



Colorado Efforts to Improve Business Regulation

NCSL Jobs Summit - Chicago - September 2017

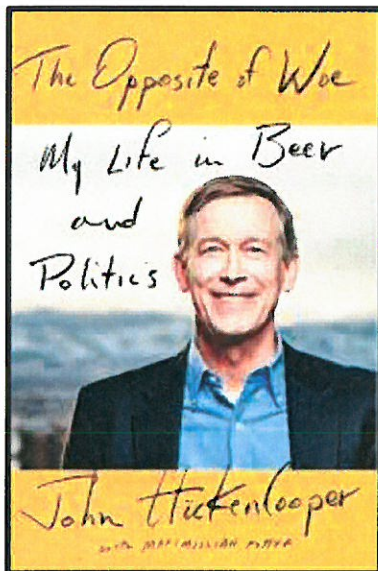
Lauren Larson
Office of the Lt. Gov & Chief Operating Officer



COLORADO
Lt. Gov. Donna Lynne

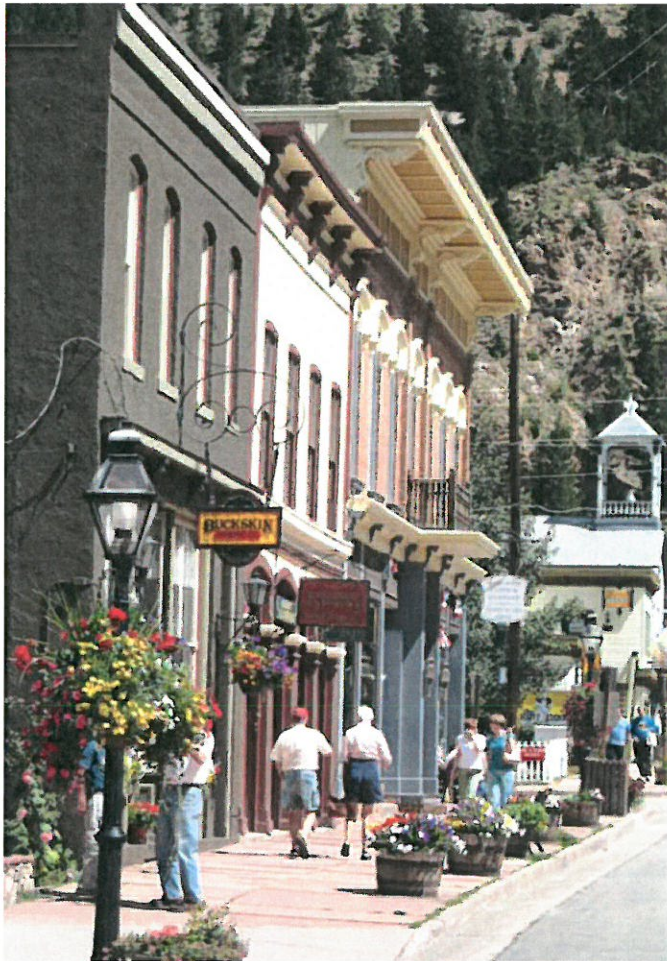
Cut the Burden

Regulatory reform in Colorado



“We are pro-business, but with the highest standards.”

-Governor John Hickenlooper
Governing Leadership Forum, August 2017



- Colorado economy growing with **2nd** lowest unemployment rate in country
- Balancing growth with concerns of small businesses and rural areas



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Win-win compromises

Protecting the sage grouse

...all stakeholders — including state and federal agencies, industry, ranching, sportsmen, outdoor recreation, conservation groups — came together around the central idea of protecting a species and its habitat to avoid the need for a listing...a win-win situation.

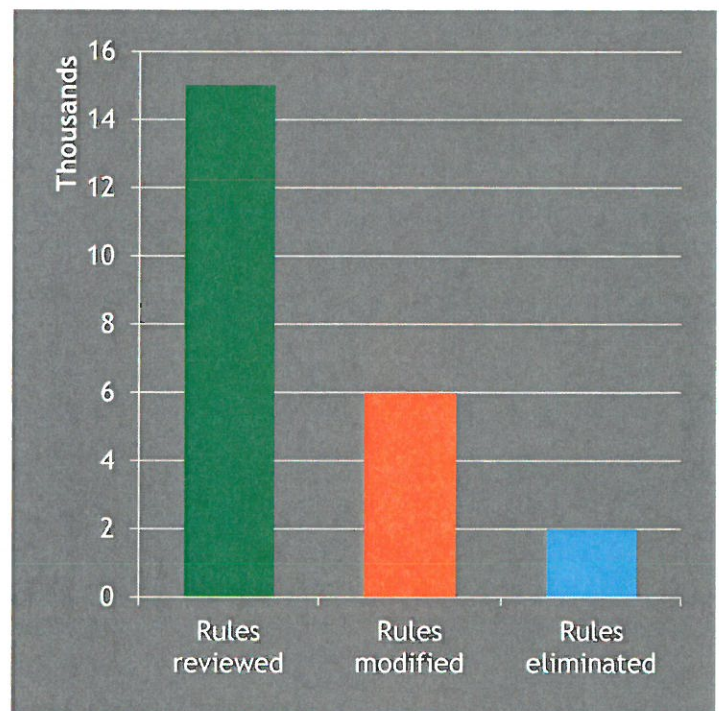
-Denver Post



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Early efforts: Pits & Peeves Rules Review

- 15,000 rules reviewed
- Over 2,000 repealed
- Over 6,000 modified
- Engaged stakeholders from more than 100 business and community groups to **Cut Red Tape**



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Today: Governor's dashboard



Cut the Burden
of government
regulations



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Cut the Burden

How do we measure success?

- Ensure that all Departments with rulemaking authority (12) certify annually that stakeholders have been engaged early for every rule promulgated.
- Ensure that all Departments with rules or requirements impacting businesses (14) 'Cut the Burden' for businesses to comply each year, as measured by time saved or costs avoided
 - Costs avoided total at least \$7 million in FY17, such as removing a dairy cattle vaccine requirement that is no longer necessary
 - Time saved totals at least 250,000 hours in FY17, such as reducing the number of pages on a construction permitting form

| Status | Outcome Measure | Outcome Baseline (June 2015) | Actual (June 2016) | Outcome Target | Target Date |
|--------|---------------------------------------|------------------------------|--------------------|----------------|-------------|
| » | Early stakeholder engagement on rules | 0 of 12 | 12 of 12 | 100% (12) | 2016 |
| ⬇ | Compliance burden reduced | 0 of 14 | TBD | 100% (14) | 2016 |

Cut measurable burden without compromising health, safety, or environmental protections



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Lean as a regulatory reform tool

- Colorado Lean program yields
 - Cost savings
 - Time savings
 - Quality improvements
- Over 600 projects statewide, with many reducing regulatory burdens
- On average, a Lean project targeting time savings has reduced cycle time by one-half!



SOLVE Guide
Colorado's Approach to
Lean Process Improvement
Version 1.0



Lean example

Time to get a Pharmacy license



Before Lean
115 days

After Lean 25 days

\$9 million

Cut the Burden results for FY17 include more than \$9 million in cost savings per year. For example, cattle ranchers now pocket an additional \$1,500 from reformed immunizations.

2.5 million hours

Cut the Burden results for FY17 include 2.5 million hours saved per year. For example, funeral homes, coroners, and physicians can now file for a death certificate electronically instead of the cumbersome paper- and mail-based process. And small engineering firms can now bid for CDOT projects with a simple 5-page proposal, saving firms 120 hours each proposal and fostering more competition.



Colorado—it's our
nature



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The Arizona Management System



Educational Excellence



21st Century Economy



Happy & Healthy Citizens



Protecting Our Communities

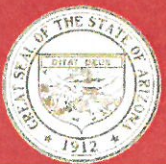


Fiscal Responsibility



In the 1700's, our founding
fathers intentionally
designed the democracy.

In 2017, Arizona is
intentionally designing the
bureaucracy.



AMS Defined

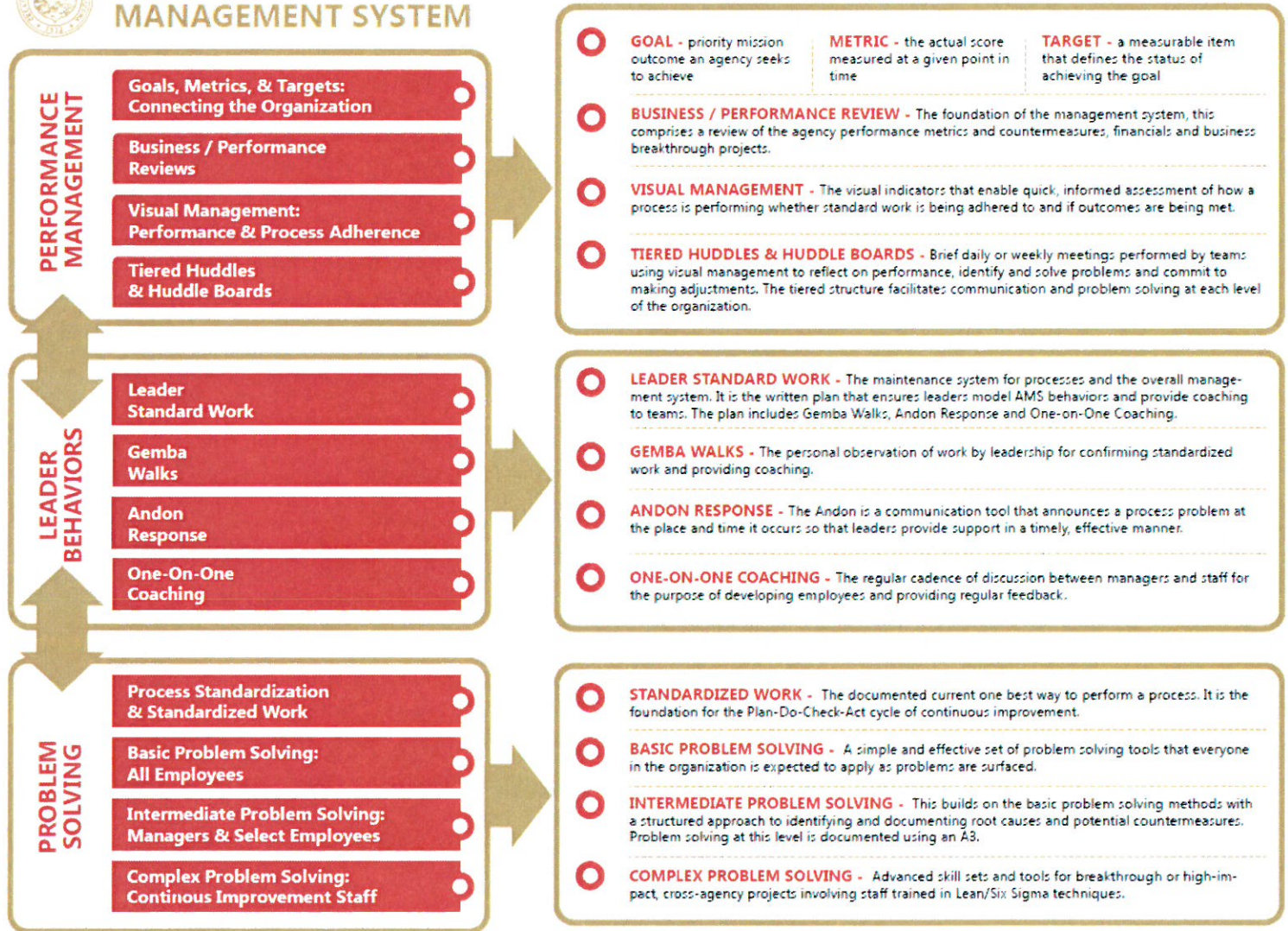
The Arizona Management System is an intentional, results-driven methodology that includes:

1. *Measuring performance*
2. *Training state leaders and managers*
3. *Disciplined problem solving*





ARIZONA MANAGEMENT SYSTEM



Understanding Customers

Private Sector

Investors

Board of Directors

CEO

Vice-President

Products and Services

Customers

ROI = Profit



Understanding Customers

| Private Sector | Non-Profit Sector |
|-----------------------|---|
| Investors | Donors |
| Board of Directors | Board of Directors |
| CEO | Executive Director |
| Vice-President | Program Manager |
| Products and Services | Products and Services |
| Customers | Those who consume non-profit's services |
| ROI = Profit | ROI = Disaster relief, charity, education, etc. |



Understanding Customers

| Private Sector | Non-Profit Sector | Public Sector |
|-----------------------|---|---|
| Investors | Donors | Tax Payers |
| Board of Directors | Board of Directors | Legislature |
| CEO | Executive Director | Governor |
| Vice-President | Program Manager | Agency Director |
| Products and Services | Products and Services | Permits, Approvals, Reviews, Reports |
| Customers | Those who consume non-profit's services | Applicants, Regulated Community, End User |
| ROI = Profit | ROI = Disaster relief, charity, education, etc. | ROI = Social outcomes, agency mission |

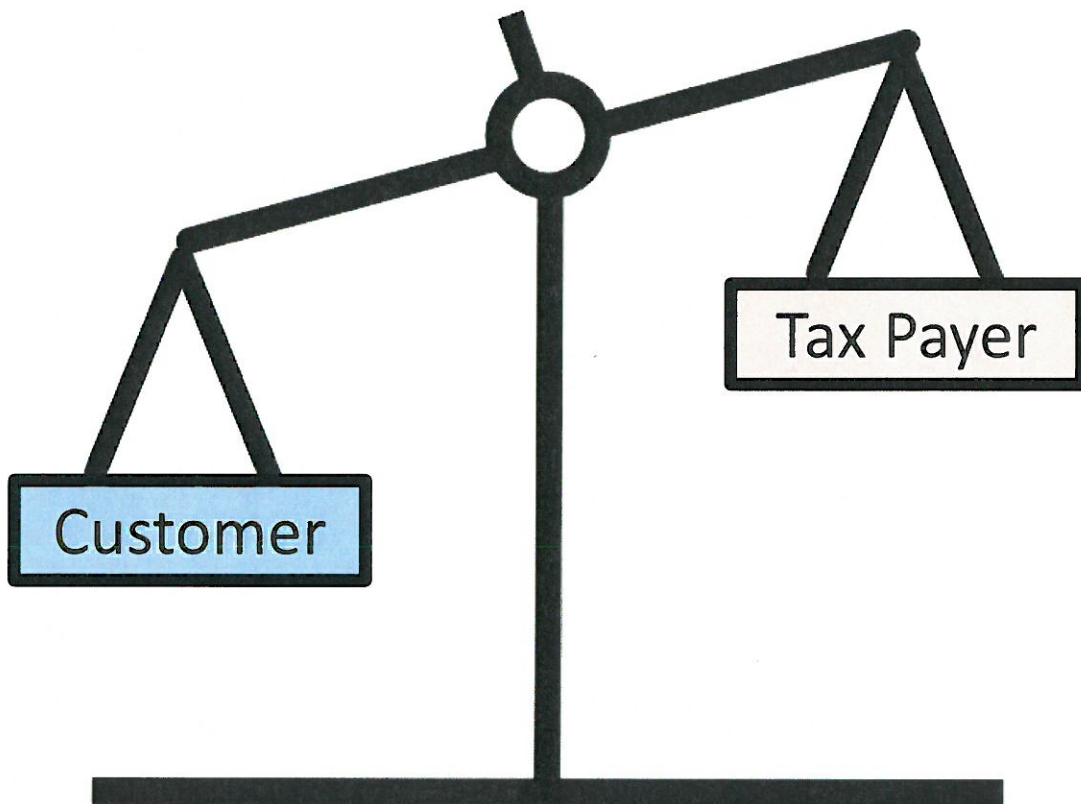


Understanding Customers

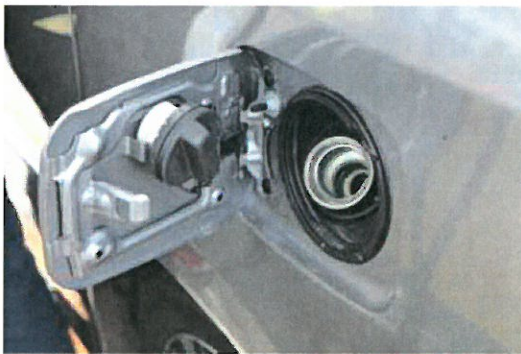
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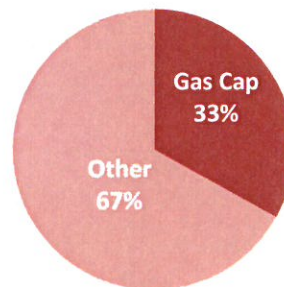
The customer is not always right



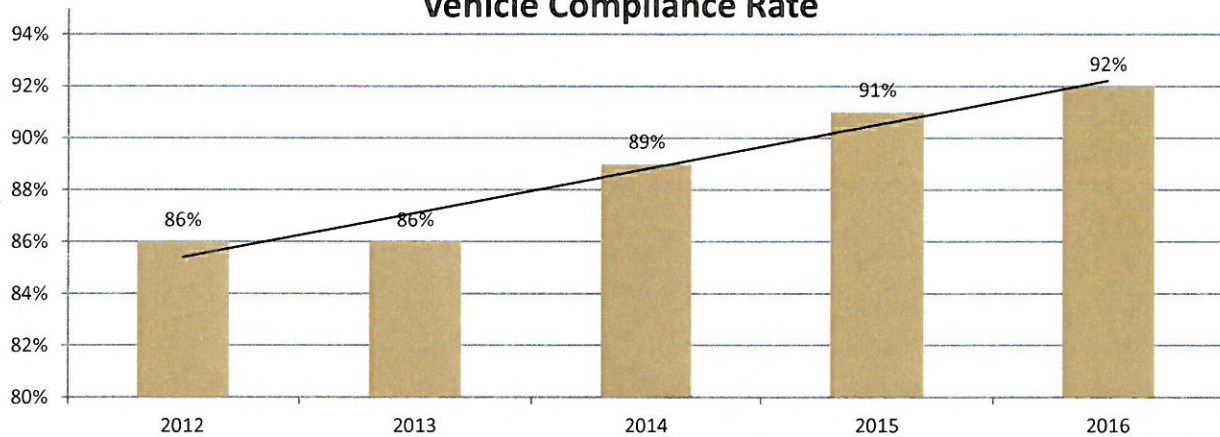
Gas Cap Replacement Program



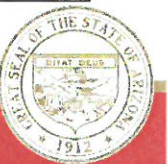
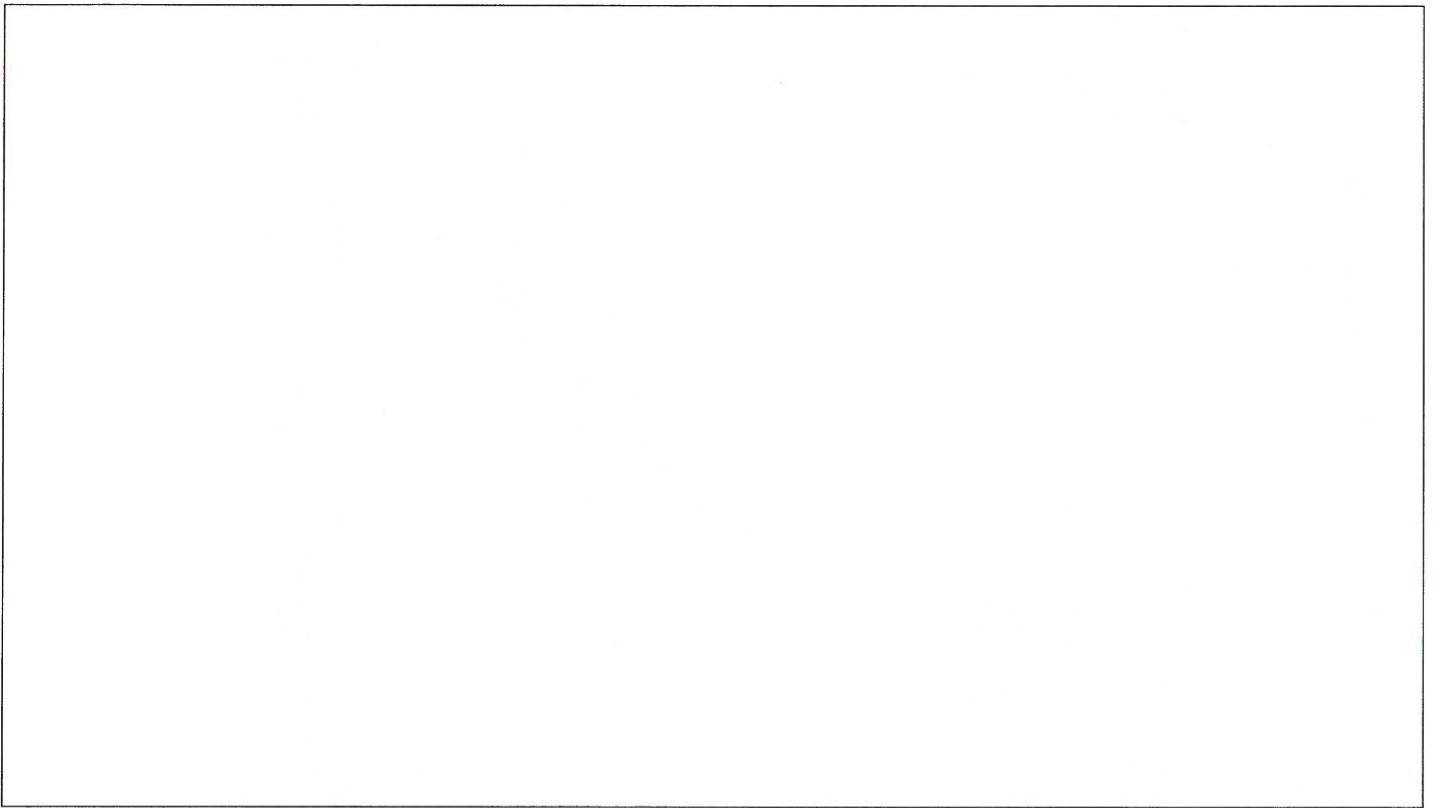
Failed Emissions Tests



Vehicle Compliance Rate



The value of listening to your customers



Thank you,

Ben Henderson

Deputy Chief of Operations

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