



# **GOVERNOR'S REGULATORY STREAMLINING AND SIMPLIFICATION PROJECT**

**Creating a Roadmap To Improve Regulatory Effectiveness:  
*Enhancing Timeliness, Certainty and Outcomes  
Without Sacrificing the Values of Oregon***

## **Executive Summary of the Final Proposal**

*Submitted*

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*to*

***Governor John A. Kitzhaber, M.D***

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**THE VISION FOR OREGON**

**Oregon is where things get done.** Oregon will be a national model of an efficient, innovative, results-oriented government with a proven reputation for achieving positive outcomes efficiently and at lower burden for the regulated community and the state.

**Oregon’s regulatory culture is collaborative, innovative and results-oriented.** Having embraced a new regulatory model, Oregon attains its high level of performance through a respectful, engaging culture that has been nurtured in a working environment where regulatory goals are clearly stated, collaborative solutions are cherished, reasonable risks are tolerated, and prevention and better outcomes are actively rewarded. Oregon’s agencies and its leadership, geared to this new regulatory model, prioritize education and prevention and endeavor to resolve problems rather than imposing penalties. Oregon’s leaders, working with an empowered and accountable agency staff, embrace an adaptive, problem solving, collaborative approach with open and ongoing dialogue with all public and private stakeholders.

**Oregon takes pride in achieving timely, predictable, value-based outcomes.** Oregon’s regulations are crafted to encourage preventative behavior, achieve well-defined outcomes, and deploy resources commensurate to the risk. Founded on clearly stated goals and crisp regulations and rules, Oregon’s regulatory and permitting processes seek to efficiently achieve improved outcomes at the lowest possible burden to the regulated entity and the state. Efficiencies are assured by an empowered state agency workforce, unambiguous policy directives, clarity in all goals, regulations and fees, and enlightened leadership paired with responsive and responsible engagement by all within the regulated community.

**Oregon embraces continuous improvement in process and results.** Oregon achieves these results and maintains its reputation by embracing proven methods for continuous improvement through the creation of a culture that seeks operational improvement and quality management systems. Hallmarks of this efficient, integrated regulatory model include a common, fully integrated IT system affording “one-stop” permitting and licensing across various agencies and governments, performance metrics calibrated to assure accountability, and outcomes that work to preserve and enhance the ideals of public safety and a sustainable environment in which Oregon’s native ecosystems are healthy and resilient. This regulatory model and the culture that supports it promote joint engagement between state, federal and local agencies, facilitate access and responsiveness, and assure full transparency and regulatory certainty.

**Oregon thrives.** With a collaborative problem solving culture, a penchant for innovation and incentives, and a deep seated commitment for continuous improvement and problem avoidance, Oregon’s agencies perform their regulatory and permitting services in a timely manner with consistent, predictable results without sacrificing the values of Oregonians. This new model, leveraged by disciplined leadership and constructive engagement from the public and private sectors, creates an environment that raises the level of civil discourse, inspires divergent interests to collaborate, and enables Oregon to thrive.

# Final Proposal

## GOVERNOR'S REGULATORY STREAMLINING AND SIMPLIFICATION PROJECT

### Regulatory Challenges and Recommendations

Oregon can thrive. Many of the barriers obstructing Oregon from enjoying an effective regulatory model are self-imposed. If Oregon musters the requisite political will, embraces a bold vision, devotes the needed resources, and commits to a long term plan for improvement, the barriers can be replaced with pathways to success. The Vision Statement and Strategic Initiatives recommended in this Proposal provide a roadmap to overcoming those barriers.

Oregon's current regulatory model enables sluggish processes to persist. These processes often deliver inconsistent results without achieving better outcomes for public and worker safety or a more sustainable environment in which Oregon's native ecosystems are healthy and resilient and our air and water quality are improved. This harms Oregon's business climate, burdens job growth, diminishes our natural environment, reduces Oregon's quality of life, and fails to fulfill Oregon's potential.

At the most basic level, state agencies do not manage their operations or track their performance in a similar manner. Each operates independently. Underscoring this independence, each agency has its own information technology staffs and its own customized, "siloeed" IT systems. Lacking compatibility, the agencies, if inclined to coordinate their processes or measure their performance with others, are challenged to effectively share data and basic information in a manner or at a pace that serves the agencies or the public well.

Many regulated activities, particularly those related to natural resources, fall within the province of multiple agencies across different jurisdictions. This scattered, overlapping authority makes the regulatory processes unduly complex expensive and time-consuming and, in many instances, may not make Oregon safer, healthier or more sustainable.

Over time, the legislature, the agencies, and other administrative efforts have created a morass of laws and regulations that pose challenges to an effective regulatory model. Some agencies appear to support a culture where policy is allowed to be made in the permitting process. This practice pre-empts the roles of a responsible government. ***The role of permitting is to execute policy, not to make policy.***

The cultural norm within some agencies seeks to avoid risk at almost any cost, rather than exploring ways to incentivize better behavior from the regulated community, strategizing for problem avoidance altogether, and achieving results before regulations are required. Agency resources often prioritize enforcement and mitigation of potential (and sometimes unlikely) risks, diminishing resources to promote prevention, education and collaboration. These priorities need to change. ***Priorities should shift to prevention and education.*** The agency culture, as well as legislative and executive oversight of state regulations, should accommodate risk management, instead of risk avoidance, and welcome healthy doses of innovation, incentives and experimentation with alternative compliance mechanisms.

While some agencies work diligently to improve this situation, the efforts for the most part are not well coordinated, lack universal support, and do not follow a common path to a shared vision and continuous improvement. Past efforts prove that regulatory improvement will only be achieved over an extended period of time with consistent, disciplined executive leadership.

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This Proposal offers a bold vision for Oregon; a vision where Oregon becomes a national model for regulatory effectiveness and where innovation, collaboration and enhanced outcomes are commonplace. Cynics may dismiss such aspirations; but if Oregon is to fulfill its opportunities, be true to the values it holds dear, and deliver its services to its citizens in the manner they deserve, bold action is required. *Every state official, every agency, and each state employee should embrace this vision and work daily to achieve the model of service, collaboration, respect, and results reflected in the vision.* And, the citizens and their legislature should engage to consistently support and promote the goals found in this vision and guard against accepting short term fixes to an outdated system in lieu of substantive reform.

Oregon must set ambitious but realistic goals for the future. Without clear goals, it is impossible to coordinate the efforts, marshal the resources, and design alternative pathways to reach them. The 10-Year Plan for Oregon, specifically the outcome areas for “Economy and Jobs,” “Healthy Environment,” and “Improving Government,” help set clear goals for Oregon. The recommendations made in this Proposal are intended to support and advance these goals.

The changes recommended in this Proposal go beyond tweaking the status quo. While the name of this project includes “streamlining” this should not be misconstrued to be an effort to gut substantive laws or to dismantle the regulatory processes and safeguards.

This Proposal recommends *five strategic initiatives* that, if executed over the long term (at least the next decade), will bring about the legal, structural, and cultural changes in the regulatory and permitting processes that are needed for Oregon to thrive.

**Strategic Initiative 1:**  
**Adopt a Consistent Management System**

Agencies must adopt a consistent management system in order to manage their performance to achieve the outcomes described in the 10-Year Plan for Oregon. If accomplished, all regulatory processes in each state agency will share a common vocabulary, be uniformly documented, and the respective goals, rules, and performance metrics will be clear, consistent, and measured, and the outcome - not the agency - will be the focus of the process.

**Strategic Initiative 2:**  
**Develop a Unified, 21<sup>st</sup> Century Information Technology System**

The state needs to embrace 21<sup>st</sup> century information technology systems and practices to assure access, transparency and engagement. This Proposal envisions the deployment of a web-based system that facilitates “one stop” access to all regulatory and permitting functions.

No substantive improvement in Oregon’s regulatory processes can be achieved without developing a sound foundation based on consistent management systems and a common, statewide deployment of information technology systems designed to serve the public. If state agencies cannot communicate with each other and their constituents, no lasting improvements will be achieved. *It is paramount that the initiatives calling for a consistent management system and a uniform information technology system receive immediate attention and the highest priority.*

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**Strategic Initiative 3:**  
**Align the State's Initiatives**

Many process improvement efforts and initiatives within the state are worthwhile and hold great promise. To achieve lasting success, there must be clearly defined goals, greater coordination and a shared vision between the branches of government, as well as between key state agencies.

**Strategic Initiative 4:**  
**Assure Accountability, Promote Transparency and Embrace Innovations and Incentives**

Greater effectiveness will be achieved if the state agencies work to assure accountability, promote transparency and embrace innovations and incentives. Anticipating governments will continue to be asked to do more with less, this Proposal recommends that agencies actively pursue innovative programs and set new priorities for their permitting and regulatory actions. These new priorities will have agencies working to *manage risk, in contrast to avoiding risk*, introducing programs where education and prevention are as important as policy enforcement, and experimenting with alternative compliance mechanisms, incentives, and other innovative strategies.

**Strategic Initiative 5:**  
**Promote and Monitor Select Pilot Projects**

This Proposal promotes four pilot projects, so that those involved in making these changes may learn by doing. These pilot projects will each work to streamline the regulatory processes related to a specific topic. Embracing the Vision Statement and applying the recommended initiatives, each project will report on the lessons learned so that others may benefit from the trials and errors of process improvement.

With disciplined leadership, hard work, proper resources, and a commitment to fulfilling a shared vision, Oregon's regulatory and permitting processes can perform with timeliness, certainty, and consistency, while achieving better outcomes. None of this is magical; and most of it is very basic. If Oregon can achieve the basics outlined in this Proposal, it will prove that the Oregon spirit still lives. From the perspective of the regulated community the state is but one player, and while the state cannot control local and federal governments, the recommendations laid out in this report are as relevant to them as to the state. A state with the manageable size of Oregon should be able to make the changes contemplated by this Proposal. The only reason it won't is that the state lacks the will and fails to devote the discipline and the resources to do what needs to be done.

**Additional Information**

The Governor's Regulatory Streamlining and Simplification Project has posted many of the materials collected in the conduct of the project online at <http://oregon.gov/COO/regulatory.shtml>. At this website, you may view and print the Final Proposal and its exhibits, as well as all related materials related to this project, including the results of the surveys and questionnaires conducted during the project and summaries of the regional outreach meetings.

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The Strategic Initiatives recommended in the Final Proposal include some designated projects and objectives. These are summarized in this table.

Strategic Initiatives	Designated Projects and Objectives
<i>Adopt Consistent Management Systems</i>	<ul style="list-style-type: none"> <li>▪ Adopt a Common Management System</li> <li>▪ Baseline Processes</li> <li>▪ Develop Performance Targets</li> <li>▪ Best Practices Survey</li> <li>▪ Obtain Third Party Review of Management System Practices</li> <li>▪ Apply Outcome-Based Budgeting and Align with the 10-Year Plan for Oregon</li> </ul>
<i>Develop a Unified, 21st Century Information Technology System</i>	<ul style="list-style-type: none"> <li>▪ eGovernment Portal</li> <li>▪ One Stop Shop for Business Portal</li> <li>▪ ePermitting</li> <li>▪ Geospatial Data</li> <li>▪ Open Source and Third-Party Software Programs</li> <li>▪ Share Programs Among Agencies</li> </ul>
<i>Align the State’s Initiatives</i>	<ul style="list-style-type: none"> <li>▪ Coordinate/Organize the State’s Improvement Initiatives</li> <li>▪ Coordinate/Organize the State Committees and Task Forces that Address These and Related Topics</li> <li>▪ Move Toward an Applicant-Centered, Results-Oriented, One-Stop Natural Resource Permitting Process</li> <li>▪ Streamline Permitting for Land Already Zoned for Industrial Use</li> <li>▪ Use a “Landscape Scale” Approach to Habitat Conservation to Expedite Compliance and Improve outcomes, with an Immediate Focus on Wetlands</li> <li>▪ Embrace the 10-Year Plan for Natural Resources’ Goal to Create a Cross-Jurisdictional Statewide Conservation Plan</li> </ul>
<i>Assure Accountability, Promote Transparency and Embrace Innovations and Incentives</i>	<ul style="list-style-type: none"> <li>▪ Augment the Regional Solutions Centers with Ombudsman Functionality</li> <li>▪ Form a Public-Private Organization</li> <li>▪ Develop and Execute Training and Education Programs: Promote Collaboration and Compliance Before Enforcement - Create Incentives for Better Outcomes</li> <li>▪ Embrace Innovation and Incentives: <ul style="list-style-type: none"> <li>○ “Better Outcomes” through rewards, incentives and other innovative tactics</li> <li>○ “Angie’s List” for consultants</li> <li>○ “Frequent Flyer” applicants</li> <li>○ Expand and promote the use of “General Authorizations,” “General Permits” and “Programmatic Permits”</li> </ul> </li> <li>▪ For Specific Regulatory Processes, Create an Ongoing Dialogue Between the Regulated Community and Agency Leadership to Design More Efficient Ways to Achieve or Exceed the Regulatory Objectives.</li> <li>▪ Improve the Regulatory Appeals Processes</li> </ul>
<i>Promote and Monitor Select Pilot Projects</i>	<ul style="list-style-type: none"> <li>▪ Case Study: Removal/Fill Kaizen Project</li> <li>▪ Case Study: Energy Facility Siting</li> <li>▪ Case Study: Wave Energy</li> <li>▪ Case Study: Regional Industrial Lands Permitting / Wetlands Mitigations Solutions Pilot</li> </ul>



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