Reviewing and Streamlining State Regulations and Portals for Businesses

May 4, 2022
I. Welcome & Introductions
Rachael Stephens, Program Director, Workforce Development & Economic Policy, NGA Center for Best Practices
Chaaron Pearson, Senior Manager, Fiscal & Economic Policy, State Fiscal Health, Pew Charitable Trusts

II. Session 1: State One-Stop Portals
Moderated by Shane Benz, Associate, Fiscal & Economic Policy, State Fiscal Health, Pew Charitable Trusts

5-minute break

III. Session 2: State Regulatory Reviews and Cross-Agency Inventories
Moderated by Sally Rood, Senior Policy Analyst, Workforce Development & Economic Policy, NGA Center

IV. Final Q&A and Closing Remarks
The National Governors Association (NGA)

Founding
A 1908 meeting of President Theodore Roosevelt and governors led to the creation of NGA.

What We Do
• NGA is the nonpartisan organization of the nation’s governors.
• Through NGA, governors identify priority issues and address public policy at the state, national and global levels.
• The NGA Center for Best Practices is the only research & consulting firm that directly serves governors, and helps them develop and implement innovative solutions to public policy challenges.
• Our Government Relations team ensures that states are a strong voice in Washington, D.C.
• We also provide management consultative services to both new and incumbent governors, their senior executive staff and trusted advisors.

Photo: The first meeting of the nation’s governors, convened by President Theodore Roosevelt in Washington D.C., 1908.
The NGA Center for Best Practices

Services:
• Customized Technical Assistance
• Multi-State Consortia and Peer Learning
• Research & Published Reports

Program Areas:
• Children & Families
• Cybersecurity
• Energy and Environment
• Healthcare Cost and Coverage
• Health Data & Workforce
• Health Systems
• Homeland Security
• Infrastructure
• K-12 Education
• Post Secondary Education
• Public Health
• Public Safety & Legal Counsels
• Workforce Development & Economic Policy

Photo: Governor Reynolds, NGA Chair Governor Hutchinson and Governor Pritzker at the NGA Winter Meeting in 2020.
Chaaron Pearson
Senior Manager
Fiscal and Economic Policy, State Fiscal Health
cpearson@pewtrusts.org
State Strategies to Help Businesses Launch and Expand

Innovative approaches to regulation can boost opportunities for growth
Panel: State One-Stop Portals

Moderator: Shane Benz, Associate, Fiscal & Economic Policy, State Fiscal Health, Pew Charitable Trusts

Elizabeth M. Tanner, Esq., Director, Rhode Island Department of Business Regulation

Wisty Pender, State Director, Tennessee Business Enterprise Resource Office
Access to support and resources is crucial to early business success. This online tool will help you visualize your business model and connect with resources across the state.
Panel: State One-Stop Portals

E.J. Kalafarski, Innovation Fellow, New Jersey State Office of Innovation

Ellen Harpel, Founder, Smart Incentives
OUR STEP BY STEP PROCESS

You've got a great idea. Now make it a reality by turning it into a great restaurant in Rhode Island! We have mapped out the general steps involved in opening a restaurant. This will help you navigate and learn about the different steps necessary to start a restaurant. All restaurants have their unique challenges, it is our hope this map will give you guidance to make the process easier. Click on the map and each step to learn more about what's involved with opening a restaurant.

#1 Decide Whether to Open a Restaurant
Decide for yourself and do your research.

#2 Location, Location, Location!
Determine your location.

#3 Choose Business Structure
Determine the legal structure for your business.

#4 Prepare Your Location
Determine specific needs & permits.

#5 Final Preparation
Ensure compliance and approvals.

#6 Plan for Compliance & Success
Prepare for success.

For Covid-19 Restaurant Rules and Executive Orders, please visit: reopeningri.com
Lessons Learned/Policy Implications

• Make one-stops a priority and provide visible support
• Demonstrate value to participating state agencies
• Orient work around improving the customer experience
• Implement thorough regulatory process mapping
• Allocate resources for portal promotion
• Offer initial funding
• Plan for sustainability

Source: Evolving State One-Stops Offer New Ways to Help Businesses, forthcoming from NGA
Questions?
5-Minute Break
Panel: State Regulatory Reviews and Cross-Agency Inventories

Moderator: Sally Rood, Senior Policy Analyst, NGA Center

James Broughel, Adjunct Professor, Antonin Scalia Law School, George Mason University

Dustin Chambers, Professor of Economics, Perdue School of Business, Salisbury University
Panel: State Regulatory Reviews and Cross-Agency Inventories

Sara Chambers, Division Director, Alaska Division of Corporations, Business and Professional Licensing

Ronne Hines, Director of Professions and Occupations, Colorado Department of Regulatory Agencies
Learning from State Regulatory Streamlining Efforts

James Broughel, George Mason University
Dustin Chambers, Salisbury University
Overview

- Focus is on regulatory streamlining efforts across eight states
- Emphasis is on building inventories to manage regulatory systems, along with other retrospective review reforms
- States included: Colorado, Idaho, Kentucky, Rhode Island, Arizona, Missouri, New Jersey, and Ohio.
Creating inventories to catalog rules and restrictions

Transparency and goal setting

Measurement

Regulatory assessment and analysis

Outreach efforts and marketing

Reporting to the governor

Oversight and enforcement mechanisms, and

Ensuring sustainability of reforms
Creating an inventory of rules and requirements is a way to make the daunting task of reviewing thousands of regulations more manageable.
Arizona Regulation Rollback
Original Authority for Arizona State Regulations

- Agency Discretion: 57%
- State Statute: 29%
- Federal Statute or Regulation: 9%
- Definitions and Applicability: 5%
Governors should be clear about what reforms are supposed to accomplish. This can be achieved through transparent reporting about how regulations are amended as part of reviews, and by communicating goals of the reforms.
Kentucky
States have used a variety of metrics to gauge whether reforms are achieving their intended goals.
Economic analysis can guide regulatory review efforts and help administrations prioritize which regulations are amended and which discarded.
Idaho
Contact

Reach out to jbroughe@gmu.edu with questions

@jamesbroughel on Twitter
Reviewing and Streamlining State Regulations (Part 2)

Dustin Chambers
Outreach Efforts and Marketing

• Many governors have found that regulatory streamlining can be a pillar of their policy platform and can define their governorship.

• Such reform efforts send a clear signal to the public that the governor is taking the economy and business climate seriously.

• The benefits of reforms are often communicated to the public through the creation of online websites which, among other things, allow members of the public to submit information about regulations that are giving them problems.
Outreach Efforts and Marketing: Missouri

- Missouri began a regulatory review effort in 2017 called “No Mo Red Tape,” under the leadership of then-Governor Eric Greitens.

- The effort began with an executive order requiring regulatory agencies to conduct a review of their regulations and to produce a report based on their findings.

- A website was built where businesses or other members of the public could identify a regulation for review, provide examples of agencies impacting them, or describe actions they believed the administration should take.
Outreach Efforts and Marketing: Missouri

- The Greitens administration hosted many public meetings around the state and solicited more than 5,000 comments from the public as part of the initiative.

- The Greitens administration designated specific individuals within the various agencies to be point persons for the review.
  - Each agency was asked to solicit a minimum of 100 comments.
  - Agencies held public meetings open to the general public as well as industry and advocacy groups, and even set up tables at the Missouri State Fair to speak with state residents directly and conducted outreach via social media and the press.
Reporting to the Governor

• Reporting is critical to aid a Governor in communicating the results of reforms and for sharing best practices with other states.

• Such reports should include statistics such as how many rules were reviewed, financial cost savings and hours saved on compliance, along with information about the substance of rule changes.
Reporting to the Governor: Colorado

- Colorado began a sweeping regulatory streamlining effort in 2011 called “Pits and Peeves Initiative,” under the leadership of then-Governor John Hickenlooper.
- 92% of Colorado’s 24,000 rules were reviewed, of which 6,500 were modified and 4,500 were repealed.
- When regulations were updated, a myriad of statistics were recorded, including the number of customers impacted and the total time and money saved.
- This information was published in a series of reports, as well as on a performance scorecard. In total, three reports were issued as part of the initiative.
Reporting to the Governor: Colorado

• By 2017, these efforts resulted in annual savings worth an estimated $7.8 million with 2,260,000 hours of saved time.

• These savings came from a variety of improvements ranging from eliminating redundant securities paperwork to streamlining the licensing process for engineers.

• Agencies also focused on leveraging improved technology, for example by moving forms and reporting online, and prioritizing enforcement based on risk.
Sustainability of Reforms

• In many cases, reforms discussed in this presentation were initiated via executive order or other form of executive action.

• Such reforms can be impactful but are not always long-lasting, since permanent reforms require legislative changes.

• Codifying reforms through legislation has the potential to ensure a governor’s legacy on regulatory improvement lasts far beyond his or her time in office.
Sustainability of Reforms: Arizona

• Arizona Gov. Ducey is seeking to make regulatory reforms enacted during his administration permanent, which would give his regulatory agenda a lasting legacy.

• Some of his administration’s initiatives, such as a requirement that three regulations be identified for elimination for each new rule added, would not have the same long-run impact unless formalized in law.

• A bill was introduced to codify these aspects of Ducey’s reforms into law this legislative session. To date, it has passed one legislative chamber.
Conclusion

• As discussed, a small but growing group of states are making significant headway towards creating better regulatory management systems and leaner regulations, and this will undoubtedly improve efforts for reviewing and cataloging regulations in the future. Strategies noted include:
  • Rule Inventories and Catalogs
  • Transparency and Goal Setting
  • Measurement
  • Regulatory Assessment and Analysis
  • Outreach Efforts and Marketing
  • Reporting to the Governor
  • Sustainability of Reforms.
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
Division of Corporations, Business and Professional Licensing

Reviewing and Streamlining State Regulations

Sara Chambers, Division Director
May 2022
Professional licensing
- 43 programs, including 21 boards
- 98,068 professional licenses
- **9.67% increase in FY21**
- **5% increase in FY20**

Business licensing
- 91,114 business licenses
- 1497 nicotine endorsements
- **16.4% increase in FY21**

Corporations
- 81,187 registered corporations
From a little rain to *the perfect storm*:

**Dramatic increase in demand**
- Health care licensure skyrocketed
- Amazon Prime expectations

**Dramatic decrease in personnel**
- Personnel turnover during COVID
- Additional absences due to COVID, school and childcare closures, etc.
Pause practices and activities that are not legally required:

- Reducing administrative support for board activities unrelated to immediate licensing or enforcement;
- Eliminating duplicate and courtesy notifications to applicants;
- Postponing ministerial paperwork functions; and
- Postponing production of various reports, staff travel, and committee participation.
Long-Term Internal Strategies

- Modernize licensing technology
  - Addition of AI components to automate customer experience
  - Improved customer communication, contact form, and email functionality
  - Dashboard to track processing times and license completion

- Restructure professional licensing teams for greater support
  - Promotional ladder within the division
  - Pay matches position description and duties
  - Retention of skilled staff with valuable institutional memory

- Review and streamline burdensome board regulations
### Building a Right-Touch-Regulated Workforce

<table>
<thead>
<tr>
<th>Legislature</th>
<th>Licensing Boards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telehealth licensing</td>
<td>Eliminate unnecessary requirements</td>
</tr>
<tr>
<td>Adopt streamlined licensing for qualified applicants</td>
<td>Utilize reputable national resources to reduce redundant requirements</td>
</tr>
<tr>
<td>Eliminate outdated statutes</td>
<td>Make data-driven decisions</td>
</tr>
<tr>
<td>Adopt licensing compacts</td>
<td>Partner with stakeholders</td>
</tr>
<tr>
<td>Safely expand scope of practice</td>
<td>Make permanent what worked during COVID</td>
</tr>
</tbody>
</table>
Building a Right-Touch-Regulated Workforce

B. Create a hazard profile for each problem

<table>
<thead>
<tr>
<th>Intrinsic Hazards</th>
<th>Extrinsic Hazards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Complexity</strong></td>
<td><strong>Scale</strong></td>
</tr>
<tr>
<td>The complexity and inherent hazards of the activity</td>
<td>Size of service user group</td>
</tr>
<tr>
<td></td>
<td>Size of practitioner or licensee group</td>
</tr>
<tr>
<td></td>
<td><strong>Perception</strong></td>
</tr>
<tr>
<td></td>
<td>Needed for:</td>
</tr>
<tr>
<td></td>
<td>- Public confidence in the occupation</td>
</tr>
<tr>
<td></td>
<td>- Assurance for employers or other stakeholders</td>
</tr>
<tr>
<td></td>
<td><strong>Context</strong></td>
</tr>
<tr>
<td>The environments in which the intervention takes place</td>
<td>This criterion enables consideration of probable effects on public confidence in the occupation or needs of employers or other agencies using the services of the occupational group.</td>
</tr>
<tr>
<td></td>
<td>Take care not to allow false perceptions influence your answers.</td>
</tr>
</tbody>
</table>

- Environment with varying levels of oversight (hospitals, private practice, homes) may indicate greater or lesser opportunity for hazards—or the ability to proactively or reactively manage hazards.
Regulatory climate change requires an organizational culture change.
Thank you!

Sara Chambers, Director
Sara.Chambers@alaska.gov
(907) 465-2144
The Future of Regulation

Ronne Hines, Director
Division of Professions and Occupations
Department of Regulatory Agencies

Colorado’s Approach to Regulatory Culture

A Balanced Perspective of Reducing Regulatory Barriers and Consumer Protection
Overview of DORA’s Division of Professions & Occupations

Centralization Efforts in Practice

Regulatory Culture and Innovation
Centralized Regulation in Practice

- Centralization of Division’s functions strives for consistency across all areas in the Division.
- Organizational culture includes ideas of continuous process improvement, reducing barriers, and streamlining process to better serve customers and the public.
- Centralized model helps leverage workflows, customer satisfaction.
DPO is centralizing and streamlining processes to benefit both customers and consumers:

- Cutting licensing process times
- Reducing the life of a case/investigations
- Increasing remote inspections
- Increased outreach and education among professionals
- Consistent board/program operations and decisions
Regulatory Culture and Innovation

- Historical - Regulatory Reform and Rule Review - Government Efficiency

- Lean implementation and culture

- Legislation:
  - HB 16-1197 VOCAL Program
  - HB 19-1290 allows immigrants to apply for foreign equivalency for barber/cosmetology licenses
  - HB20-1326 Occupational Credentialing Portability Program
What The Future Holds

➢ Continued focus on occupational portability - interstate compacts
➢ Leverage centralization for regulatory consistency and efficiency (rule reviews)
➢ Technology as a regulatory tool (telehealth, rural access, competency demonstrations, licensing)
➢ Increased engagement with vulnerable populations (immigrants, veterans, displaced workers)
Questions?
Contacts

One-Stop Portals:
• Liz Tanner, Rhode Island, Liz.Tanner@dbr.ri.gov
• Wisty Pender, Tennessee, wisty.pender@tn.gov
• E.J. Kalafarski, ej@innovation.nj.gov
• Ellen Harpel, Smart Incentives, ellen@smartincentives.org

Regulatory Reviews and Inventories:
• James Broughel, George Mason University, jbroughe@gmu.edu
• Dustin Chambers, Salisbury University, DLChambers@salisbury.edu
• Sara Chambers, Alaska, sara.chambers@alaska.gov
• Ronne Hines, Colorado, ronne.hines@state.co.us

Pew Charitable Trusts:
• Chaaron Pearson, cpearson@pewtrusts.org
• Shane Benz, sbenz@pewtrusts.org

NGA Center for Best Practices:
• Rachael Stephens, rstephens@nga.org
• Sally Rood, srood@nga.org
• Sophia Yager, syager@nga.org
Resources

Coming Soon:
• Evolving State One-Stops Offer New Ways to Help Businesses
• Learning from State Regulatory Streamlining Efforts


List of State and Territory Business Portals