

RESEARCH SURVEY

Governing the Future: Emerging Regulations

PREPARED FOR

Accelea

Report Background

Purpose

The Governing Institute was commissioned by Accela to conduct a survey of state and local government leadership in the areas of public policy, elected office, and regulatory rule makers on their outlook for what the future holds for their profession and industry.

The purpose of this project was to provide Accela with insight into the expectations, unmet needs, and technological issues related to new and emerging regulatory areas.

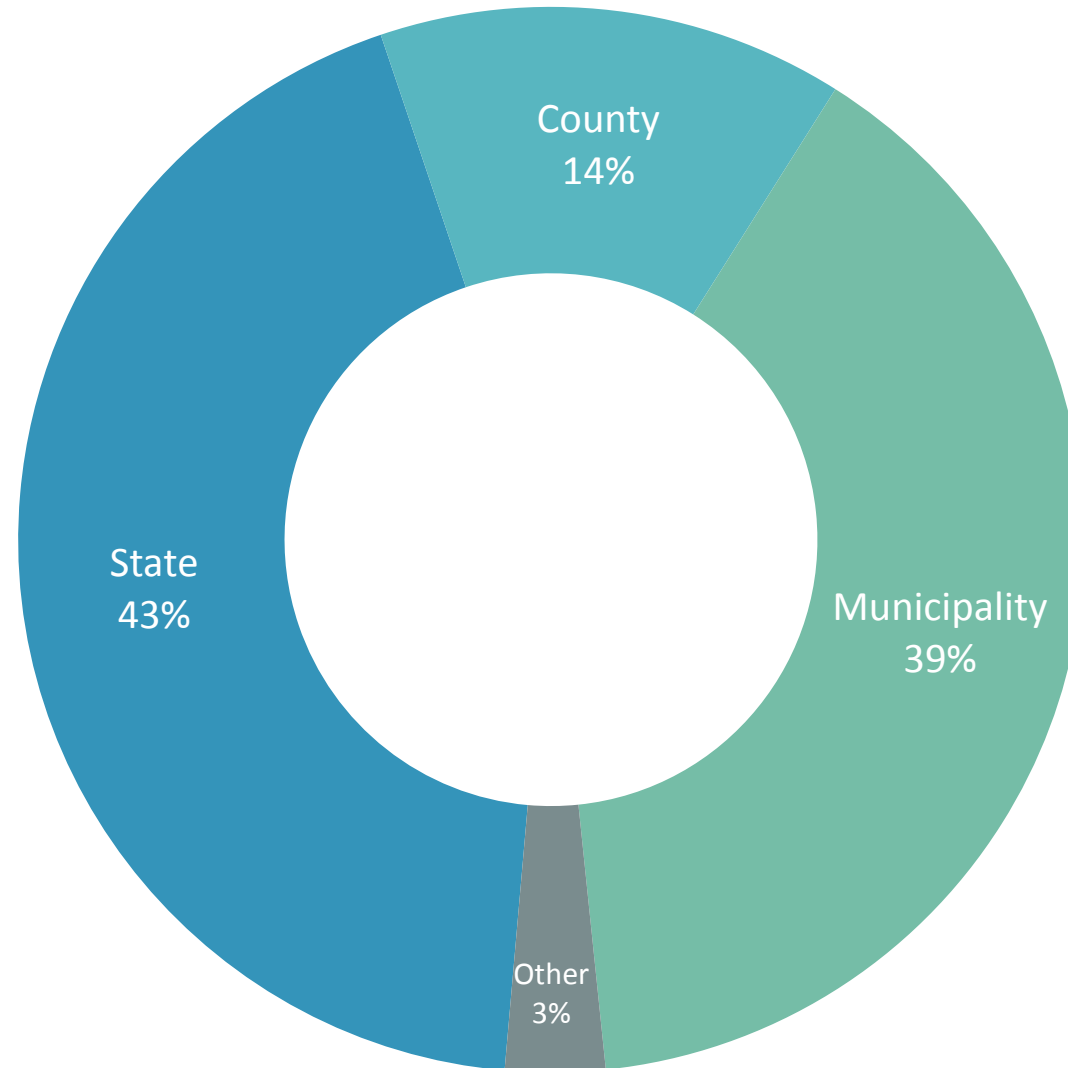
Methodology

The Governing Institute was contracted to conduct a 100-response survey. The survey was sent to state and local government professionals in the Governing Institute's proprietary exchange community. The survey closed with 127 qualified responses.

The 17 survey questions were developed in cooperation with Accela.

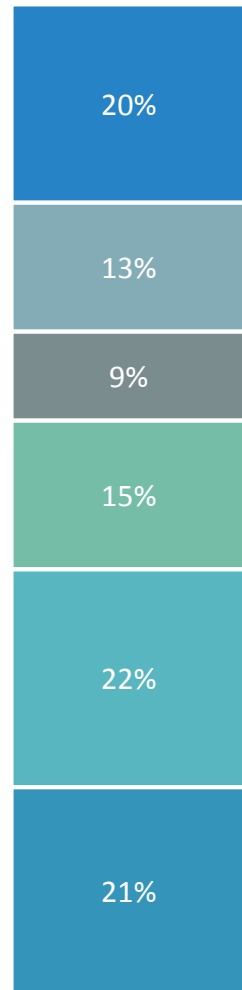
Responses were gathered in an online survey fielded in August 2018.

Level of Government



n = 127

Responding Jurisdictions

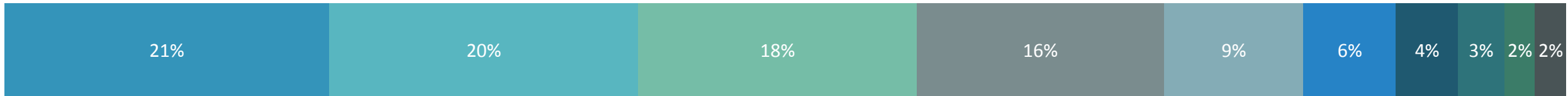


- Greater than 3 million
- Between 1 million and 3 million
- Between 500,000 and 999,999
- Between 250,000 and 499,999
- Between 100,000 and 249,999
- Between 50,000 and 99,999

State	Count	State	Count	State	Count
Alabama	0	Louisiana	0	Ohio	3
Alaska	0	Maine	2	Oklahoma	0
Arizona	8	Maryland	4	Oregon	2
Arkansas	0	Massachusetts	1	Pennsylvania	3
California	13	Michigan	9	Rhode Island	2
Colorado	4	Minnesota	1	South Carolina	0
Connecticut	1	Mississippi	2	South Dakota	0
Delaware	3	Missouri	5	Tennessee	8
Florida	5	Montana	1	Texas	8
Georgia	1	Nebraska	1	Utah	0
Hawaii	0	Nevada	2	Vermont	0
Idaho	2	New Hampshire	2	Virginia	8
Illinois	3	New Jersey	2	Washington	4
Indiana	4	New Mexico	0	West Virginia	0
Iowa	3	New York	3	Wisconsin	1
Kansas	0	North Carolina	4	Wyoming	1
Kentucky	1	North Dakota	0	Washington, DC	0

n = 127

Respondent Department and Role



- Community/Economic Development
- Administrative/Operations/Human Resources
- Legislative/elected official
- Finance/Taxation/Budgeting
- Public Works/Transportation/Utility
- Health/Human Services
- Justice/Public Safety
- Other
- Information Technology
- Consumer/Regulatory Affairs



- Elected Official/Legislative
- Operations/Administration
- Planning/Community Outreach
- Finance/Procurement/Budget/Auditor
- Human Resource/Workforce/Training
- Other
- Engineering/Technical
- Information Technology (Director, Staff, Specialist)
- Regulatory/Inspections

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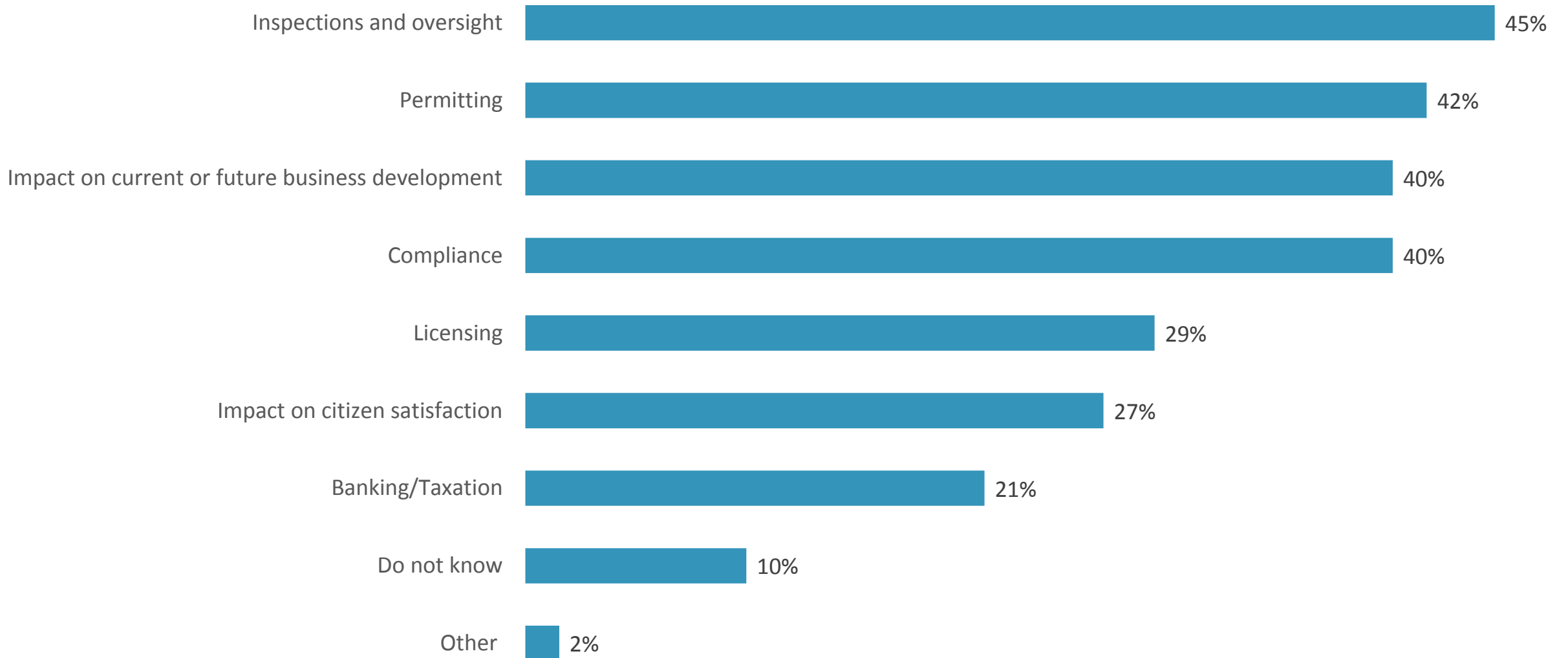
Impacts of New and Emerging Regulations

What business areas are most affected and where the unmet needs are

Key Findings

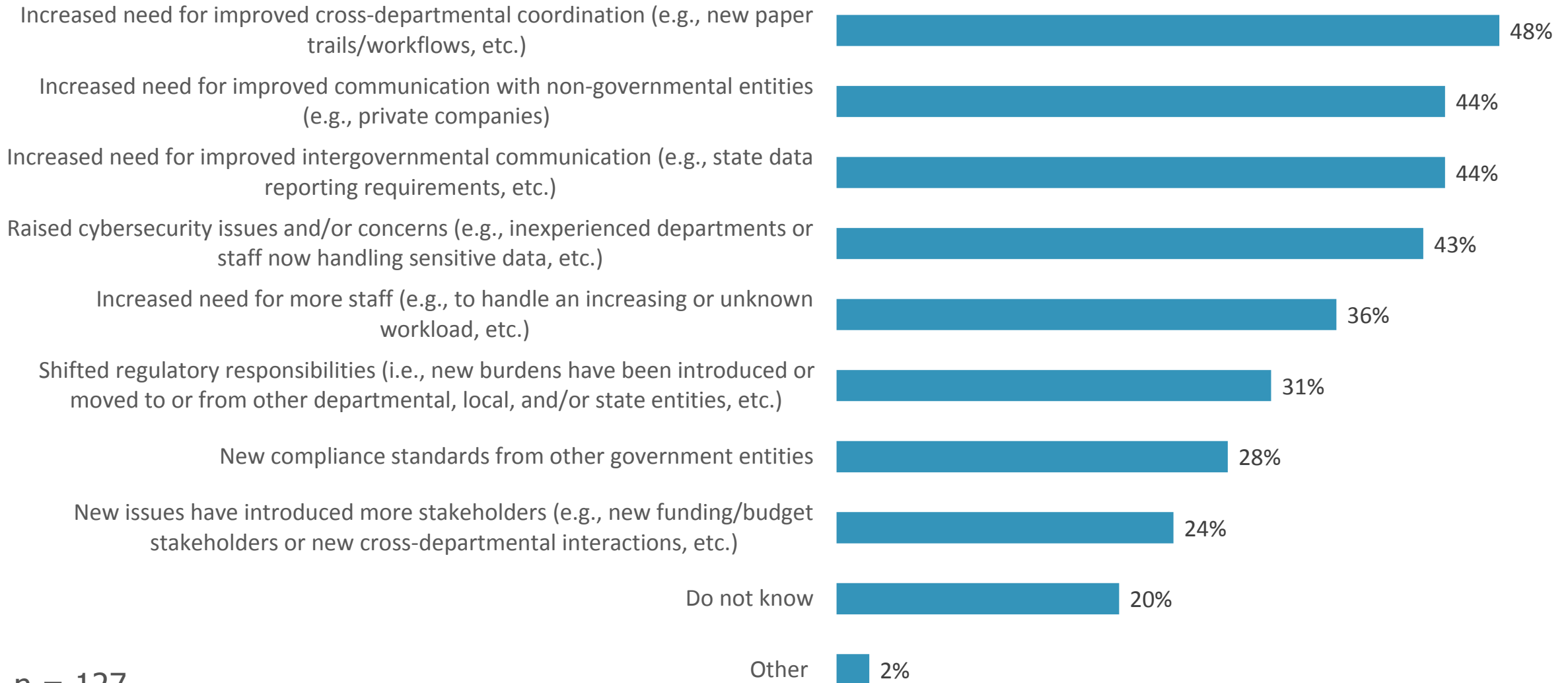
- ✓ Nearly half of respondents expect new and emerging regulations to most heavily impact inspections, oversight, and permitting
- ✓ An increased need for communication between all stakeholders is the top identified effect of new regulatory issues
 - ✓ Including an identified need to better inform the public
- ✓ Systems integration is the most commonly cited unmet need in emerging permitting and licensing solutions

Areas Most Affected by New Regulation



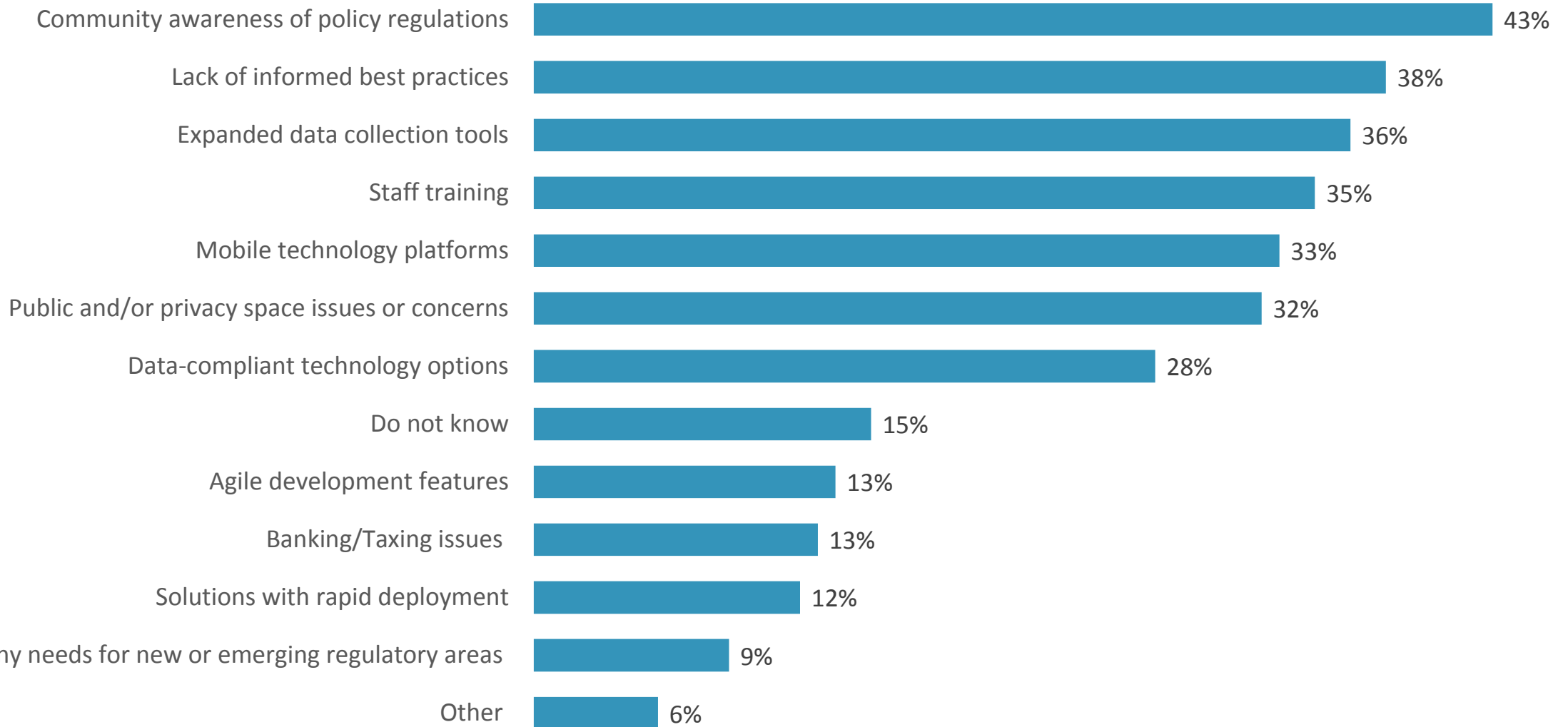
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Effects of New Regulatory Issues



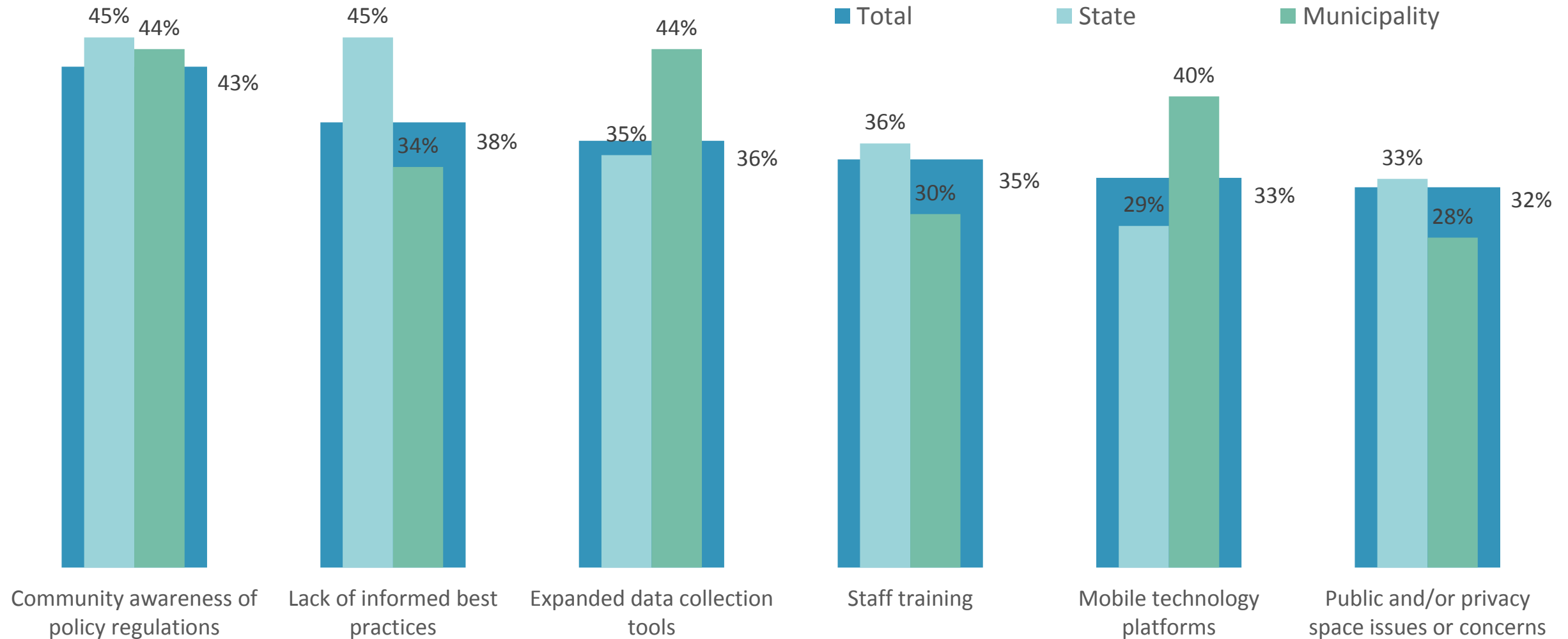
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Unmet Needs: Emerging Regulation



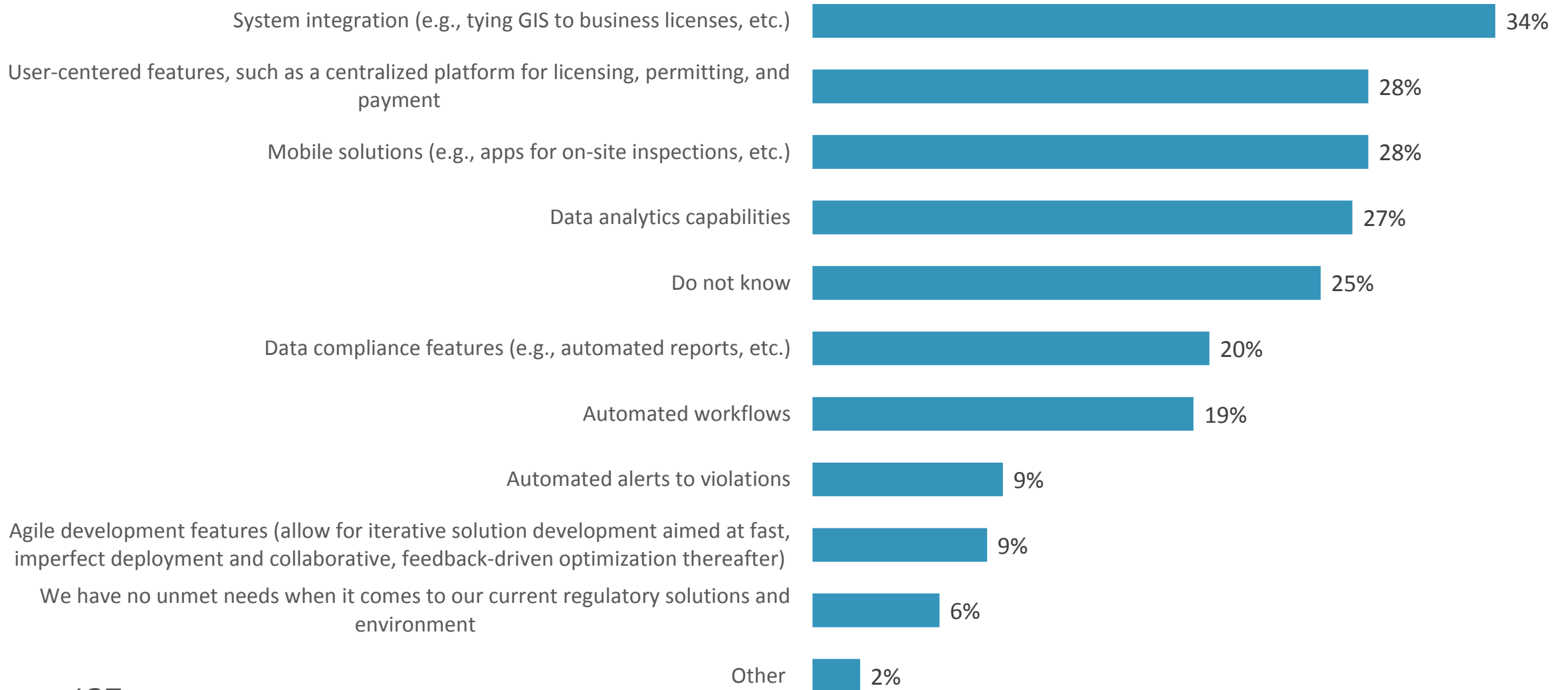
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Unmet Needs: Emerging Regulation



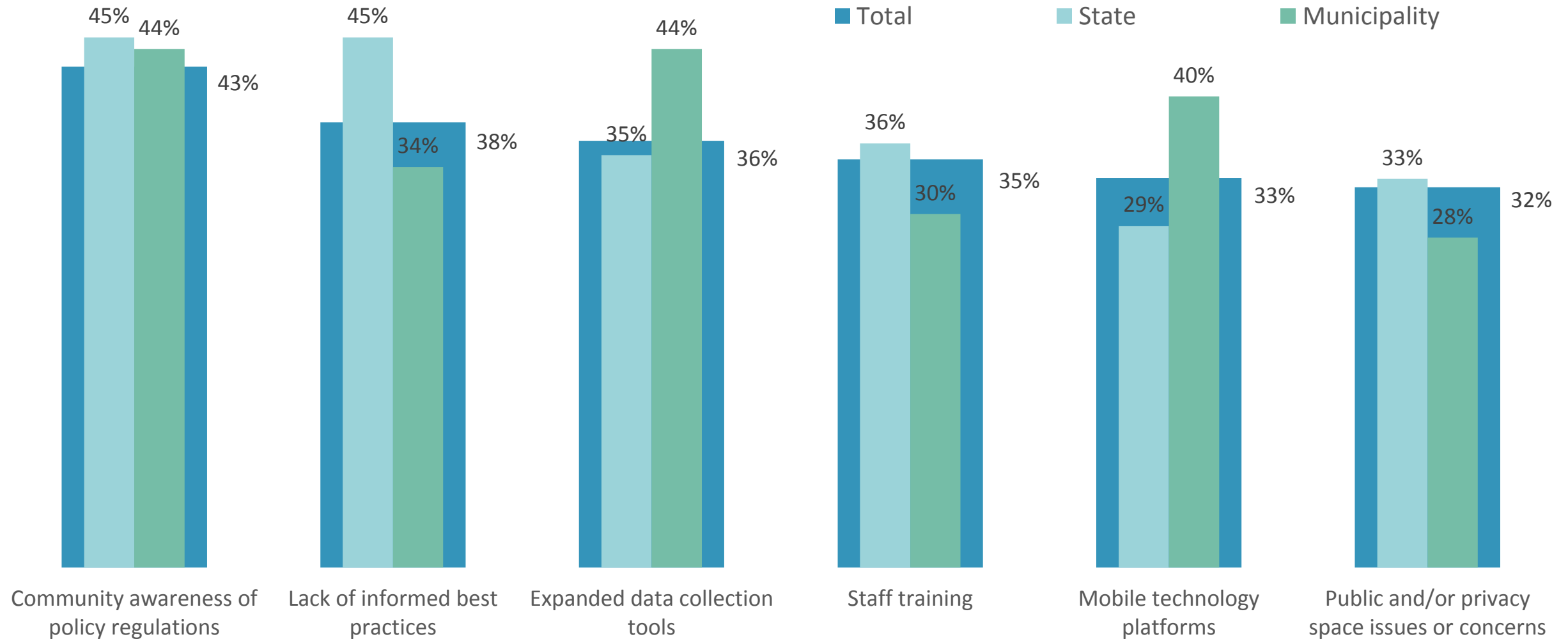
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Unmet Needs: Permitting and Licensing



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Unmet Needs: Permitting and Licensing



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Regulations Now and in the Future

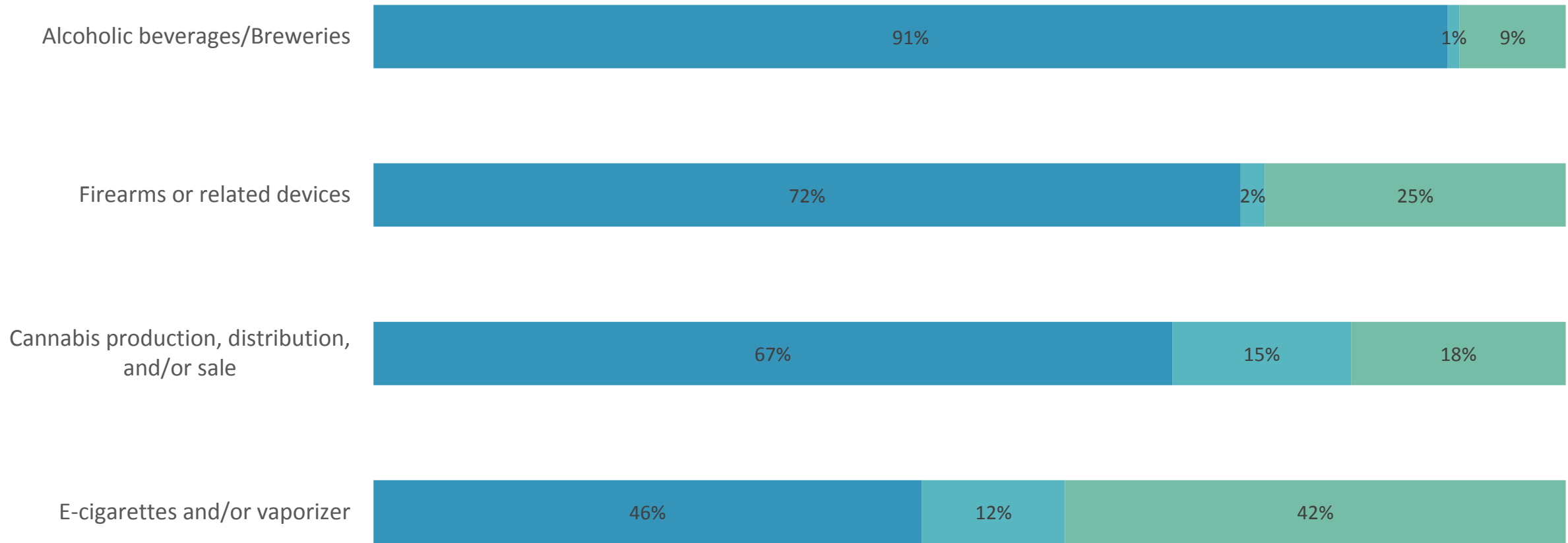
The regulatory environment for different products and services

Key Findings

- ✓ Drug and alcohol products are subject to the most existing regulation relative to other business areas
- ✓ Many other products and services are expected to come under increased regulation, but not all
- ✓ Service and technology markets are the least likely to be currently regulated and least expected to gain regulation

Drug and Alcohol Regulation

■ Currently subject to regulatory requirements ■ Expected to fall under regulatory oversight in the next two years ■ Do not know



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Rented Products Regulation

■ Currently subject to regulatory requirements

■ Expected to fall under regulatory oversight in the next two years

■ Do not know

Ride sharing services, such as Uber or Lyft

43%

17%

41%

Short-term home rental services, such as AirBnB

42%

28%

30%

Non-traditional residential properties, such as "tiny homes"

29%

17%

54%

Short-term auto rental services, such as Zipcar

26%

16%

58%

Bike or scooter sharing services, such as JUMP or BIRD

26%

25%

49%

Non-traditional commercial properties, such as office-sharing spaces or "makerspaces"

19%

13%

69%

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Service and Tech Regulation

■ Currently subject to regulatory requirements

■ Expected to fall under regulatory oversight in the next two years

■ Do not know

Businesses and/or services related to unmanned drones



Smart home devices, such as doorbell cameras or in-home personal assistants, such as Alexa or Google Home



Freelance labor services, such as TaskRabbit



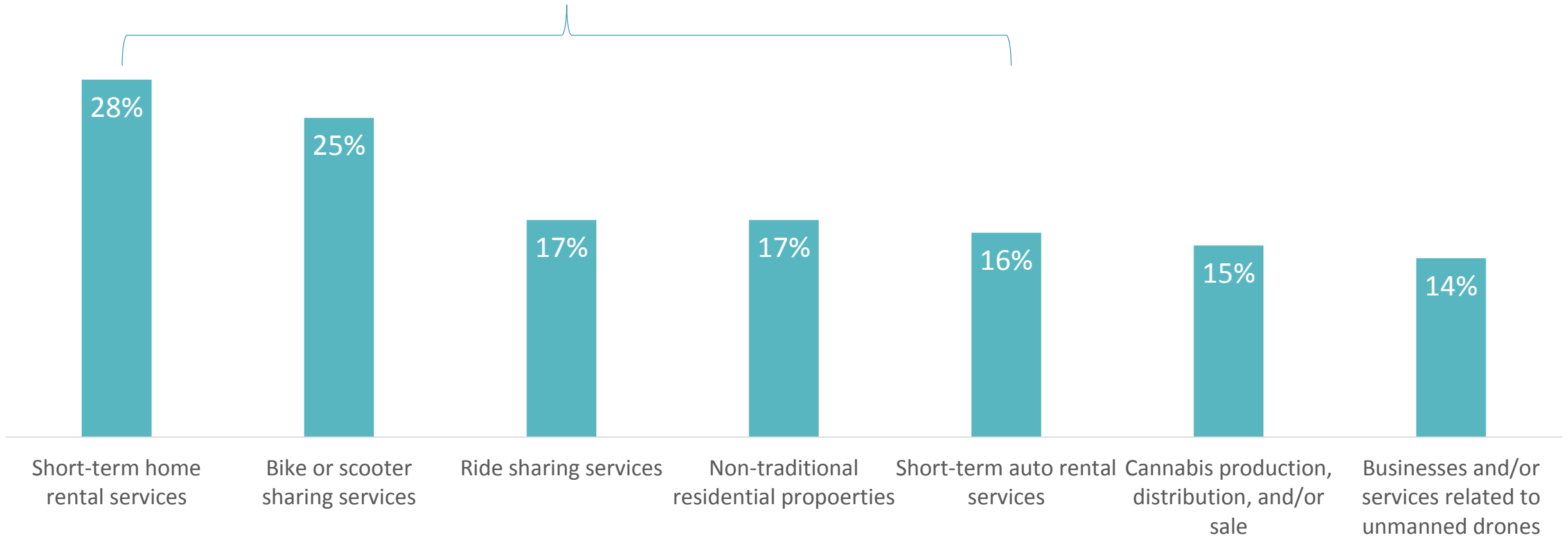
3D printers



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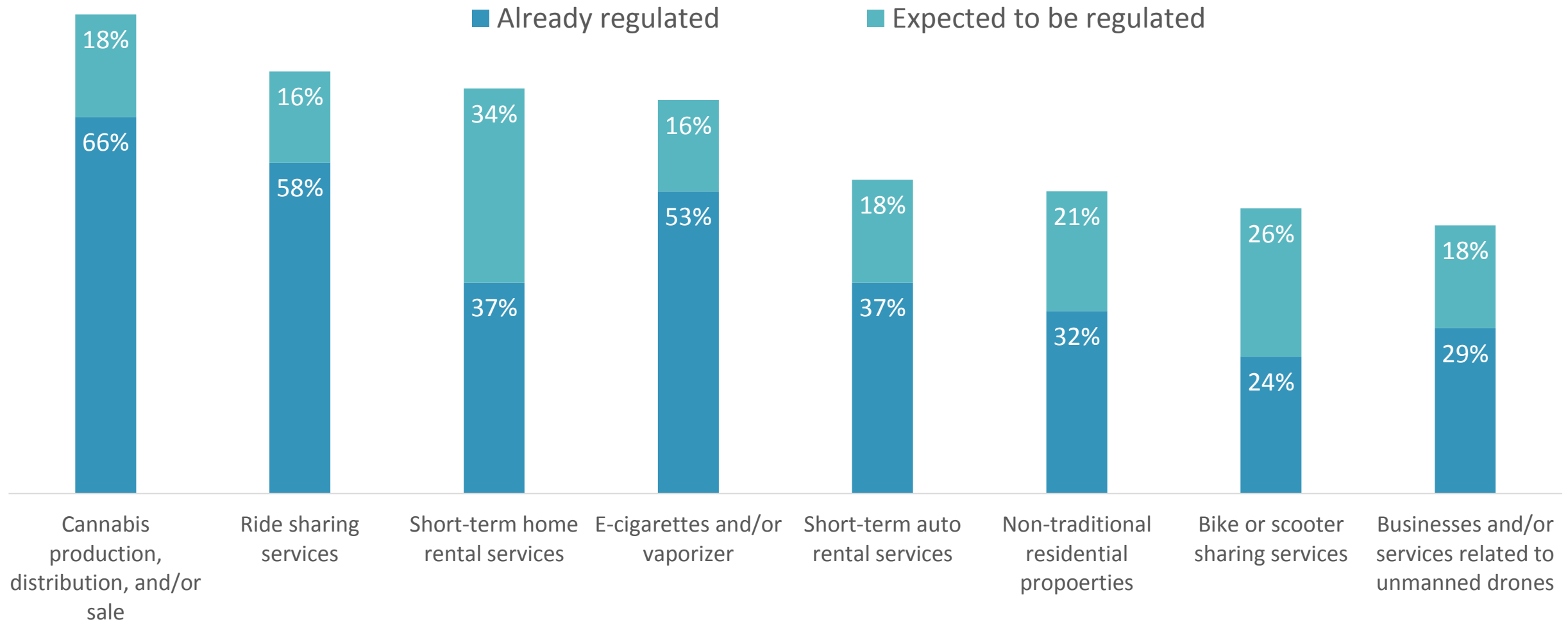
Top Regulation Growth Areas

Rented products are most often expected to see increased regulation



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Legislators' Views



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How Technology Affects New Areas of Regulation

Perceptions of the role of vendors and technologies

Key Findings

- ✓ IT vendors are seen as important to a jurisdiction's response to areas of new regulation
- ✓ Reduced costs, increased mobility, and cybersecurity benefits are the most commonly expected benefits of SaaS
- ✓ Public sector employees in permitting and licensing, followed by citizens, are seen as the most likely beneficiaries of SaaS when it comes to new and emerging regulations
- ✓ Agile development is seen as important to varying degrees depending upon the area of regulation

Vendor Importance for New Regulation

■ Very important ■ Somewhat important ■ Neither unimportant nor important ■ Somewhat unimportant ■ Very unimportant

Ride sharing services



The sharing economy in general



Cannabis production, distribution, and/or sale

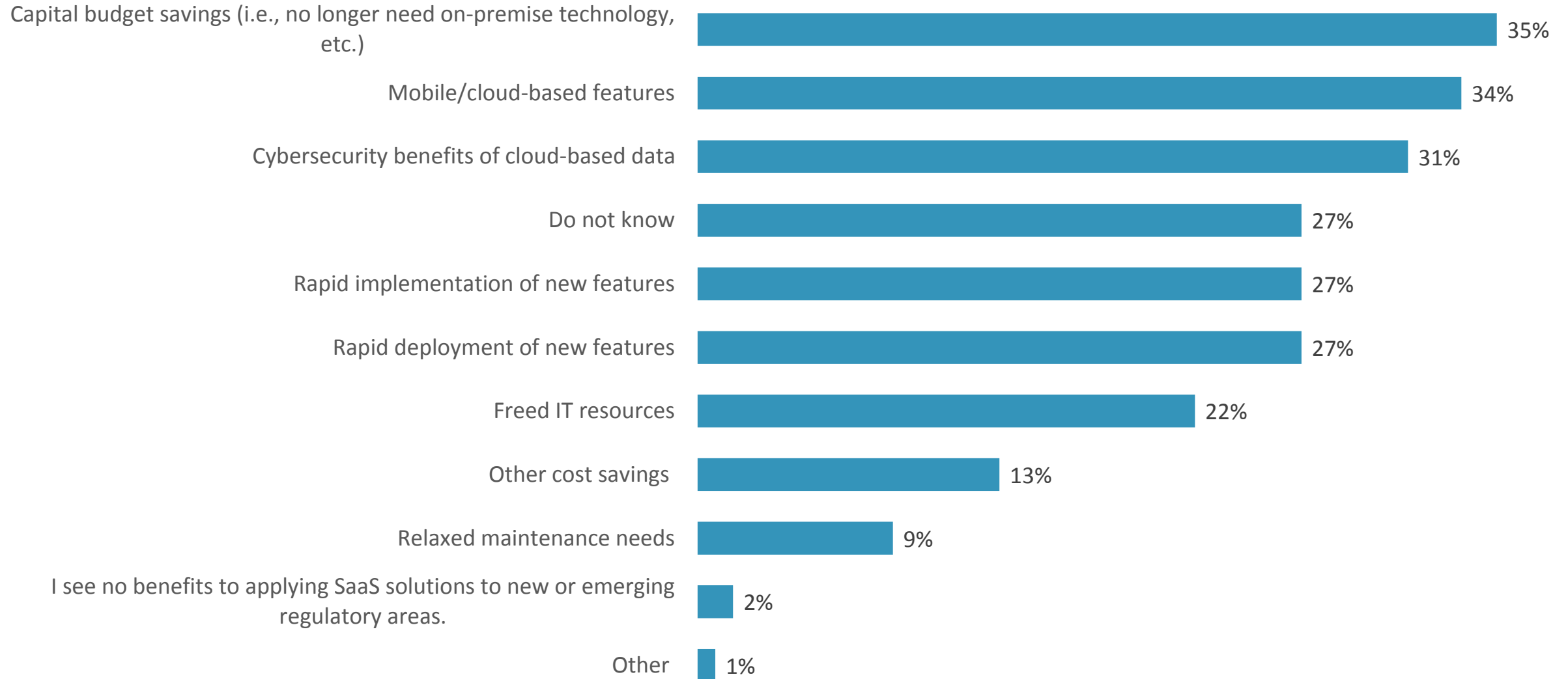


Short-term rental services



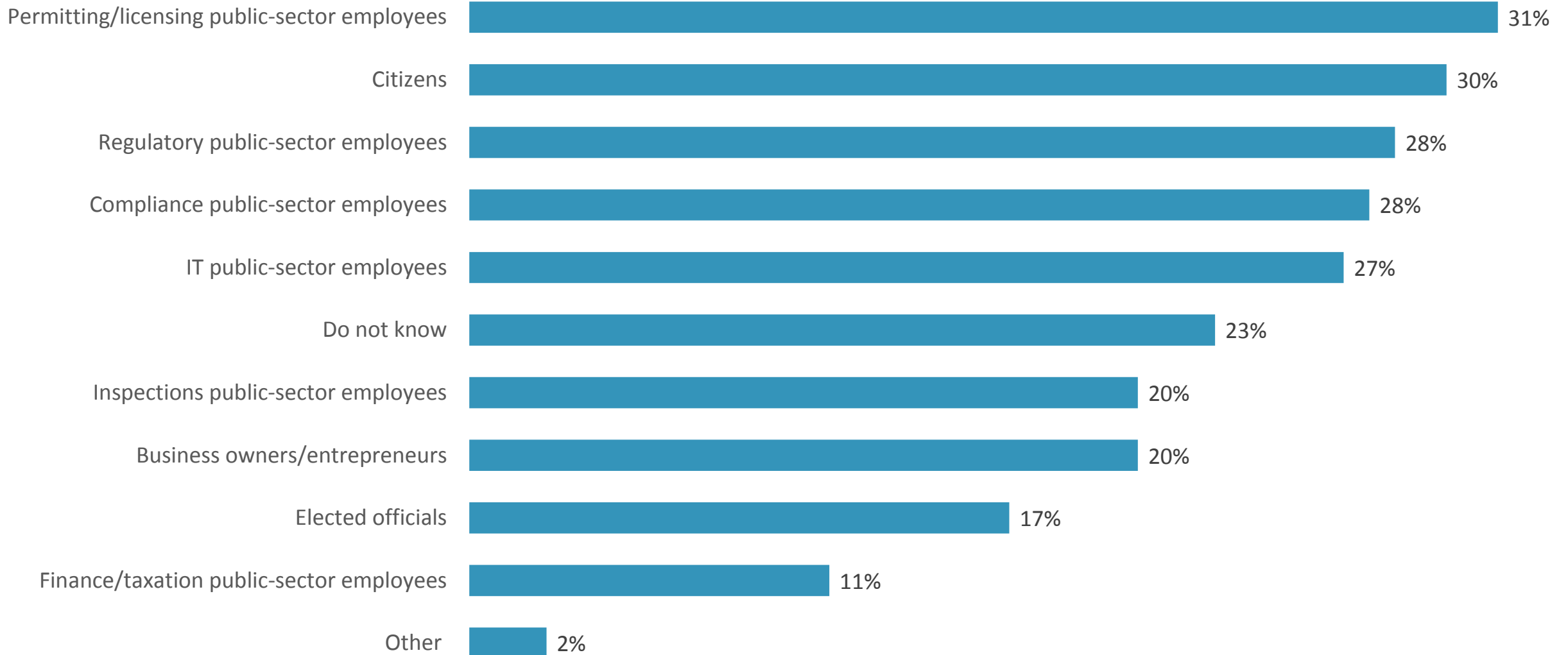
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Highest Impact of SaaS



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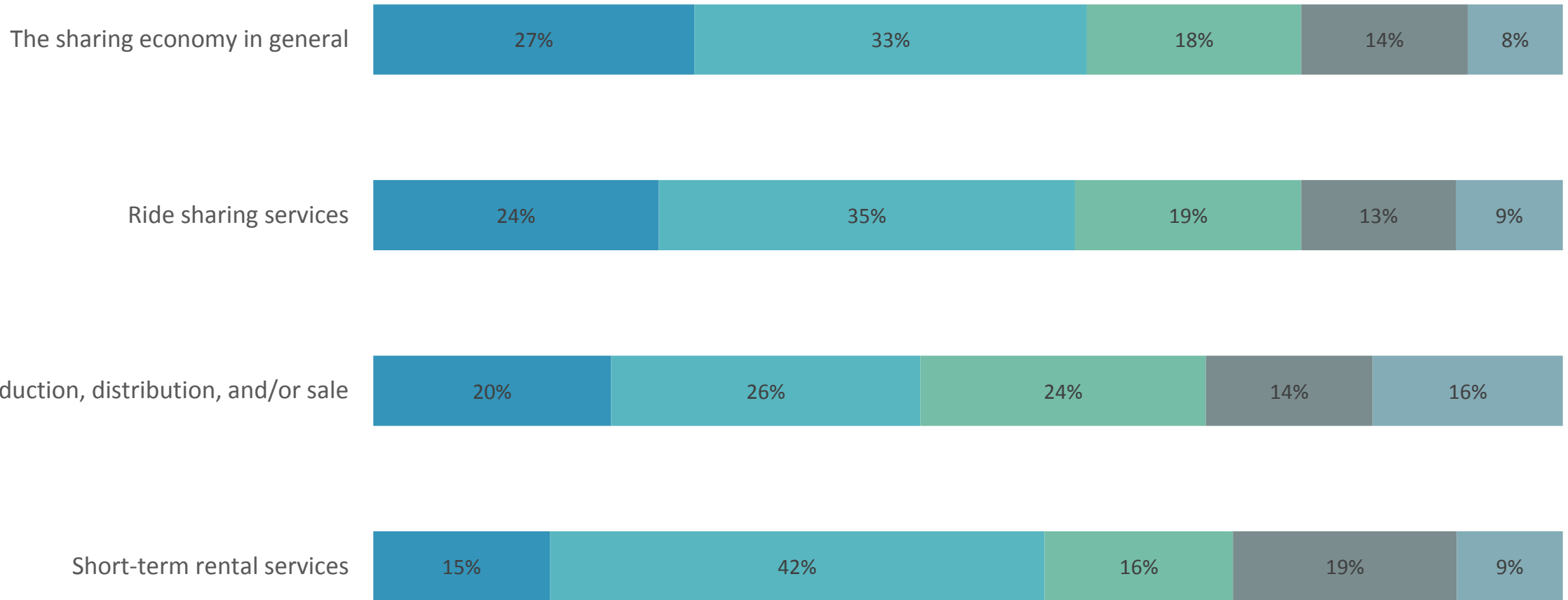
Who SaaS Would Benefit



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Agile Development for New Regulation

■ Very important ■ Somewhat important ■ Neither unimportant nor important ■ Somewhat unimportant ■ Very unimportant



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Open-Ended Opinions

“The future of government is total integration and elimination of work silos. Integrated systems for permitting and development management will help move communities forward to keep pace with rapid growth and development occurring in the current financial climate.”

“...concerned about SaaS in terms of being "trapped" in a new system with a third party that may not continue to meet our needs as an organization.”

“Collaborative adaptive governance is not a top-down governance model, but a more collaborative, horizontal model that requires inter-agency, multi-stakeholder, public-private, and public participatory processes for working more effectively for cooperative and interdisciplinary (non-stove-piped) policy areas. Technology needs to facilitate this level of cooperation and engagement online, and address disparities of access to internet, security standards, and computing power.”

“SaaS could be most useful in getting City governments to utilize APIs and other public sharing of appropriate information. But fear of getting married to one vendor is an issue.”

“My fear is further alienating those who are already not able to take part in the booming economy.”

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Key Findings

- ✓ New and emerging regulations are expected to affect inspections, oversight, and permitting most
 - ✓ Rental products and services are expected to see the most growth in regulation
- ✓ As new and emerging regulations are implemented, respondents are calling for increased communication, and systems integration
- ✓ IT products and vendor services are seen as playing a role in assisting jurisdictions with these emerging challenges

Recommendations

- ✓ Position Accela as a resource for state and local leadership to anticipate emerging issues in regulation
- ✓ Start-ups and emerging business models are challenging the status quo



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