

RESEARCH SURVEY

# Governing the Future: Emerging Regulations

PREPARED FOR



# 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 to uncover insights on their outlook for what the future holds for their profession and industry.

The purpose of this project was to provide an analysis of 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.

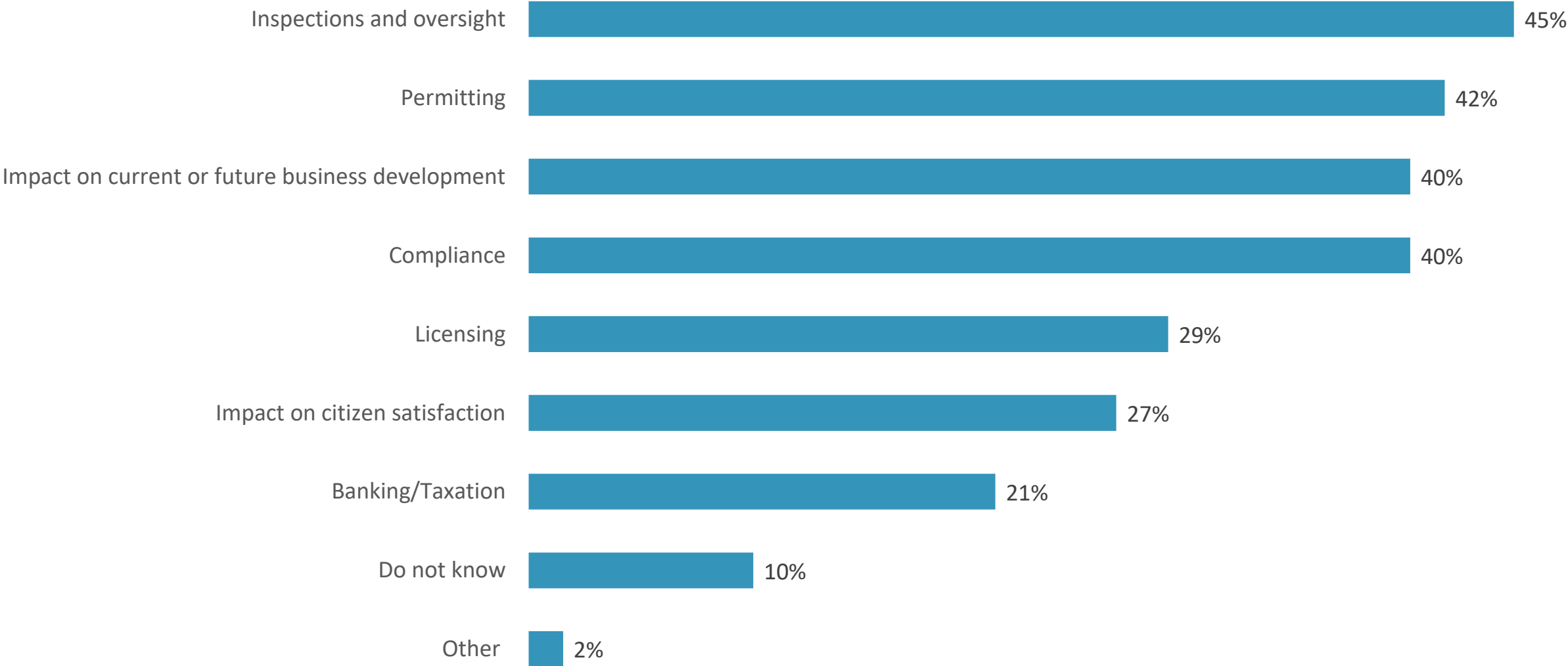
# Impacts of New and Emerging Regulations

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

# Key Findings

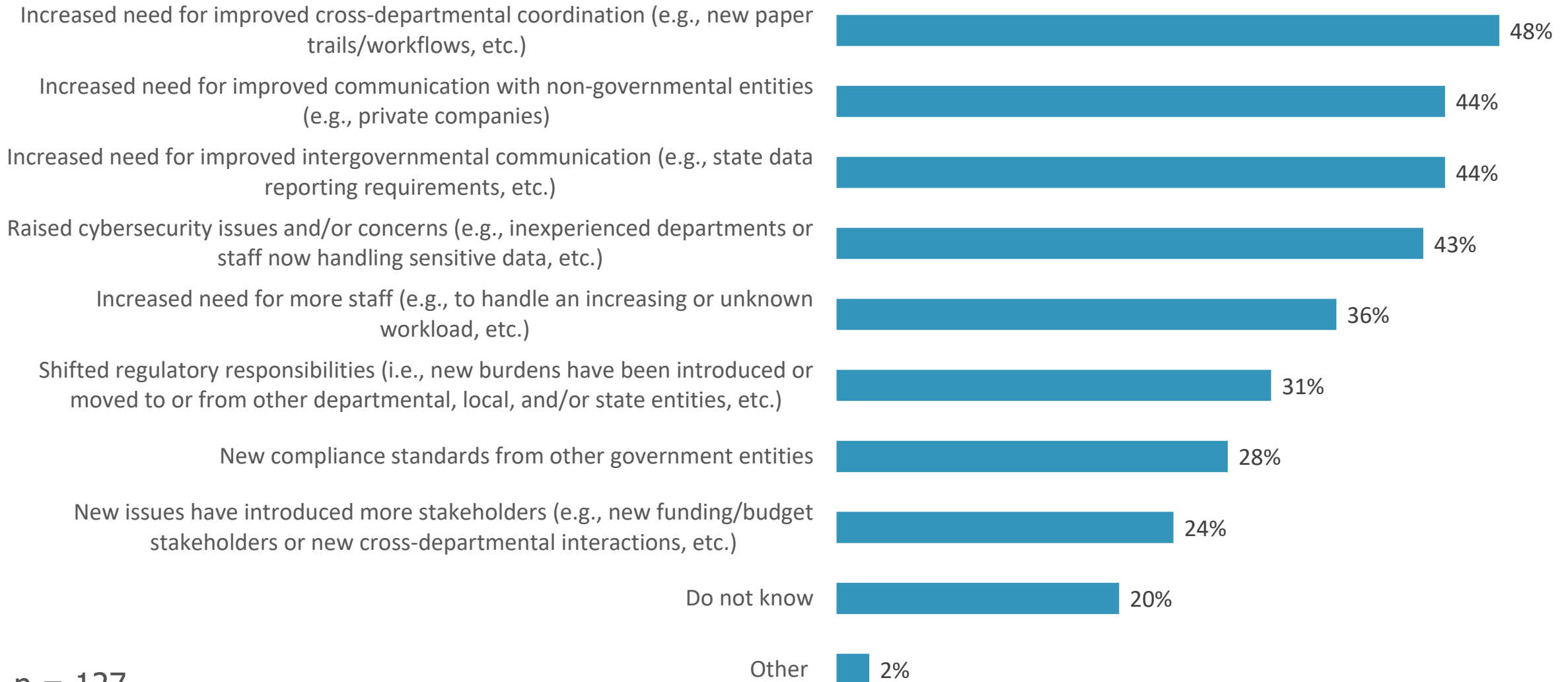
- ✓ Nearly half of respondents expect new and emerging regulations to most heavily impact inspections, oversight, and permitting
- ✓ An increased need for communication between all stakeholders is the top identified effect of new regulatory issues
  - ✓ Including an identified need to better inform the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

# Which service areas do you believe will be most affected by new or emerging regulatory areas?



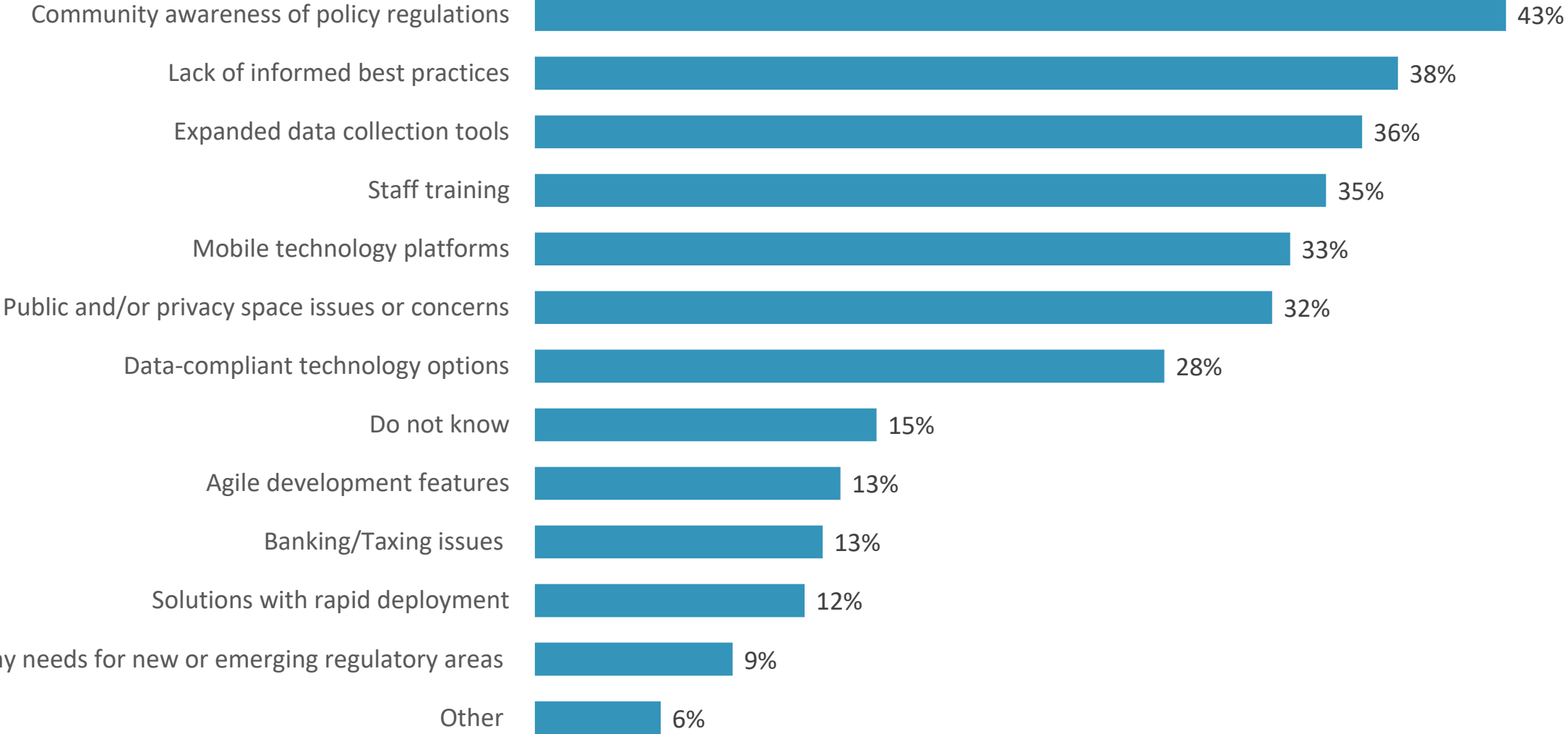
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# How have new or emerging regulatory issues affected your jurisdiction's governance structure and workflows?



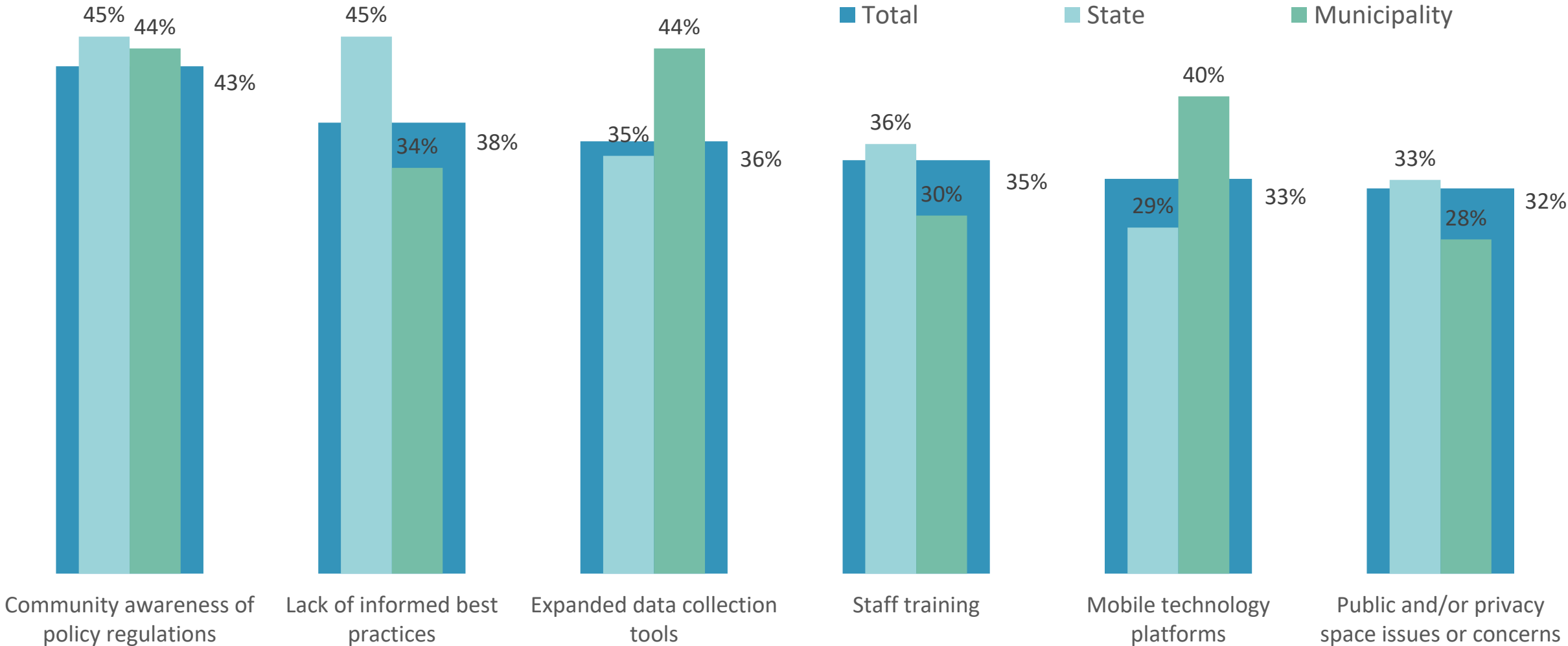
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# Which of the following are current unmet or expected needs for new or emerging regulatory areas in your jurisdiction?



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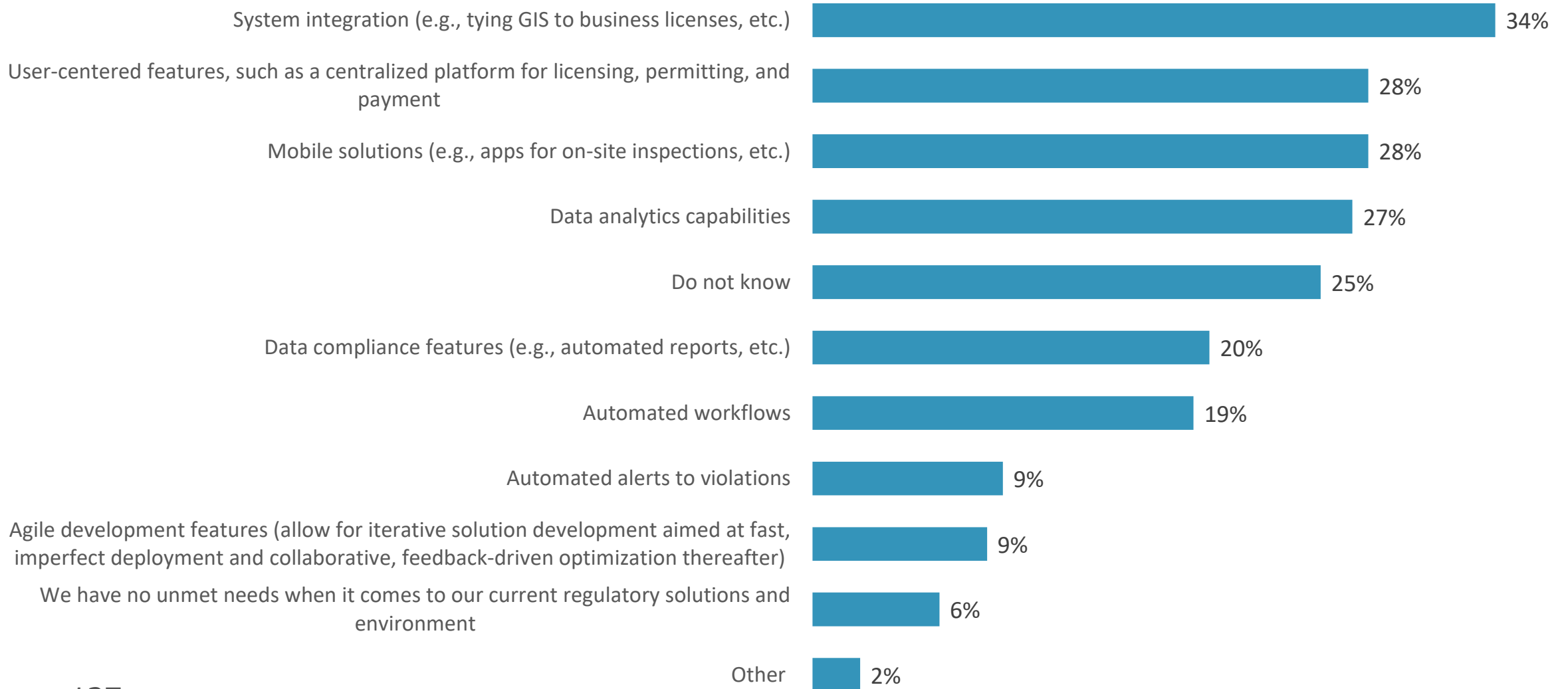
# Which of the following are current unmet or expected needs for new or emerging regulatory areas in your jurisdiction?



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# Which are most important unmet needs in current permitting and licensing solutions?



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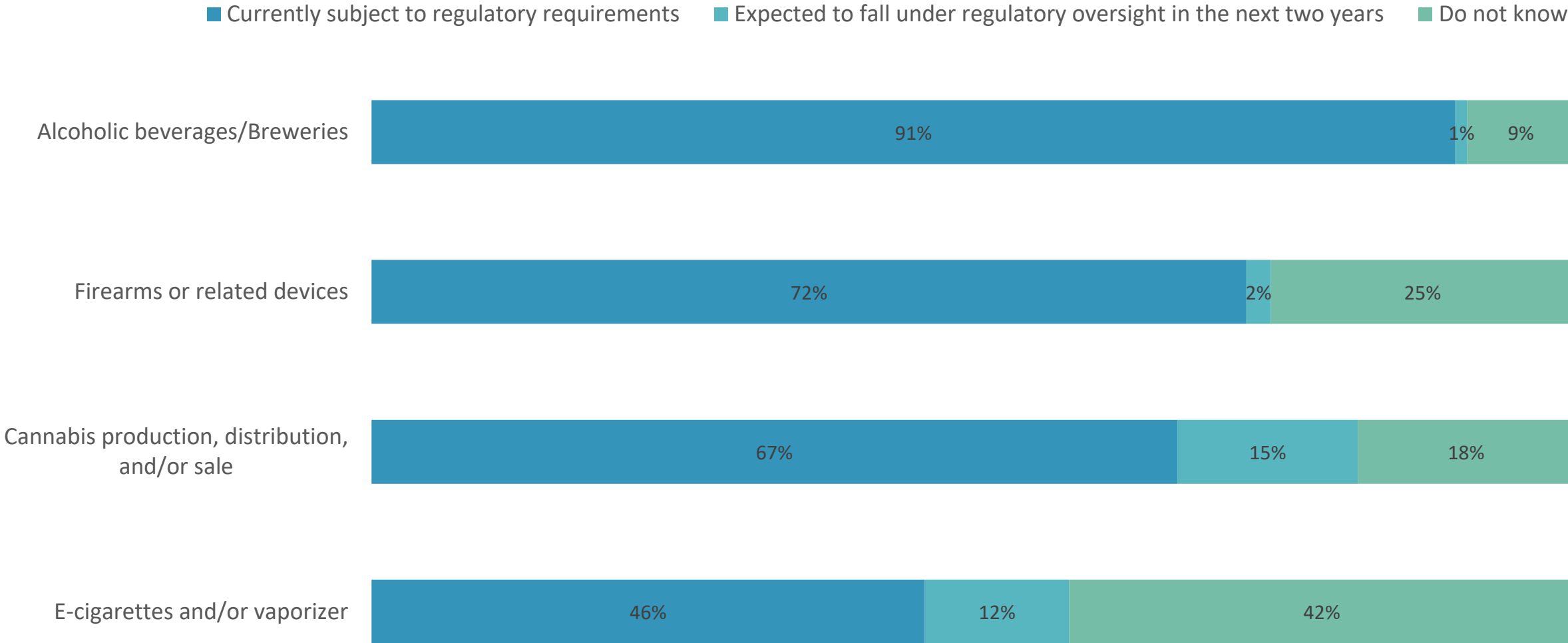
# **Regulations Now and in the Future**

**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

# Looking at the drug and alcohol markets, what products and services are regulated or will be regulated?



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# How are rental markets, products, and services regulated in your jurisdiction?

■ 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



Short-term home rental services, such as AirBnB



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



Short-term auto rental services, such as Zipcar



Bike or scooter sharing services, such as JUMP or BIRD



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



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# How are service and technology markets regulated in your jurisdiction?

■ 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



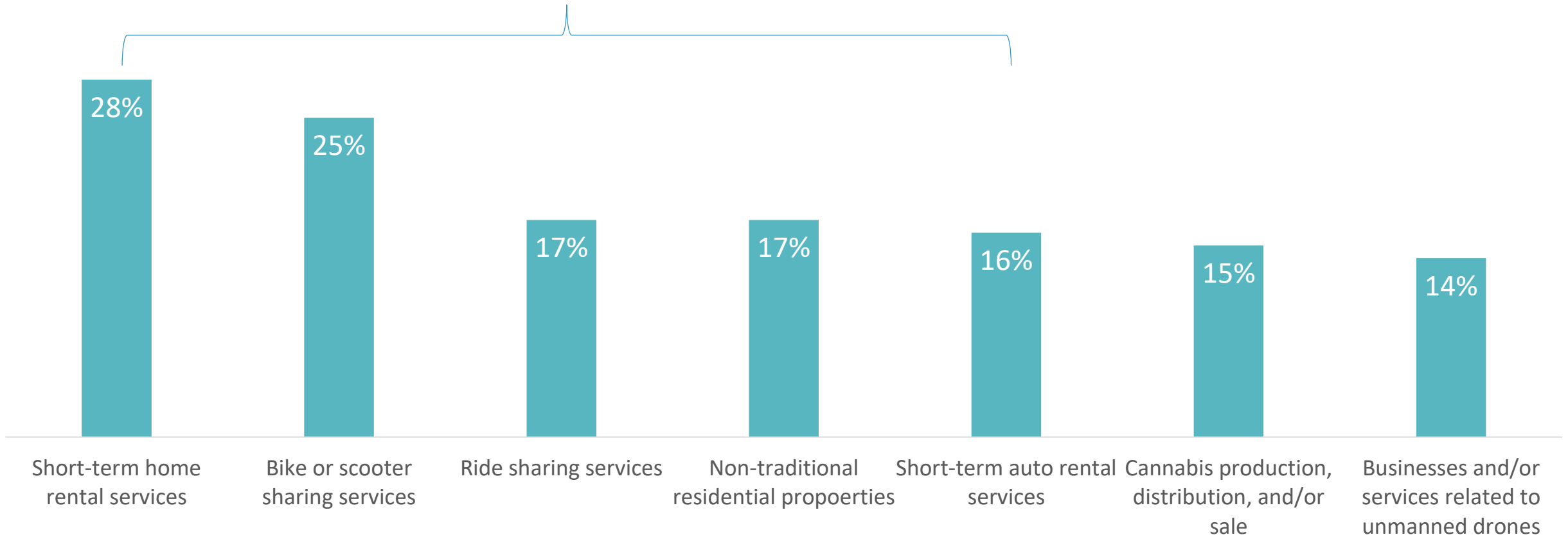
3D printers



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# Top Emerging Regulation Growth Areas

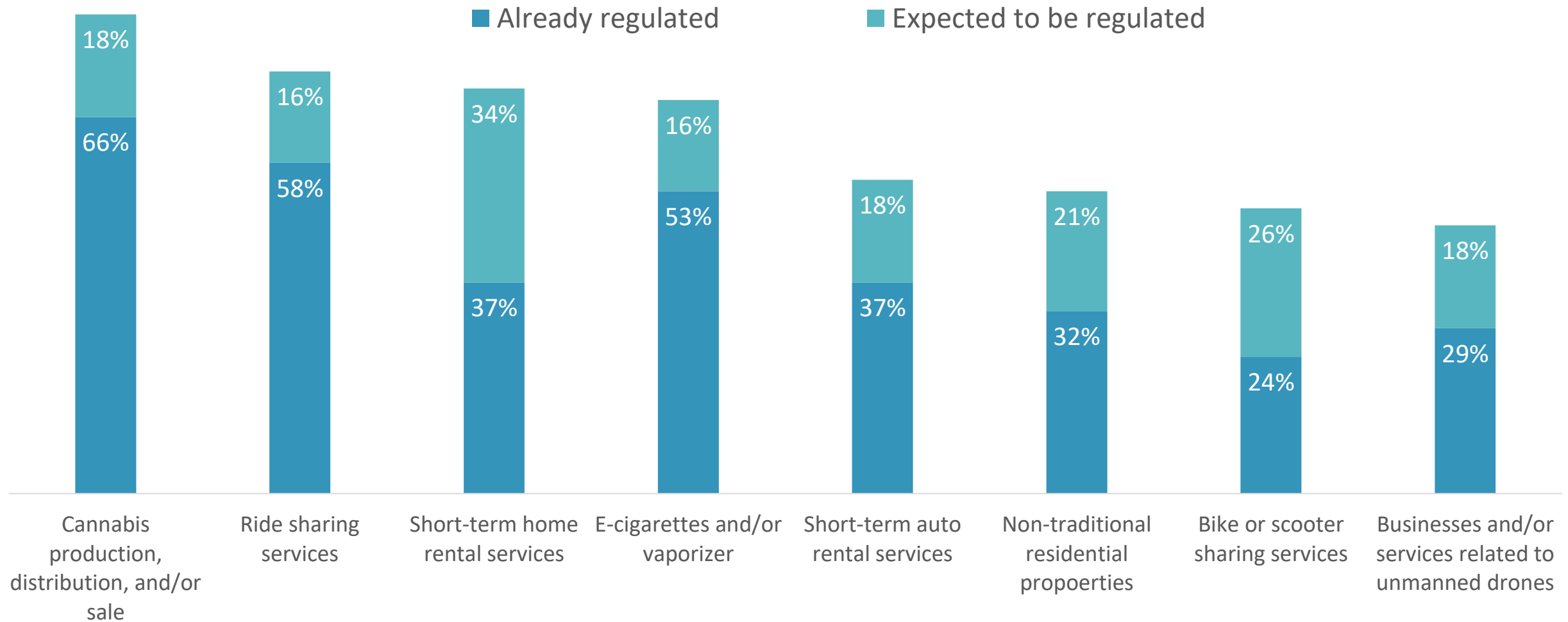
Rented products are most often expected to see increased regulation



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# Legislators' Views on Emerging Regulation



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# How Technology Affects New Areas of Regulation

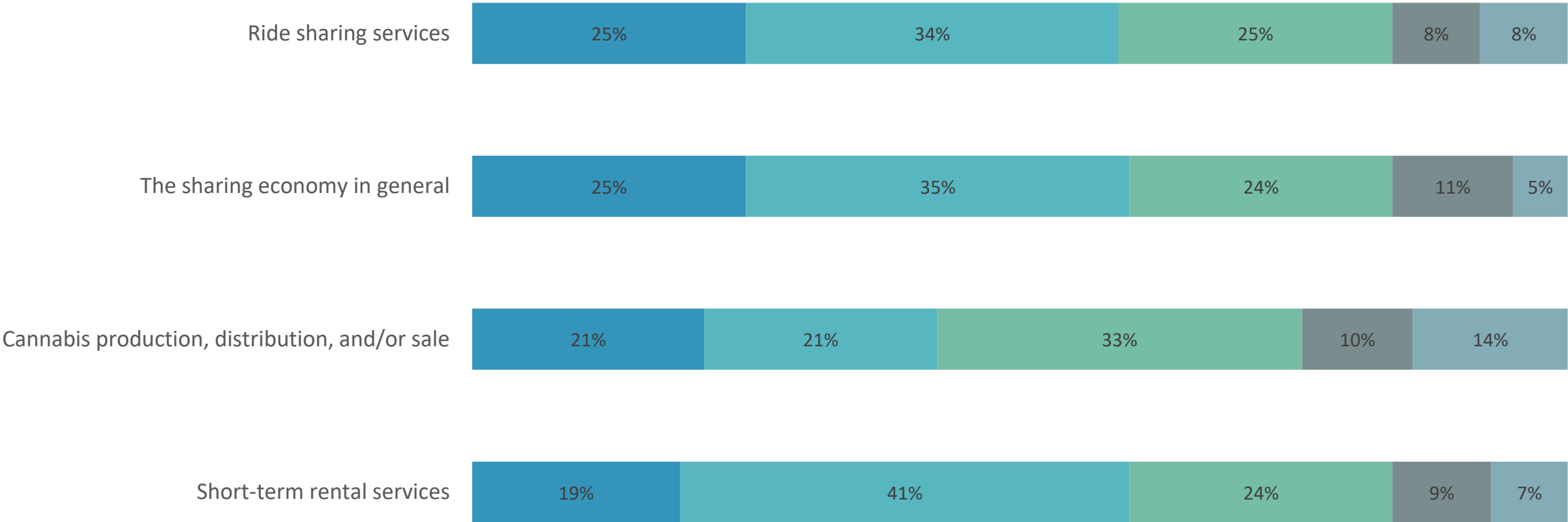
**Perceptions of the role of vendors and technologies**

# 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

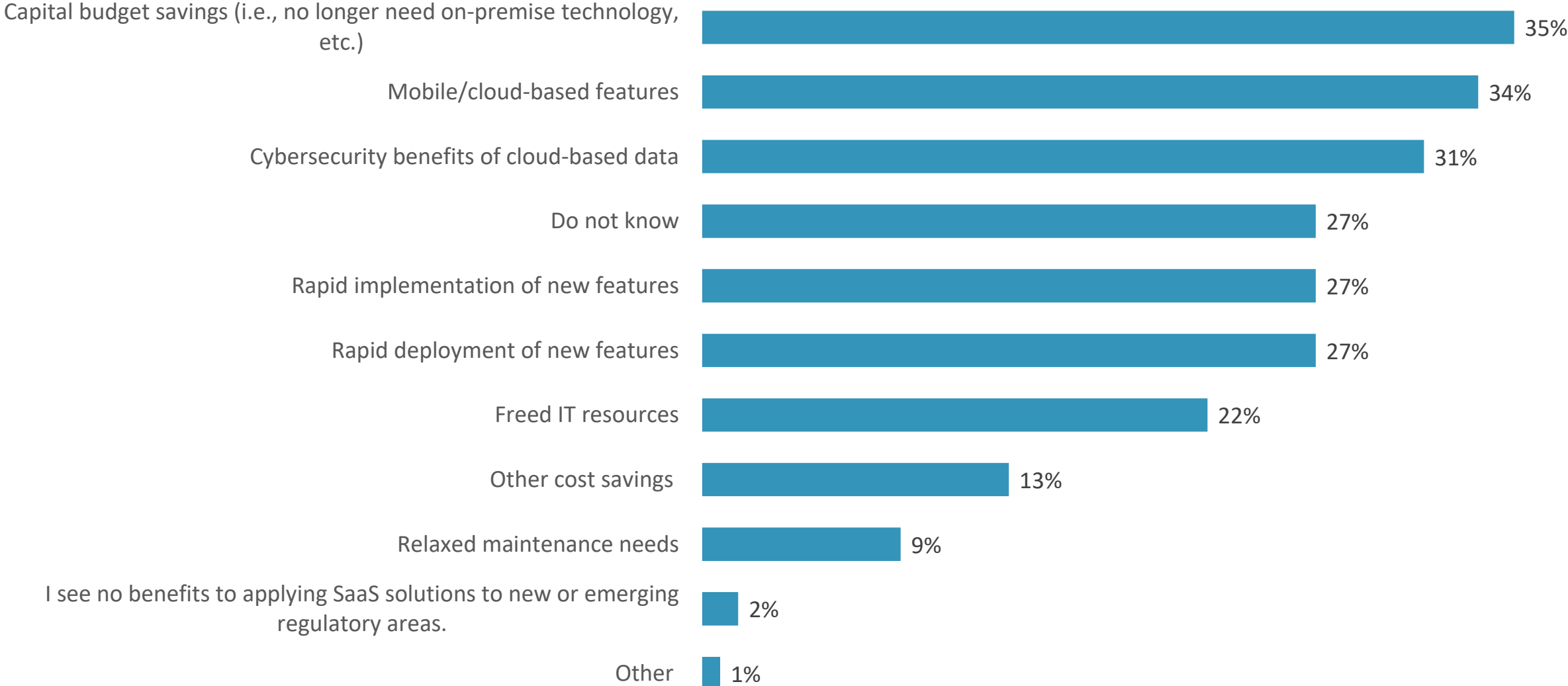
# How important is the role of technology providers when responding to emerging regulations?

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



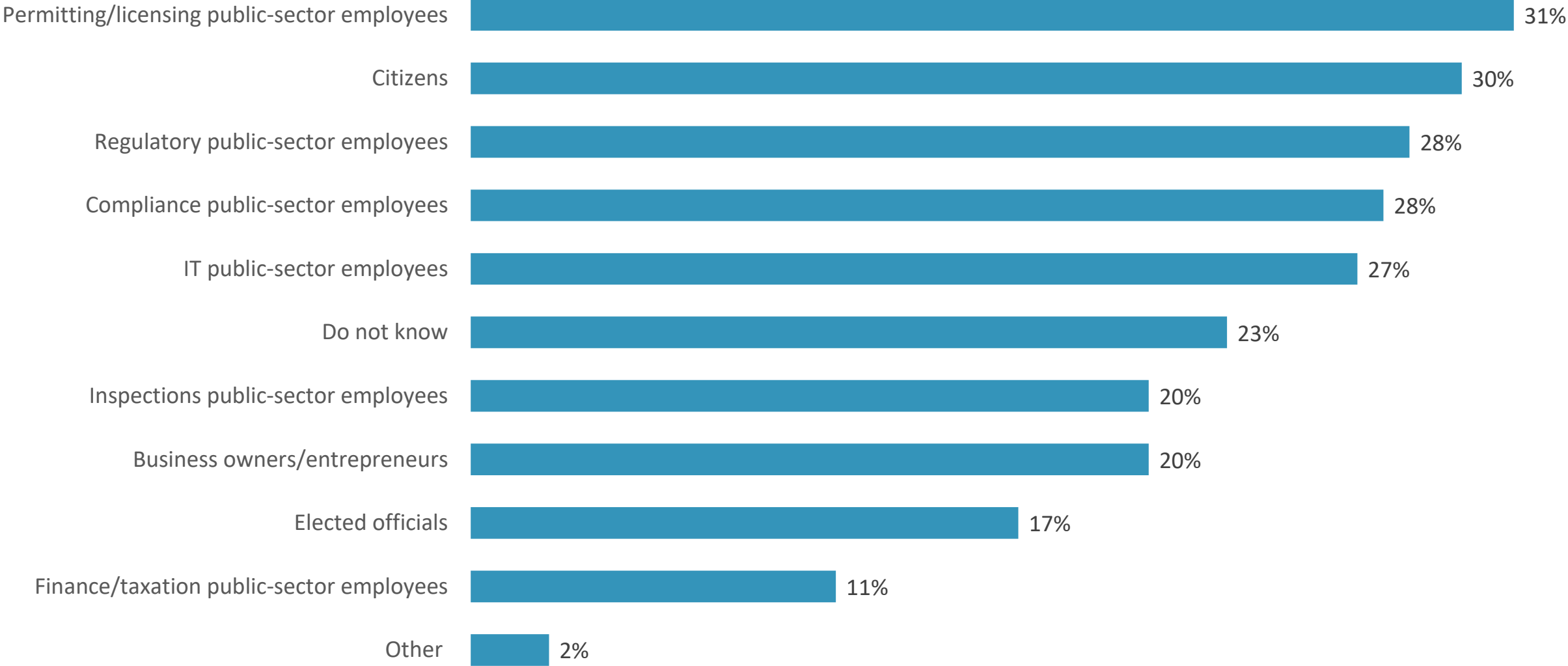
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# Which aspects of Software-as-a-Service (SaaS) solutions do you think would be most beneficial when using technology for new or emerging regulations?



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# Which stakeholders do you believe would most benefit from Software-as-a-Service (SaaS) solutions as applied specifically to new or emerging regulatory areas?



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# How important is agile development in responding to emerging regulations?

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

The sharing economy in general



Ride sharing services



Cannabis production, distribution, and/or sale



Short-term rental services



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# Respondent 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.”

- Respondent

“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.”

- Respondent

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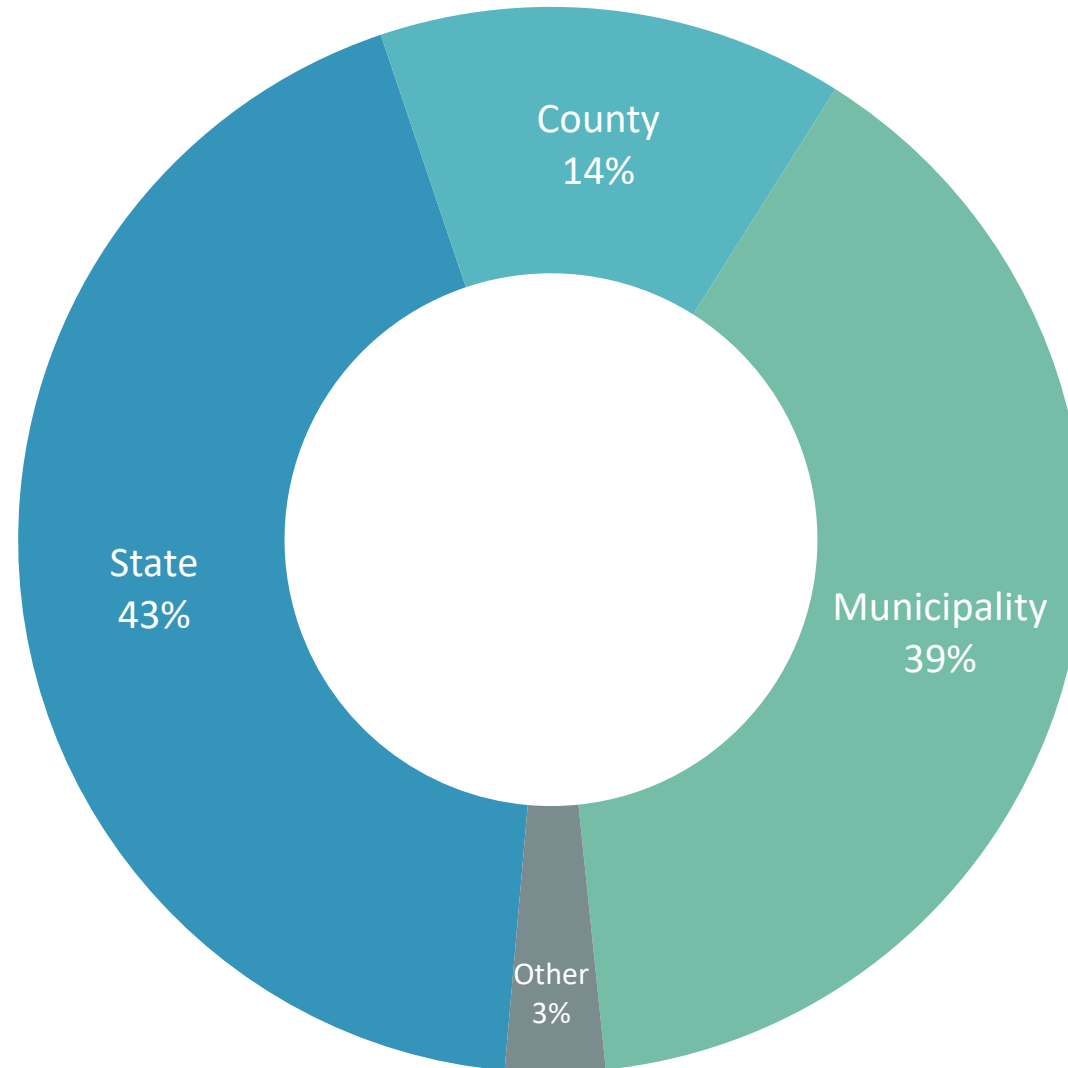
# Key Findings

- ✓ 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

# Appendix

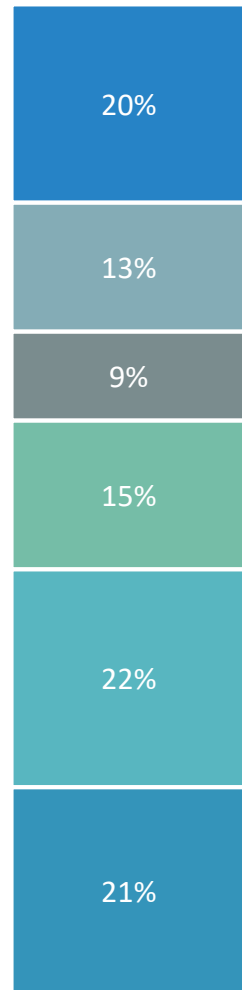
## Survey demographic information

# Level of Government Respondents



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# Responding Jurisdictions

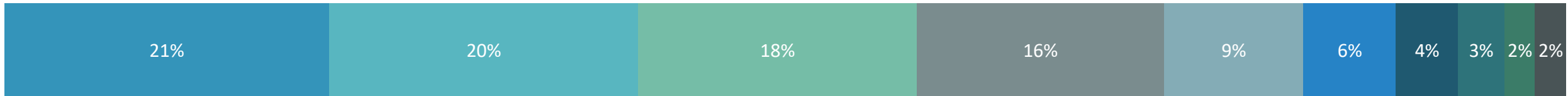


- Greater than 3 million
- Between 1 million and 3 million
- Between 500,000 and 999,999
- Between 250,000 and 499,999
- Between 100,000 and 249,999
- Between 50,000 and 99,999

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

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# 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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