential solutions.

Task Force member Commissioner Osborn mentioned that the Department of Labor undertook an initiative to identify and quantify occupational licenses and have resources she will provide to the group. She referenced the Workforce Innovation and Opportunity Act (WIOA) website as a good data source.

It was discussed whether centralizing licensing would be a good idea or something this task force considers recommending. Most agencies lose money on licensing, so centralizing may not be the ideal solution, as licensing would have to be apportioned in the budget. Some agencies may be non-apportioned and rely on the fees to generate revenue.

8. Next Steps:

Chairwoman Winchester discussed a timeline for final catalog submissions and preparation for the next meeting on October 24, 2024, at 1:30 p.m. Information will be sent to Danielle Burk by next Tuesday, August 20, 2024. Then, the final report will be finalized by December 31, 2024.

Task Force member Jay Doyle inquired about what applications must be submitted in person, how far away applicants live from the office where they can submit their application, the terms of licenses, and how many times they might be able to be renewed.

Commissioner Osborn will send task force members for background knowledge four short, concise PDF reports that show the Department of Labor's work each year. Links and summaries can be found on the Oklahoma Department of Labor (ODOL) website: <https://oklahoma.gov/labor.html>.

Chairwoman Winchester mentioned that she attended some of Commissioner Osborn's meetings, which were well worth attending, particularly the presentations by each agency head. The information they submitted is very valuable.

Task Force members shared the metrics and data they would like to see with OMES. OMES will contact the three licensing vendors, per SW1182, that agencies can select from to answer questions received and assemble a demonstration of their capabilities for the next meeting.

Task Force member Senator Daniels said, just as the Office of Administrative Rules has updated and revised its approach and standardized the solution of potential rules, are we talking about standardizing the licensing process in the separate boards, commissions, and agencies or, as an alternative, centralizing that? Will these vendors speak to both of those alternatives?

Task Force member State Chief Information Officer Joe McIntosh answered yes. The vendors have done this across several states and will be able to speak to how they will accomplish it at the next meeting.

9. Discussion and Possible Action Regarding Future Meeting Presentations and Potential Subgroups:

Chairwoman Winchester led the discussion on committee subgroups.

CIO McIntosh recommended creating subcommittees focused on collecting information from task force members so that decisions can be made as quickly as possible. This will help OMES clarify its goals, which will ultimately be delivered in the final report.

Jay Doyle moved to establish three task force subcommittees: one focused on simplifying the process of securing state-issued licenses, another focused on eliminating the barriers to obtaining those licenses, and the third focused on lowering the costs and focused on getting the cost obtained simplified. Sen. Daniels seconded the motion. The following votes were recorded, and the motion passed.

Mr. McIntosh, aye; Mr. Milam, aye; Comm. Osborn, aye; Mr. Doyle, aye; Ms. DeMuth, aye; Mr. Moore, aye; Sen. Daniels, aye; Rep. Kendrix, aye; Rep. Osburn, aye; Sec. Winchester, aye.

In addition, Task Force member State Chief Transformation Officer Jerry Moore recommended a fourth subcommittee on data collection and analytics.

Mr. Moore moved to establish an additional subcommittee focused on data collection and formatting of the data. Rep. Osburn seconded the motion. The following votes were recorded, and the motion passed.

Mr. McIntosh, aye; Mr. Milam, aye; Comm. Osborn, aye; Mr. Doyle, aye; Ms. DeMuth, aye; Mr. Moore, aye; Sen. Daniels, aye; Rep. Kendrix, aye; Rep. Osburn, aye; Sec. Winchester, aye.

10. Adjournment:

There being no further business, Sen. Julie Daniels made the motion to adjourn. Rep. Gerrid Kendrix seconded the motion. Seeing no opposition, the meeting adjourned at 11:13 a.m.

NOVEMBER 25, 2024 MEETING MINUTES

**Efficiency in Licensing Task Force
Office of Management and Enterprise Services
Special Meeting Minutes
Senate Conference Room 4s.9
2300 N. Lincoln Blvd., Oklahoma City, OK 73105
Thursday, November 25, 2024, 10:30 AM**

A meeting notice was filed with the Secretary of State, and the agenda was posted in accordance with the Open Meeting Act.

MEMBERS PRESENT:

Susan Winchester, Chairwoman, Secretary of Licensing and Regulations
Amy Miller, Interim State Chief Information Officer Aleta Seaman designee
Will Milam, Secretary of State Josh Cockroft designee
Daniel Mares, Commissioner of Labor Leslie Osborn designee
Jay Doyle, Chief Executive Officer of Service Oklahoma
Rick Rose, Director of Office of Management Enterprise Services (OMES)
Jerry Moore, State Chief Transformation Officer
Senator Julie Daniels, District 29, Senate President Pro Tempore, designee [Attended remotely]
Representative Gerrid Kendrix, District 52, Speaker of the House, designee
Representative Mike Osburn, District 81, Speaker of the House, designee

MEMBERS ABSENT:

Senator Ally Siefried, District 2, Senate President Pro Tempore, designee

GUESTS:

Beverly Hicks, OMES	Mark Steinagel [Participated remotely]
Mathew LaFon, DGC, OMES	Tricia Everest [Listened remotely]
Chad Gorshing, OMES	Bonnie Campo [Listened remotely]
Danielle Burk, OMES	Tony DeSha [Listened remotely]
Steven Birkes, OMES	Cathy Kirkpatrick [Listened remotely]
David Oakley, LegisOK	
Diana Duran, LegisOK	

1. Call to order:

Secretary Winchester called the special meeting to order at 10:30 a.m. She confirmed that a meeting notice had been filed with the Secretary of State and that the agenda had been posted in accordance with the Open Meeting Act.

2. Roll Call and announcement of a quorum:

A roll call was taken, and a quorum of the task force members was established.

3. Discussion and possible action on approval of special meeting minutes from Aug. 15, 2024:

Jay Doyle moved to approve the meeting minutes of August. Jerry Moore seconded the motion. The following votes were recorded, and the motion passed:

Will. Milam, aye; Daniel Mares, aye; Amy Miller, aye; CEO Doyle, aye; Dir. Rose, aye; CTO Moore, aye; Sen. Daniels, aye; Rep. Kendrix, aye; Sec. Winchester, aye.

4. Welcome and Introductions:

Chairwoman Winchester welcomed task force members and guests in person and those attending the meeting online.

5. Presentation on the Oklahoma Open Meeting Act and Videoconference Requirements:

Task force attorney Matthew LaFon gave task force members an overview of the Oklahoma Open Meeting Act law addressing the video conference requirements.

6. Presentation by Mark Steinagel from Utah Department of Commerce, Division of Professional Licensing:

Chairwoman Winchester introduced Mark Steinagel, who joined the meeting remotely. She mentioned that he has been a valuable source of information for her over the past three years and invited him to present at this meeting. She also noted that he had previously been a presenter at the Governor's Summit on Licensing.

Mr. Steinagel is the Division Director of the Utah Division of Professional Licensing within the Utah Department of Commerce. He has held this position since June 2009. Prior to his current employment, he was the Director of the Utah Division of Real Estate and a policy analyst with the Utah State Legislature.

Mr. Steinagel has extensive expertise in professional regulation across dozens of professions in the following areas: management of a large "umbrella" professional regulatory agency, engagement in professional licensing policy with lawmakers and other stakeholders and directing professional licensing reform efforts. He has been involved in thousands of high-level discussions with the Utah State Legislature and Governor's Office addressing professional regulation.

Mr. Steinagel is also a Board Member of the Council for Licensure Enforcement Administration and Regulation (CLEAR) and participated in the NCSL/NGA/CSG National Licensing Consortium. He has served as an interstate compact commissioner for the Interstate Medical Licensure Compact and the Physical Therapy Compact. Mark has a master's degree in public administration from Brigham Young University. His passion is government improvement that benefits Utah's citizens.

Mr. Steinagel presented to the task force members on professional licensing in response to marketing needs. In response to Chairwoman Winchester's questions, he discussed the creation of

his agency, which consolidated licensing into one department. He also addressed the structure of his agency, shared any challenges he faced, and reflected on what he might do differently. Additionally, he talked about the scope of his investigators' coverage across various licensing areas and offered recommendations for Oklahoma.

Mr. Steinagel shared with task force members on the topic of creating a unified department for licensing under the Utah Department of Commerce. His presentation aimed to simplify administrative processes and enhance responsiveness to regulatory needs.

Mr. Steinagel outlined the structure of the proposed centralized agency, highlighting its advantages, including cost efficiencies and greater control over licensing practices. He acknowledged the challenges faced during implementation, such as ensuring adequate resources and authority to effectively oversee various professions.

Key discussions included the historical context of licensing in Utah, particularly the collaboration and leadership roles among professions. He referenced the importance of understanding the scope of work and the need for a comprehensive review of existing licensing positions and structures.

Mr. Steinagel also raised critical questions about enterprise solutions, emphasizing the necessity of evaluating costs and barriers in the licensing process. He encouraged task force members to consider how Utah's experiences and strategies could inform potential improvements in Oklahoma's licensing framework.

In conclusion, Mr. Steinagel's insights provided a valuable perspective on the potential for streamlined licensing practices and the importance of leadership and collaboration across professions.

Mr. Rose exited the meeting at 10:30 a.m.

7. Review of the Occupational Licensing Advisory Commission (OLAC) a. November 2024 Reference Guide by Commissioner Leslie Osborn:

Daniel Mares, Deputy General Counsel of the Department of Labor, attended the meeting on behalf of Labor Commissioner Osborn. He provided a brief synopsis of the report and presented task force members with a bound copy of the November 2024 Oklahoma Occupational Licensing Advisory Commission's (OLAC) reference guide compiled by Commissioner Osborn. The report covers the years 2016 to 2021, with the section for 2016 to 2018 compiled by former Labor Commissioner Melissa Houston. This guide serves as a comprehensive resource for licensing analysis, recommendations, and historical review.

8. Presentation on the catalog compiled as a result of Executive Order 2024-14:

Danielle Burk, an IS Systems Analyst with the Office of Management and Enterprise Services (OMES), provided task force members with a handout on the license catalog report information she compiled in response to Executive Order 2024-14.

Ms. Burk presented an overview of her report on the licensing catalog. She reported that 61 agencies in Oklahoma issue various types of licenses. OMES has received a comprehensive digital catalog from these state regulatory entities, providing valuable insights into Oklahoma's licensing landscape.

The data reveals a total of 976 distinct licenses, encompassing both professional and categories, such as those for activities like hunting and fishing. This catalog serves as a foundation resource for understanding the scope and complexity of licensing in Oklahoma. The most common term length for a license is 1 year.

Ms. Burk informed task force members that some licenses have fees associated with obtaining or renewing them. In her report, she provided a list of licenses that include additional fees.

Ms. Burk reported that some agencies have various submission methods for each license. At least 282 of these licenses can be submitted through multiple methods. In her report, she provided a graph illustrating the methods for submitting applications and renewals. The bar on the graph labeled 'electronic.' is used as an overarching label to describe submissions received through web applications, NMLS, NABP, NIPR, and other state-wide licensing solutions. Some licenses can only be renewed in person, while paper submissions can be made by phone (fax), in person, or by U.S. mail.

Ms. Burk emphasized the importance of this catalog as a foundation resource for understanding licensing requirements and processes in Oklahoma.

9. Review and discussion on subcommittee meetings and activities:

Chairwoman Winchester provided task force members with a brief overview of the notes she prepared from the subcommittee meetings for their review. She thanked the task force members who volunteered and participated in the four subcommittees.

Ms. Winchester encouraged task force members to let her know if any issues arise after they review her notes.

10. Next Steps - Preparation for the next meeting on December 17th - Final Report:

Chairwoman Winchester gave an overview of expectations for the special meeting on December 17th, which will be the task force's final meeting. The final report is due to the Governor, President Pro Tempore of the Senate, and Speaker of the House of Representatives by December 31, 2024.

Chairwoman Winchester asked staff to reach out to vendors and request a 30-minute video demonstration/presentation of their product for task force members to review before the next meeting.

11. Discussion on Agenda Items - Question and answers - Additional comments from Task Force members:

Ms. Winchester reiterated her appreciation for Mark Steinagel’s presentation given earlier in the meeting.

12. Adjournment:

There being no further business, CTO Moore made the motion to adjourn. Rep. Kendrix seconded the motion. The following votes were recorded, and the motion passed:

Will. Milam, aye; Daniel Mares, aye; Amy Miller, aye; CEO Doyle, aye; Dir. Rose, aye; CTO Moore, aye; Sen. Daniels, aye; Rep. Kendrix, aye; Sec. Winchester, aye

Seeing no opposition, the meeting adjourned at 11:45 a.m.

DECEMBER 17, 2024 MEETING MINUTES

**Efficiency in Licensing Task Force
Office of Management and Enterprise Services
Special Meeting Minutes
Senate Conference Room 4s.9
2300 N. Lincoln Blvd., Oklahoma City, OK 73105
Tuesday, December 17, 2024, 10:30 AM**

UNOFFICIAL

A meeting notice was filed with the Secretary of State, and the agenda was posted in accordance with the Open Meeting Act.

MEMBERS PRESENT:

Susan Winchester, Chairwoman, Secretary of Licensing and Regulations
Amy Miller, Interim State Chief Information Officer Aleta Seaman designee
Will Milam, Secretary of State Josh Cockroft designee
Leslie Osborn, Commissioner of Labor
Jay Doyle, Chief Executive Officer of Service Oklahoma
Jerry Moore, State Chief Transformation Officer
Senator Julie Daniels, District 29, Senate President Pro Tempore designee
Senator Ally Siefried, District 2, Senate President Pro Tempore, designee
Representative Gerrid Kendrix, District 52, Speaker of the House, designee

MEMBERS ABSENT:

Rick Rose, Director of Office of Management Enterprise Services (OMES)

GUESTS:

Beverly Hicks, OMES	Diana Duran, LegisOK
Mathew LaFon, DGC, OMES	Alex Fairbanks, Deloitte
Joe Lucas, TRAO	Pat Kohler, Deloitte
Danielle Burk, OMES	
Steven Birkes, OMES	
Beth Vincent, OSBOE	

1. Call to order:

Secretary Winchester called the special meeting to order at 10:35 a.m. She confirmed that a meeting notice had been filed with the Secretary of State and that the agenda had been posted in accordance with the Open Meeting Act.

2. Roll Call and announcement of a quorum:

A roll call was taken, and a quorum of the task force members was established.

3. Discussion and possible action on approval of special meeting minutes from Nov. 25, 2024:

Rep. Gerrid Kendrix moved to accept the meeting minutes of November. Sen. Julie Daniels seconded the motion. The following votes were recorded, and the motion passed:

Will. Milam, aye; Comm. Osborn, aye; Amy Miller, aye; CEO Doyle, aye; CTO Moore, aye;
Sen. Daniels, aye; Rep. Kendrix, aye; Rep. Osburn, aye; Sec. Winchester, aye.

4. Welcome and Introductions:

Chairwoman Winchester welcomed task force members and guests to the meeting. She thanked the members for their work on the report and especially wanted to thank Labor Commissioner Leslie Osborn, Representative Mike Osburn, Service Oklahoma Chief Executive Officer Jay Doyle, and the Office of Management and Enterprise Services Chief Transformation Officer Jerry Moore for their instrumental contributions.

5. Discussion and possible action to approve the proposed final report of the Efficiency in Licensing Task Force:

Chairwoman Winchester referenced the subcommittee notes from October 22, 2024, “(1) provide for streamlining the process of starting a business, through the creation of a website or other accessible means in order to make it easier for citizens to start a business in the state.”

Secretary Winchester mentioned a suggestion discussed previously about the Department of Commerce possibly handling it but did not specify who would take action. She asked the members if they wanted to add this as a formal suggestion, keep it open-ended, or propose creating a website.

Mr. Moore commented a couple of weeks ago that the Department of Commerce launched a website specifically designed to streamline the application process by consolidating all permits in one place. Suggesting that this resource may already be in place.

Senator Daniels commented that the Secretary of State’s Office, where all business-related documents are located, and the Commerce website are two places where individuals could go to access it or at least be informed about it.

Commissioner Leslie Osborn mentioned that she met with the State Fire Marshal two weeks ago. They observed that many individuals attempting to start a business or purchase a commercial building in rural areas face challenges, such as Laverne, Oklahoma, often lacking a central point of contact, leading to confusion as people invest significant resources but may not follow consistent guidelines.

Ms. Osborn noted that the Labor Commission is working with Mike Fina, Executive Director of the Oklahoma Municipal League and the Municipal Association, to explore potential resources and packages. This effort aims to simplify the process for individuals in rural areas, ensuring that they check for the necessary permits before beginning renovations. She highlighted that state agencies and associations can work together to disseminate information effectively, as associations may have more efficient methods of outreach than state agencies. This is another area of focus for their ongoing efforts.

Mr. Doyle proposed a recommendation recognizing the need for a centralized resource to provide businesses with all necessary licensing information for starting operations, it is recommended to build upon the efforts already initiated by the Department of Commerce. Additionally, it is important to acknowledge that other agencies/entities may have similar initiatives in progress, and these efforts should be coordinated to ensure alignment and efficiency. Specifically, the Department is encouraged to collaborate with stakeholders across government agencies and the community to develop a comprehensive, user-friendly resource. Making this centralized resource

accessible through multiple platforms and locations is also recommended to maximize its usability and reach.

- 1) Sen. Julie Daniels moved to approve the recommendation made by member Jay Doyle to be added to the final report. Rep. Mike Osburn seconded the motion. The following votes were recorded, and the motion passed:

Will Milam, aye; Leslie Osborn, aye; Amy Miller, aye; Jay Doyle, aye; Jerry Moore, aye; Sen. Siefried, aye; Sen. Daniels, aye; Rep. Kendrix, aye; Rep. Osburn, aye; Sec. Winchester, aye.

- 2) Rep. Gerrid Kendrix moved to require legislative approval for major rule changes that have an impact above a certain financial level added to the final report. Sen. Julie Daniels seconded the motion. The following votes were recorded, and the motion passed:

Will Milam, aye; Leslie Osborn, aye; Amy Miller, aye; Jay Doyle, aye; Jerry Moore, aye; Sen. Siefried, aye; Sen. Daniels, aye; Rep. Kendrix, aye; Rep. Osburn, aye; Sec. Winchester, aye.

Chairwoman Winchester deferred to task force counselor Matthew Lafon, who suggested corrections and grammatical changes made to the report. The deputy general counsel of OMES shared his comments and suggested revisions to the draft to be incorporated into the final report.

- 3) Rep. Mike Osburn moved to approve the final report with the corrections made by Counselor LaFon. Rep. Gerrid Kendrix seconded the motion. The following votes were recorded, and the motion passed:

Will Milam, aye; Leslie Osborn, aye; Amy Miller, aye; Jay Doyle, aye; Jerry Moore, aye; Sen. Siefried, aye; Sen. Daniels, aye; Rep. Kendrix, aye; Rep. Osburn, aye; Sec. Winchester, aye.

Sen. Siefried entered the meeting at 10:39 a.m.

6. Discussion and possible action on authorizing the inclusion of the unapproved minutes of this meeting into the final report:

Comm. Leslie Osborn moved to approve the unapproved December 17, 2024, meeting minutes into the final report. Rep. Mike Osburn seconded the motion. The following votes were recorded, and the motion passed:

Will. Milam, aye; Comm. Osborn, aye; Amy Miller, aye; CEO Doyle, aye; CTO Moore, aye; Sen. Siefried, aye; Sen. Daniels, aye; Rep. Kendrix, aye; Rep. Osburn, aye; Sec. Winchester, aye.

7. Final thoughts and closing remarks:

Chairwoman Winchester conveyed her gratitude to task force members for their hard work. She made known the final additions that will be incorporated into the report: a cover letter and index.

Ms. Winchester asked the members if they had any final thoughts or suggestions. She expressed her appreciation for the legislative branch on the Task Force, as this will be placed on their shoulders.

Senator Daniels commented that she is very motivated by these changes. She had no idea that so much work had been done prior to this. While she was aware of Commissioner Osborn's Occupational Licensing Commission and the work they had done, she noted that where there had been gaps in knowledge, the legislature followed through with that. People have recognized the need to address these issues for a long time. She looks forward to the next couple of legislative sessions and hopes to take what this task force has done, along with previous efforts, and get it past the finish line for the benefit of all. She thanks the members for their expertise and Secretary Winchester for leading the effort.

Chairwoman Winchester shared a quote she found from 1928 by the head of the budget department for Oklahoma, who was very concerned about the licensing process. An extreme number of boards and commissions had already been created, and at that time, there were thirty-eight. There have been a lot of references since that time over where we are, and she hopes they will begin to address some of those concerns moving forward.

Representative Kendrix expressed appreciation for the task force's efforts and highlighted the importance of creating a centralized process to help constituents navigate issues, as many feel lost on where to start. He identified the administrative rules process as a major obstacle in licensing and emphasized the need for reforms. He invited collaboration with Senator Bergstrom on addressing these issues in the upcoming legislative session, expressing optimism about making significant changes. He concluded by thanking everyone for their time and contributions.

8. Adjournment:

There being no further business, Rep. Kendrix made the motion to adjourn. Rep. Osburn seconded the motion. Seeing no opposition, the meeting adjourned at 10:50 a.m.

OCTOBER 9, 2024

SUBCOMMITTEE MEETING NOTES

EFFICIENCY IN LICENSING TASK FORCE

Subcommittee Meeting
Tuesday, October 9, 2024

Task Force Members attending included Susan Winchester, Secretary of Licensing and Regulation; Jerry Moore, Chief Transformation Officer; Rick Rose, Executive Director Office of Management and Enterprises Services; Joe McIntosh, Chief Information Officer

Subcommittee Members met to discuss the various pieces of research dealing with licensing efficiency that had already been created and released over the past twelve years including the 2012 “Business and Professional License Facilitation Task Force Report”, the 2018 “Occupational Licensing Task Force Report”, and the reports generated by the Occupational Advisory Commission reports from 2019-2022.

Notes/Recommendations

1. License Optimization & Evaluation

- **Eliminate Unnecessary Licenses:** There is a focus on reviewing and reducing unnecessary licenses on an annual basis.
- **Criteria for Public Interest Protection:** Use the [Occupational Licensing Blueprint](#) to define criteria for licenses that ensure they serve the public interest and require appropriate certification and training.
- **Annual Licensing Review:** The team agrees that we should perform a license review each year to ensure relevance and eliminate redundancy. Note: The OLAC also recommended that 25% of the +225 licenses be reviewed annually.

2. Fee Structure and Accessibility

- **Fee Structure Evaluation:** Assess whether the current fee structure creates artificial barriers for citizens, especially if the agencies generate revenue through licensing fees. Consider whether the fee structure is needed, could be more flexible, or inclusive.
- **Online Accessibility:** Explore making licenses easier to obtain by transitioning more processes online.
- **Acceptance of Out-of-State Licenses:** Consider accepting licenses from out-of-state applicants to make doing business in Oklahoma easier.

3. Review of Recommendations and Taskforces

- **Occupational Licensing Commission:** Review the commission’s recommendations from the last four years and check whether they were implemented. This may involve going through meeting minutes and votes. See summarized the meeting minutes from the [Occupational Licensing Review Board from 2019 – 2021](#). **For those that participated, would you consider this summary to be an accurate reflection?**
- **2017 Taskforce:** Review the [2018 OLAC Taskforce Report](#), which includes recommendations dating back to the 2012 taskforce. There may already be a blueprint for improvements.

4. Consolidation of Licensing Entities

- **One Centralized Entity:** Explore whether there is additional opportunity to consolidate licensing entities under an overarching board or entity, or if some should remain independent.
- **Service Oklahoma:** Should Service Oklahoma be the agency to run licensing?
- **Redundancy Identification:** Identify redundancies across different agencies or licenses that can be streamlined or consolidated.

5. Executive Order & Future State Planning

- **Executive Order (EO):** Draft an EO to implement these recommendations, requiring every agency to justify the need and cost of the licenses they grant.
- **Business Process Changes:** The license-granting entities will need to modernize and change their processes to align with the future state of licensing.
- **Timeframe:** Define the timeframe for this transition.

6. Role of Secretary of Licensing

- **Authority to Act:** Instead of creating another board, give Secretary of Licensing the authority to oversee the implementation of these recommendations and make decisions on behalf of the state.

7. Draft Executive Order: Working on a draft executive order for recommendations to streamline occupational licensing and foster economic growth

Documents Referenced:

- [Occupational Licensing and Advisory Commission](#) – This is the link to the Occupational Licensing and Advisory Commission site
- [Occupational Licensing Blueprint](#) – The Occupational Licensing Blueprint provides a structured roadmap for evaluating and regulating occupational licenses, focusing on whether licensing is necessary to protect a compelling public interest (e.g., public health, safety, fundamental rights, or fiduciary interests). It guides decision-makers through key questions
- [2018 OLAC Taskforce Report](#) – 2018 Occupational Licensing Taskforce Report
- [Summary of the OLAC meeting minutes.docx](#) – meeting minutes from the Occupational Licensing Review Board from 2019 – 2021

As a follow-up item, I suggested to those in the meeting they also review the 2022 Legislative Office of Fiscal Transparency (LOFT) Report on Non-Appropriated Agencies.

OCTOBER 22, 2024

SUBCOMMITTEE MEETING NOTES

EFFICIENCY IN LICENSING TASK FORCE

Subcommittee Meeting
Tuesday, October 22, 2024
4:00 p.m., Secretary of State Conference Room

Task Force Members attending included Susan Winchester, Secretary of Licensing and Regulation, Senator Julie Daniels, Senator Ally Seifried, Representative Mike Osburn, and Service Oklahoma Executive Director Jay Doyle.

Guests attending were Diedra O'Neil, Service Oklahoma and Deborah Torres, Office of the Secretary of State.

Members of the Task Force met to discuss two of the subcommittees approved at the August 14, 2024, meeting: Simplifying the process of securing state-issued licenses and the elimination of barriers to professional opportunities.

Director Doyle suggested several ideas from his experience with Service Oklahoma and the incorporation of two separate agencies into their organization. Those ideas included:

- Providing customers with a variety of options when applying for and renewing licenses and permits
- Using basic universal terms to provide citizens with a list of required items necessary to complete the licensing process as well as a step-y-step process to follow for the license/permit they are requesting
- Making it possible for an agency to receive digital requests and/or document submissions from involved partners, such as doctors or educational institutions helping minimize the number of trips needed to acquire needed documentation for the application
- Providing a way for customers to see where they are within the licensing process
- Giving customers a choice of how they apply for a license including in person, online or at a kiosk
- Giving customers a single sign-on OPTION as well as the ability to opt out of single sign-on with the ability to apply or renew in one stop or as few stops as possible

At the conclusion of the discussion, members asked that moving forward we (1) provide guidelines for streamlining the process of starting a business, through the creation of a website or other accessible means in order to make it easier for citizens to start a business in the state following a step by step process and (2) Ask Service Oklahoma to create a strategic plan for the consolidation of services for the future.

NOVEMBER 13, 2024

SUBCOMMITTEE MEETING NOTES

EFFICIENCY IN LICENSING TASK FORCE

Subcommittee Meeting

November 13, 2024

Secretary of State's Conference Room

Attending the meeting were: Susan Winchester, Secretary of Licensing and Regulation; Josh Cockroft, Secretary of State; Nitasha Rose, Deputy Secretary of State; Brian Bobeck, Chief Operating Officer; Deborah Torres, Senate Legislative Affairs Manager; and Robert Stout, House Legislative Affairs Manager.

The meeting was conducted virtually with Reeve Bull, Director Office of Regulatory Affairs for the State of Virginia. Mr. Bull discussed the current structure of the Virginia Office of Regulatory Affairs and the progress they were making in the areas of licensing reform.

ORM Promotional Materials

- [“One-Pager”](#) on Regulatory Reduction
- [“One-Pager”](#) on Regulatory Economic Analysis
- ORM “Top 10” Cost-Saving Actions (see attached document—please hold close for now as some of these numbers are not yet public [will be covered in an op ed coming out in the next day or two])

ORM Working Documents/Resources

- [Executive Order 19](#) (creation of ORM and regulatory reduction mandate)
- [Executive Order 39](#) (permitting and licensing Reform)
- [Virginia Permit Transparency](#) website (and predecessor [DEQ PEEP](#) website)
- [Regulatory Reduction Guide](#) (and associated [example](#) of regulatory requirement counting)
- [Regulatory Economic Analysis Manual](#) (gives agencies the tools needed to do regulatory cost-benefit analysis)
- [Procedures on Guidance](#) (explains what a guidance document is and how guidance documents can be streamlined)
- [Unified Regulatory Plan](#) (lists all anticipated regulatory actions in the coming fiscal year)

Outside Resources

- [ALEC Model Bill Creating an ORM](#) (if Oklahoma would like to create a version of ORM by statute, this is a great resource to use--[Caleb Taylor](#) of the Virginia Institute for Public Policy is leading this effort and would be delighted to speak with you if interested)
- [Reeve Bull WLF Article](#) (early publication that describes how the Virginia model works)
- Reeve Bull/Alex Adams [Podcast](#) & [Article](#) (compares reforms in Virginia and Idaho)
- [Cato article](#) on the positive ROI of regulatory reform
- [Matthew Nolan Article](#) on benefits of sunseting and cost-benefit analysis
- [Cicero State-by-State Analysis](#) of regulatory reform efforts

CONFIDENTIAL WORKING PAPERS OF THE GOVERNOR



OFFICE OF REGULATORY MANAGEMENT (ORM) MAJOR COST SAVINGS

Topline Statistics

Regulatory reductions under Executive Order (EO) 19 have already saved Virginians **over \$1.27 billion**. Of those savings, **\$1.21 billion** are annual (i.e., they'll recur every year) and \$60 million are one-time savings. Another \$6.7 million represents savings to state government agencies.

Top 10 Regulatory Reduction Wins

1. Department of Housing and Community Development (**DHCD**) saved Virginians **\$723 million** annually by amending the Virginia Statewide Building Code. These changes reduce the construction cost of a new house by approximately **\$24,000**.
2. Department of Professional and Occupational Regulation (**DPOR**) saved Virginians **\$179 million** annually by reducing agency-wide license processing time from 33 business days on average to 5 business days.
3. Department of Environmental Quality (**DEQ**) saved Virginia businesses **\$124.2 million** annually [by modernizing the Stormwater Management Handbook](#).
4. Virginia Marine Resources Commission (**VMRC**) saved Virginia businesses **\$47 million** annually [by moving to a more streamlined process for permits governing subaqueous beds](#).
5. Department of Professional and Occupational Regulation (**DPOR**) saved Virginians **\$27 million** annually [through the Tradesman Eligibility Amendment](#). DPOR created a new residential tradesman license for the HVAC and plumbing trades that reduces entry qualifications for individuals seeking tradesman licenses, including reducing required training by 33% and experience by 50%.
6. Department of Professional and Occupational Regulation (**DPOR**) saved Virginians **\$25 million** annually by translating twenty contractor and tradesman examinations into Spanish, which expands the supply of contractors.
7. Department of Professional and Occupational Regulation (**DPOR**) saved Virginians **\$25 million** annually by [adopting Universal License Recognition \(ULR\)](#).
8. Department of Environmental Quality (**DEQ**) saved Virginia businesses **\$15 million** annually by [modernizing the Virginia Runoff Reduction Method Compliance Spreadsheet User's Manual](#).
9. Department of Professional and Occupational Regulation (**DPOR**) saved Virginians **\$14.7 million** annually for five years through [Contractor Eligibility Amendment](#). DPOR reduced the experience requirements for Class C contractor licenses by 50%.
10. Department of Environmental Quality (**DEQ**) saved Virginia businesses **\$13.5 million** annually by reissuing a general permit (which is less costly to obtain than a general permit) for the [VPDES Stormwater Construction Permit](#).

Updated as of 10/21/24

NOVEMBER 18, 2024

SUBCOMMITTEE MEETING NOTES

EFFICIENCY IN LICENSING TASK FORCE

Subcommittee Meeting

November 18, 2024

Secretary of State's Conference Room

Members of the Task Force attending were Secretary of Licensing and Regulation Susan Winchester and Deputy Secretary of State Nitasha Rose.

Also attending were Deborah Torres, Senate Legislative Affairs Manager, and Robert Stout, House Legislative Affairs Manager.

Representing Americans for Prosperity and providing the presentation were John Tidwell, Bradley Ward, and Michael Morrison.

The presentation centered on legislative oversight through introduction of a REINS Act (Regulation from the Executive in Need of Scrutiny) Act. The policy purpose is to require legislative approval for "major" rules that have an economic impact above a certain financial threshold. The provisions give elected officials and by extension the voters who elect them more of a voice in the establishment of rules and regulations.

The reforms through this legislation are forward-looking and as a result, only apply to newly proposed rules. It gives lawmakers the opportunity to prevent the implementation of overly burdensome regulations, providing an important check on the often-unrestrained power of the administrative branch to implement laws at their discretion.

Americans for Prosperity had provided a similar presentation during a recent Interim Study and are hoping to see the legislation introduced during the upcoming legislative session.

Regulations Hinder Economic Prosperity

Increasing government regulations and licensing fees in Oklahoma drive up costs for businesses and consumers, hindering economic prosperity. These regulatory burdens impose significant financial and administrative burdens on businesses, leading to higher prices for goods and services. By imposing strict rules and bureaucratic hurdles, governments can inadvertently suppress

entrepreneurship and economic growth, ultimately undermining the fundamental principles of a free enterprise system.

Streamlining regulations and reducing licensing fees will lower costs, encourage business growth, and ultimately foster a more prosperous economic environment in Oklahoma.

Oklahoma's administrative code has over **142,000** regulatory restrictions

Oklahoma Regulation by the Numbers



In FY24, 57 non-appropriated agencies, boards and commissions budgeted over \$2 billion for writing and enforcing regulations on Oklahoma workers and businesses.¹



There are state-mandated entry requirements for over 200 occupations in Oklahoma: one of the highest rates in the nation.



Oklahoma's energy sector is regulated by approximately 35,000 restrictions.

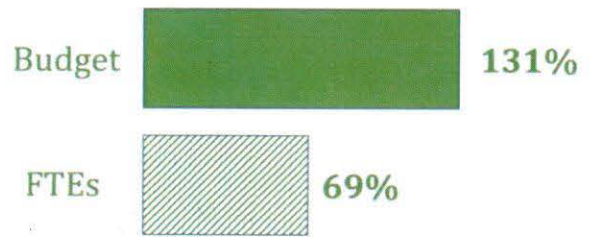


Average of 405 days lost to required training (15th highest in the nation).



Average occupational licensing fee is \$307 (18th highest in the nation). Some licenses are as high as \$2,000.

Oklahoma Regulatory Agencies Growth (2014 - 2024)



Source: Bradley Ward, Ph.D.'s analysis based on data from OMES

¹ Bradley Ward, Ph.D.'s analysis based on data from OMES.

Restoring Oversight through Regulations from the Executive in Need of Scrutiny (REINS)

WHAT IS REINS?

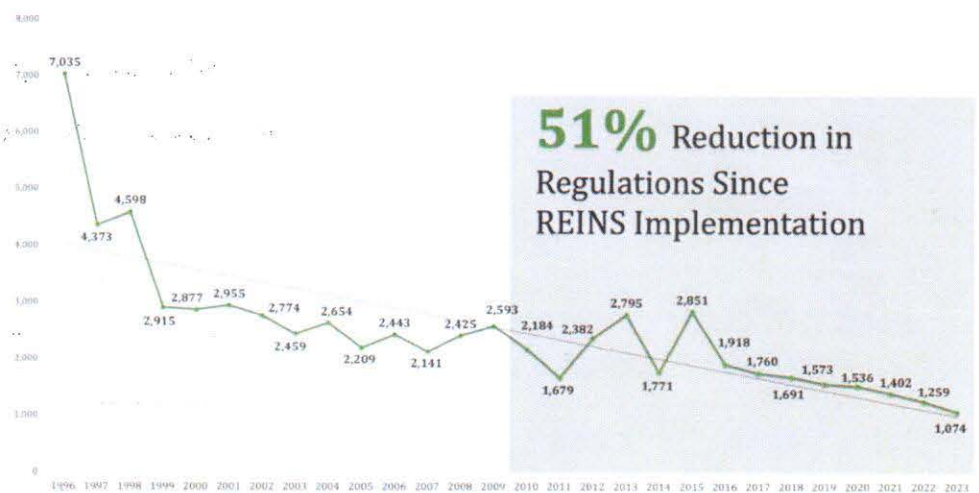
One tool for instituting more oversight by legislative branches is a REINS (Regulations from the Executive in Need of Scrutiny) Act. The policy aims to require legislative approval for “major” rules that have an economic impact above a certain threshold, such as \$1 million per year in the case of a state-level regulation. This tool gives elected officials, and by extension the voters which elect them, more of a voice in the establishment of rules and regulations.

This reform is forward-looking, and as such would only apply to newly proposed rules. It gives lawmakers the opportunity to prevent the implementation of overly burdensome regulations, providing an important check on the often virtually unrestrained power of the administrative branch to implement laws at their discretion.

POLICY RECOMMENDATIONS IN ACTION

In 2010, Florida passed a state-level version of the REINS Act which requires legislative approval for any rule that would cost businesses or taxpayers more than \$1 million.

To ensure regulators appropriately weigh the potential economic costs of the proposed rules, the legislation gives the state legislature the power to request an independent economic impact analysis of a proposed rule.



Source: Bradley Ward, Ph.D.'s analysis based on data from Florida Joint Administrative Procedures Committee

The Florida REINS Act does not prevent agencies from enacting new regulations; it is designed to ensure that new rules with a major impact on the economy face scrutiny by elected officials, who are accountable to the voters.

Bradley Ward, Ph.D.
Deputy State Director

bward@afphq.org



THREE ESSENTIAL PILLARS OF REGULATORY REFORM

THE INDISPENSABLE SEPARATION OF POWERS

The proper separation of government powers is foundational to American liberty and democracy, representing the genius of the founding generation. To better protect individual liberty, our federal and state constitutions divide government's most coercive powers by granting limited authority to each branch, together with other checks aimed at keeping each type of power separated. Under this plan, the legislature has the sole power to make our laws, the executive has the sole power to enforce laws, and judges have the final power to interpret laws when they decide cases and controversies in their courts.

However, that constitutional separation—the greatest achievement of American government upon which our flourishing depends—has been significantly undermined and sometimes grossly violated. The worst examples include when the legislature delegates sweeping lawmaking authority to regulatory agencies and others to write regulations with the force of law, and when judges improperly defer to the executive branch's interpretation of law—including the executive's interpretation of its own powers.

Fully restoring the constitutional separation of powers is critical to promoting liberty and protecting individuals from governmental overreach. State legislators should focus on three key pillars of regulatory reform to return each branch to its proper lane and prevent any one branch from straying from its constitutionally assigned task or gaining too much unchecked power.

I. MEANINGFUL LEGISLATIVE OVERSIGHT OVER REGULATORY AGENCIES

Regulatory agencies staffed by unelected bureaucrats write many more binding rules than the laws enacted by the legislature; such regulations often impose crippling civil or even criminal penalties on businesses and individuals. Instead of just filling in minor gaps in laws, some grants of rulemaking authority are alarmingly broad and amount to lawmaking. Without focused legislative oversight, regulatory agencies seriously undermine the legislature's core function and upset the balance of power between the branches. Personal liberty always suffers when government power is so concentrated.

A. Legislative Joint Committee on Administrative Rules

To restore accountability for agency rules, legislators need more effective oversight tools to ensure agencies stay within the permissive bounds of authority, and that agencies don't issue abusive rules that would never pass the legislative process. A legislative Joint Committee on Administrative Rules (JCAR) exists in many states to conduct systematic review of administrative rules. Almost any JCAR is better than none, but some JCARs have more practical and powerful tools than others.

For oversight to be meaningful, legislators need actionable information and analysis throughout the year when agency rules are proposed and issued. A JCAR focused on regulatory review, and which meets year-round, can keep pace with the regulatory edicts imposed on citizens. Without a JCAR or similar committee, most rules will escape oversight entirely—or receive only cursory review long after they have gone into effect. Moreover, a JCAR ensures that legislators, who are more sensitive to the concerns and liberties of

their constituents, have meaningful input in the regulatory process and can evaluate matters that agency regulators may have discounted or not considered at all.

B. Targeted legislative review of major rules

A few state legislatures must approve all, or almost all, rules before they go into effect. That is an excellent way to satisfy the separation of powers ideal. Yet there is a concern that such a practice in other states could lead to mass rubberstamping of rules or other harms, if vital rules are not affirmed. Even so, there are ways to approximate the legislative ideal. Targeted legislative review requires or significantly aids the legislature to vote on every “major rule” (a threshold defined by the legislature) proposed by administrative agencies before they take effect. That’s especially effective when the legislature earmarks a small portion of the regulatory agency’s budget to fund an independent economic and regulatory analysis staff in the legislature. By focusing on major rules, the legislature’s professional staff and legislative members can ensure the people’s elected representatives have the final say over the most significant rules that impact the daily affairs of individuals and businesses. In short, targeted legislative review ensures the legislature retains its core lawmaking power while agencies are left to fill in smaller regulatory gaps.

C. Sunset review

Sunset review of rules (which is similar to sunset review of laws) requires the legislature to review agency rules on a periodic basis and determine if they should be retained, reformed, or repealed. Excessive rules clutter the regulatory code, imposing needless costs and uncertainty on personal and business activities. When too many rules build up over time without being repealed, economic growth slows down, fewer businesses open, and wealth inequality is increased as excessive rulemaking disproportionately burdens low-income households. Sunset review ensures that burdensome and ineffective rules are eliminated and not left to needlessly clutter the regulatory code.

II. EXECUTIVE ACCOUNTABILITY: ACCOUNTABILITY IN RULEMAKING ACT

Rules that have the force of law should be signed by the governor just like any other law. Far too often, however, state rules are signed by unelected bureaucrats who are not democratically accountable to anyone. American democracy requires lawmakers to be directly accountable to the people. When unelected bureaucrats make rules, they need not consider everyone’s best interests or concerns, because citizens have no way of removing them from office. Rulemaking by unaccountable bureaucrats also enables higher-level executives, including those who are democratically elected, to avoid accountability for these rules. Even when a governor appoints the agency heads, it’s much more difficult to claim he or she did not know a much-criticized rule was issued if the governor is required to approve the rule before it takes effect.

III. JUDICIAL INTEGRITY: JUDICIAL DEFERENCE REFORM ACT

Despite judges’ constitutionally assigned duty to interpret the law independently and without bias—many judges regularly violate that duty. In many states, the judiciary has abdicated its obligation of fairness by deferring instead to regulatory agencies’ interpretation of a statute, regulation, or guidance document. This happens even when an agency’s interpretation conflicts with a court precedent or with a prior interpretation by that same agency. As then-Judge (now Justice) Neil Gorsuch explained, deference allows an agency to “reverse its current view 180 degrees anytime based merely on the shift of political winds and still prevail [in court].” To ensure the judiciary understands and does not shirk its duty, the legislature should require judges to interpret statutes, regulations, and other documents without giving any deference to an agency’s legal interpretation. If the text is still unclear, even after the judge exhausts all customary interpretive tools, the judge should default to a reasonable interpretation which limits agency power and maximizes individual liberty. The tie should go to the citizen, not the government.



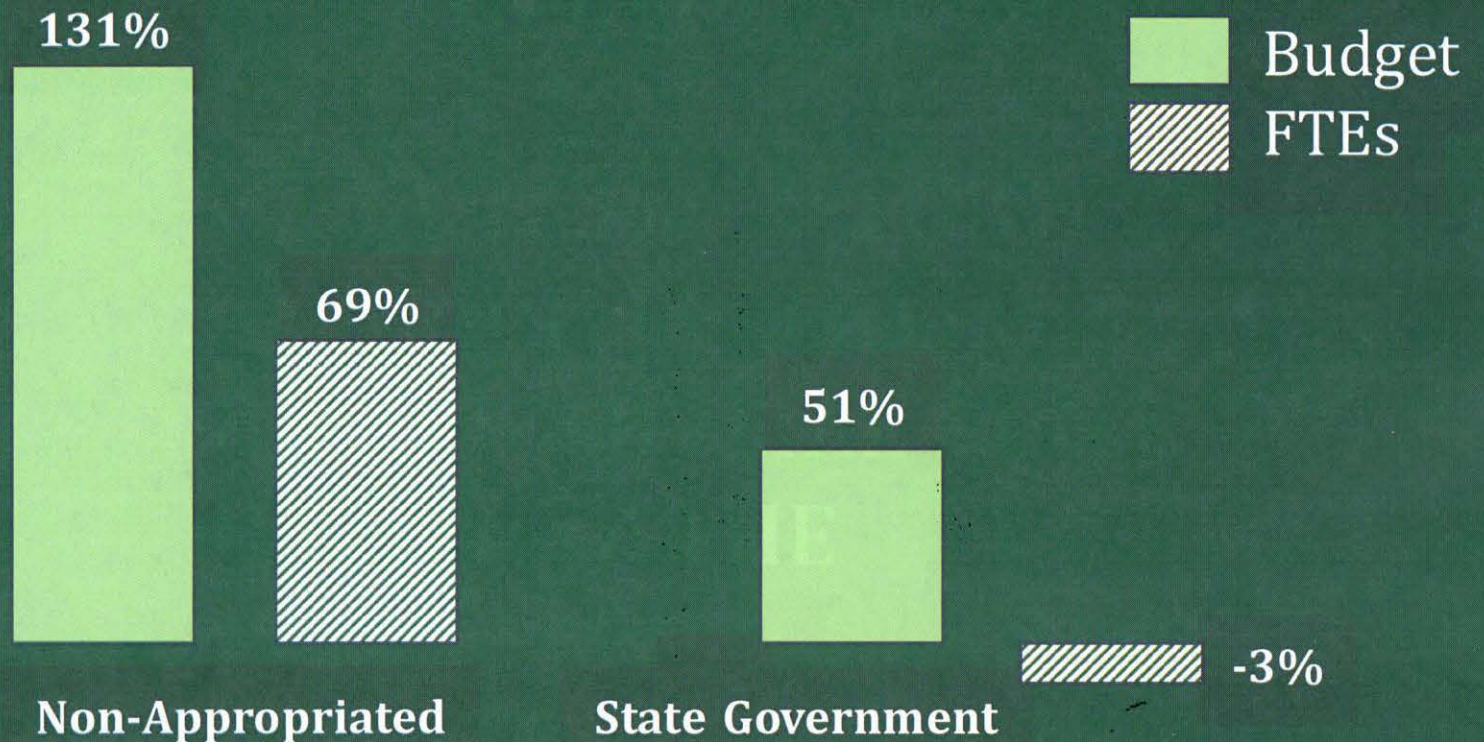
REINING IN THE ADMINISTRATIVE STATE THROUGH EFFECTIVE REGULATION REFORM

INTERIM STUDY 24-001

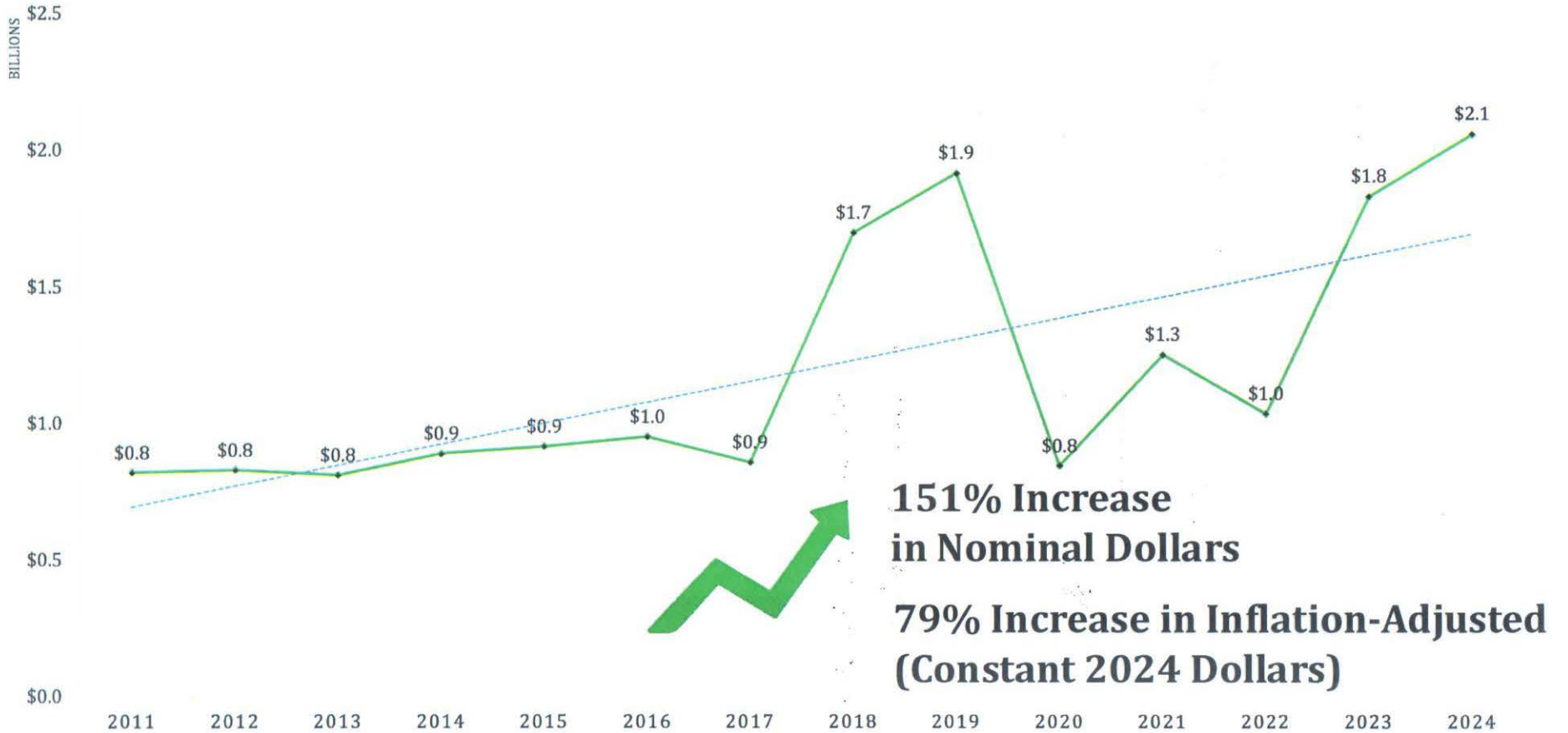
Bradley Ward, Ph.D.
bward@afphq.org

NON-APPROPRIATED AGENCIES VS STATE GOVERNMENT COMPARISON 2014-2024

Source: Bradley Ward, Ph.D.'s analysis based on data from OMES



OKLAHOMA NON-APPROPRIATED AGENCIES BUDGET BY YEAR (2011 - 2024)



**151% Increase
in Nominal Dollars**

**79% Increase in Inflation-Adjusted
(Constant 2024 Dollars)**

AFP Source: Bradley Ward, Ph.D.'s analysis based on data from OMES

REGULATIONS HINDERING STATE'S TOP INDUSTRIES



ENERGY
35,000
RESTRICTIONS



HEALTH CARE
30,000
RESTRICTIONS



AGRICULTURE
20,000
RESTRICTIONS



ENVIRONMENTAL
15,000
RESTRICTIONS

Oklahoma's
administrative code has
over **142,000**
regulatory restrictions

 *Source: Bradley Ward, Ph.D.'s analysis based on data from State RegData*

REINS LEGISLATION

State	Year Enacted	Fiscal Impact Threshold	Legislative Involvement	Oversight Authority
Florida	2010	\$1 million or more over 5 years	Requires Legislative Approval	State Legislature
Wisconsin	2017	\$10 million or more over 2 years	Requires Legislative Approval	Joint Committee for Review of Administrative Rules
Indiana	2024	\$1 million or more over two years	Requires Legislative Review	Budget Committee of the State Budget Agency
Kansas	2024	\$1 million or more over 5 years	Requires Legislative Approval	State Legislature

Source: Bradley Ward, Ph.D.'s creation based on statutory research



OKLAHOMA REGULATION BY THE NUMBERS



Average of 405 days lost to required training (15th highest)

Average License Fee is \$307 (18th highest)



State-mandated entry requirements for over 200 occupations



Oklahoma ranks **16th** highest in occupational licensing burdens in the nation

LEGISLATIVE OVERSIGHT – ECONOMIC IMPACT

Oklahoma

Justification of Fee

Existing fees do not accurately reflect the costs associated with regulation provided by the Department.

Wisconsin

8. The Rule Will Impact the Following (Check All That Apply)

- | | |
|---|--|
| <input type="checkbox"/> State's Economy | <input checked="" type="checkbox"/> Specific Businesses/Sectors |
| <input type="checkbox"/> Local Government Units | <input type="checkbox"/> Public Utility Rate Payers |
| | <input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A) |

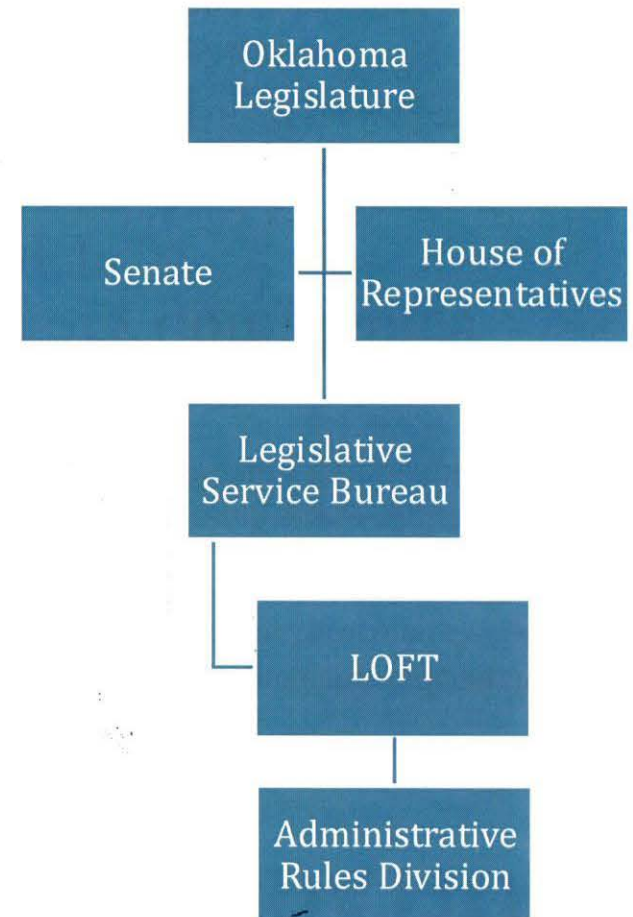
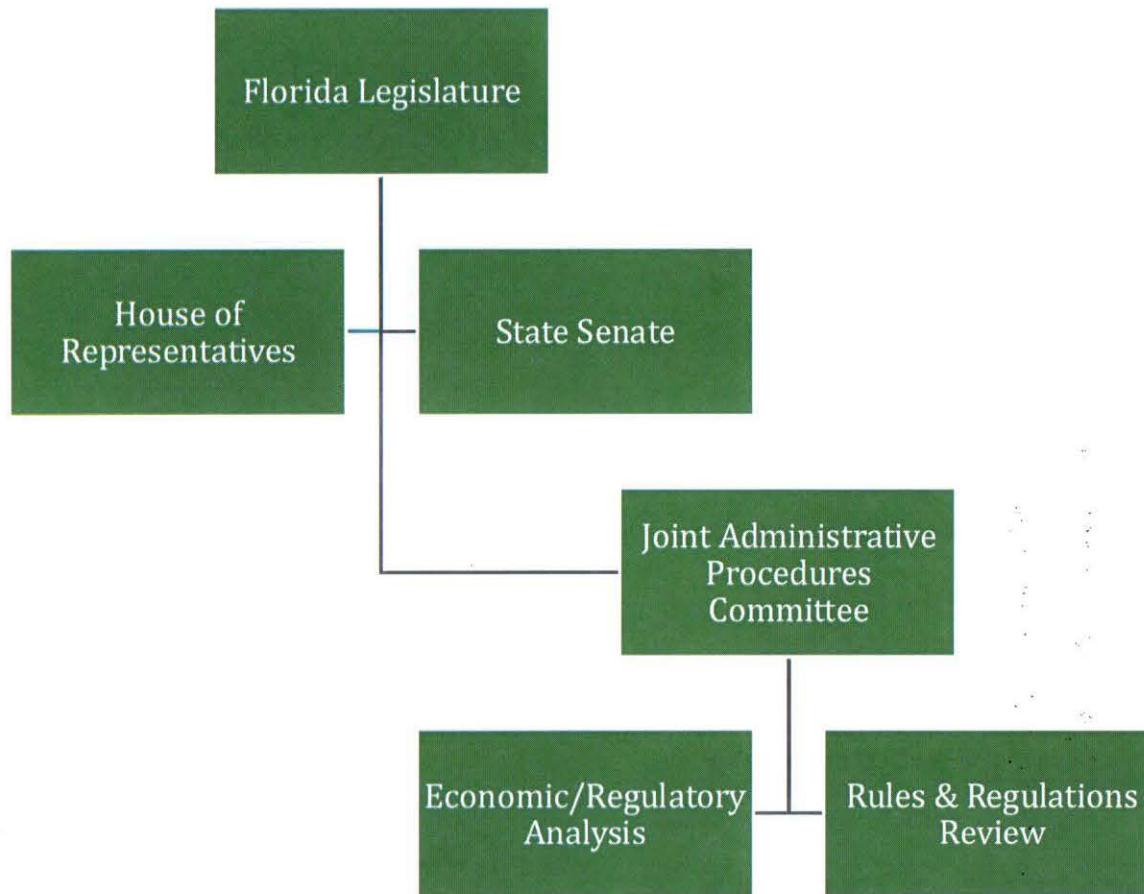
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). The implementation and compliance costs that are reasonably expected to be incurred by businesses as a result of the proposed rule is \$1,228,884 in the first year, \$1,311,161 in the second year, and a total of \$2,540,045 in the first two years. The estimates are described under #14.

10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)?

- Yes No

 Source: Bradley Ward, Ph.D.'s research of proposed administrative rules

LEGISLATIVE OVERSIGHT & GOVERNANCE



 **AFP** Source: Bradley Ward, Ph.D.'s creation



POLICY RECOMMENDATIONS

• REINS Legislation

- Mandates regulatory agencies provide detailed economic analyses and data, improving transparency and allowing for informed decision-making by the Legislature.
- Promotes the use of formal cost-benefit analyses to evaluate the anticipated economic effects, helping to ensure that benefits justify the costs.

• Implement Regulatory Compliance Division within LOFT

- Provide necessary statutory and legal analysis on proposed rules;
- Independently determine costs of compliance and implementation for all proposed rules and regulations



Response to Executive Order EO 2024-14

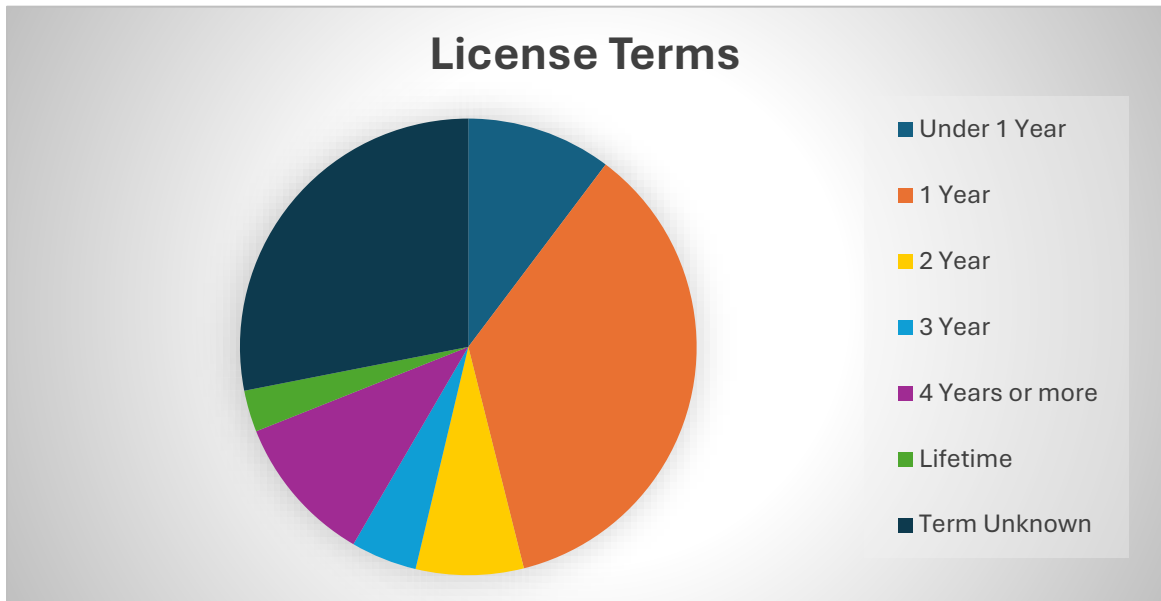
License Catalog Report

Of the agencies in Oklahoma, 61 issue various types of licenses. We have received a comprehensive digital catalog from all 61 regulatory entities in the state of Oklahoma, providing valuable insight into the licensing landscape across the state.

The data reveals a total of 976 distinct licenses, encompassing both professional and non-professional categories, such as those for activities like hunting and fishing. The catalogs serve as a foundational resource for understanding the scope and complexity of licensing in Oklahoma.

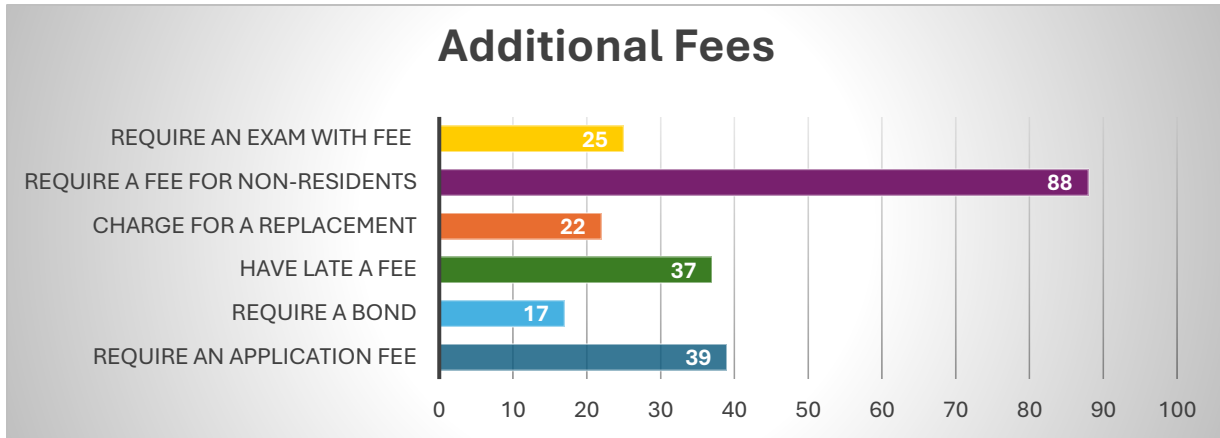
Terms

The most common term length for a license is 1 year.



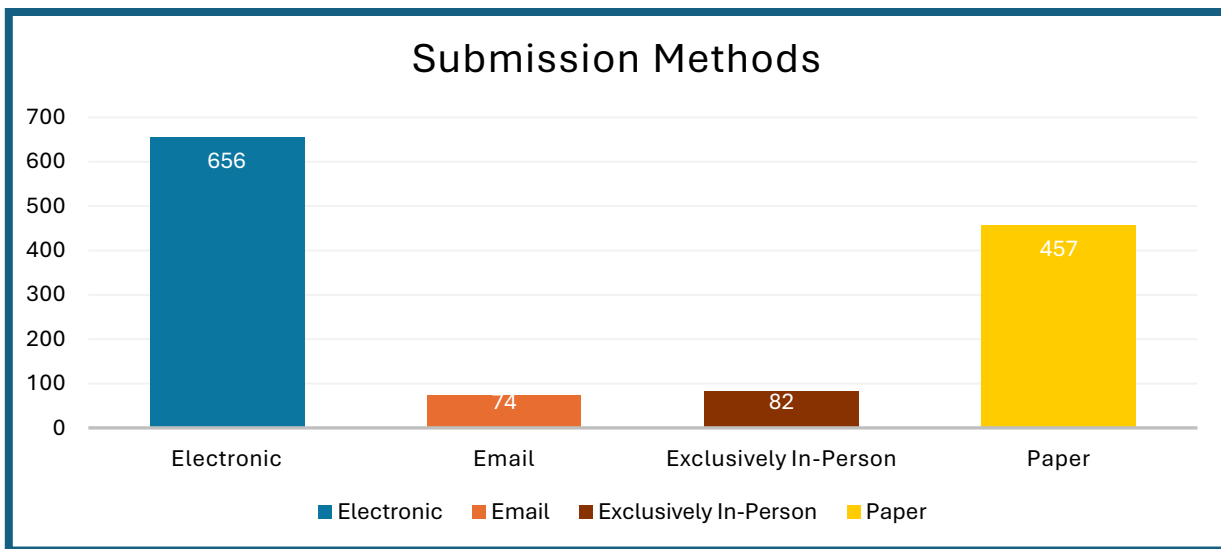
Fees

Some licenses have fees that accompany the cost for the license or renewal. Listed below are the number of licenses that have additional fees.



Submission Method

Some agencies have various submission methods for each license. At least 282 of the licenses can be submitted via multiple methods. The graph below shows the methods used for submitting applications and renewals. The label “Electronic” is used as an overarching term used to describe submissions received by webpage submission, NMLS, NABP, NIPR, a licensing solution such as one of the three on a statewide contract, and several others. Some licenses can only be renewed in-person. Paper submissions are received by phone, in-person, or by US Mail.



EO 2024-14 OKLAHOMA SUBMISSIONS

[EO 2024-14 Oklahoma submissions with supporting documents](#)

SUPPORTING DOCUMENTS

[045-Architects_Landscape Architects_Interior Designers](#)

[140-Podiatry EO 2024-14](#)

[215-Dental Board Attachment A](#)

[215-Dental License Detail](#)

[343-Perfusionist EO 2024-14](#)

[450-OMB EO 2024-14](#)

[485-OAB License Detail](#)

[525-Osteopathic](#)

[560-Pharmacy License](#)

[755-License OUMVDMHC_Agency Analysis EO 2024-14](#)

[2024-14 Catalog Template_Oklahoma Turnpike Authority_License for Right-of-Way Access](#)