



## **Bureaucracy Busting**

Recently a deer and a state corrections vehicle collided on a narrow, winding road in southern Iowa. Neither survived.

Under normal rules, it would have taken the Department of Corrections 15 months to replace the car. But Corrections is a “charter agency,” so it has the power to waive procurement rules that get in the way of results. It bought a new car in less than a week, at the same price most other state agencies pay after their 15 month waits.



Overall, Corrections’ new ability to waive counter-productive rules has helped it provide work experiences for 50 percent more women inmates while reducing operating costs by \$700,000 a year. Recidivism rates are down as well; 17 percent more probationers are completing their probation successfully.

As anyone who works in the public sector knows, bureaucratic rules—often designed to *save* money—are the biggest cause of waste in government. Unfortunately, the politicians who like to rail about “waste, fraud and abuse” never seem to go after them. If anything, their rhetoric—which usually emphasizes fraud—scares managers into creating more rules, and thus more waste.

But if you want an effective, innovative organization, you have to cut through the thicket of rules and empower your employees to get creative. The best way is systemic reform—of your procurement system, HR and civil service rules, budget system, and the like. Another alternative is to create a review process with the goal of eliminating half of all internal rules and regulations, as the late Florida Governor Lawton Chiles did in 1993. A third is to create charter agencies with the power to waive rules, as Iowa has. See the



Osborne letter for Charter Agencies at:

<http://www.psg.us/resources/osbornecharteragencies.html>

But systemic reform requires legislation, and few state legislators, county commissioners, city council or school board members have much interest in internal reforms. So here's an easier way: Create a "Bureaucracy Buster Panel" with the authority to grant waivers to rules that drive up costs or stand in the way of improved results.

At the Public Strategies Group, we suggest Bureaucracy Buster Panels to many of our clients. Our model is designed to create *demand* for elimination of rules by (a) initiating a highly publicized invitation to employees and managers to challenge needless rules; (b) assuming that the challenged rule will be waived, modified, or eliminated unless the official who authorized it can demonstrate its continued efficacy; and (c) empowering a small panel to review disputed requests for elimination and make final decisions.

### **Identifying Needless Rules**

The process begins with executives, including department heads, leading "Bureaucracy Buster" meetings with large groups of employees to solicit their suggestions of rules (and policies, procedures, paperwork, etc.) that should be modified, waived, or eliminated.

After an introduction to explain the process and give a few examples to jump-start people's thinking, employees develop their ideas in small groups, then report them to the entire group.

At these meetings, department heads should be empowered to immediately eliminate or modify a rule if it applies only to their department. If not, it should be sent to the person who authorized the rule.



You can also create a web page where employees can suggest rules for elimination or modification. In either case, employees should be encouraged to use these criteria in making their suggestions:

- ◆ The rule should be under the control of some level of the government they work for. Rules from other jurisdictions should not be part of this process.
- ◆ Rules that are burdensome to follow, costly to enforce, or that adversely affect cost-effective delivery of services should be targeted.
- ◆ There is (or was) usually a good reason behind every rule. If these purposes are still relevant, employees should be encouraged to suggest alternative, less costly ways of meeting the purposes behind challenged rules.

### **Putting the Authorizer On the Spot**

Unless a department head can eliminate or change the rule, suggestions go immediately to the official responsible for the rule in question. (For example, if it's a statewide personnel rule, it goes to the personnel director. If it's an office-wide paperwork practice, it goes to the person in charge of the office.)

This rule “*authorizer*” might be a front-line manager, a department director, or an official in an administrative support agency. Rule authorizers have 21 calendar days in which to respond to the challenge.

The authorizer can:

1. immediately eliminate the rule;
2. seek more information before acting (with a 14-day deadline for action after they receive the information);



3. waive the rule only for the challenger or class of challengers, perhaps with conditions;
4. modify the rule; or
5. make a case to the Bureaucracy Buster Panel for keeping the rule as is.

Within 30 calendar days of the challenge, the challenger is notified through the web page of the authorizer's decision. Challengers dissatisfied with those decisions can appeal them to the Bureaucracy Buster Panel.

### **Bureaucracy Buster Panel**

The executive (governor, mayor, city manager, etc.) charters this panel to oversee the entire process and make decisions on appeals. The panel has the power to modify, waive, or eliminate any internal rule or regulation, even over the objection of the rule authorizer. The panel should also identify patterns in challenged rules and periodically make recommendations to the executive and legislative body on systemic changes that will reduce costs and improve service.

We usually recommend that the panel be limited to three people and include diverse perspectives: a front-line employee, a supervisor or middle manager, and a senior manager. It should have a full- or part-time staff person for its first year of operation, but the need for staff support should diminish over time.

### **Other Models**

Our model is certainly not the only way to go about eliminating counter-productive rules, as I said above. Systemic reform is better and faster. And we have even seen other models of the Bureaucracy Buster type.



*In 1993, for instance, Minnesota created The Innovation and Cooperation Board to unshackle local governments from state restrictions that hampered performance. Made up of the state auditor, the commissioners of finance and administration, two administrative law judges, and six legislators, the board awarded grants to local governments to develop innovations in public service delivery and also granted three-year waivers from state rules in order to “eliminate perceived barriers to more efficient delivery of public services.” The waiver program was used as a kind of test probe: If a temporary waiver or exemption heightened efficiency or effectiveness, without unintended consequences, the board and local governments worked to have the law changed permanently.*

The board met its demise during the fiscal crisis of recent years, but by 2001 it had approved 36 of 84 waiver requests. Seventeen more were withdrawn because the state agency enforcing the rule allowed the applicant to proceed without a waiver. Twenty-five resulted in new legislation, helping all local governments benefit from the same freedoms.

In 2005 the idea morphed into the “[Cooperative Waiver Process](#),” now administered by the State Auditor, which has resulted in three waivers in its first year. Last May, for instance, Ramsey County sought a waiver from regulations regarding a child care program for teen-aged mothers still in high school.

Many teen mothers qualify for both childcare subsidies and free or reduced school lunches. The income levels required for both programs are similar, yet they require two separate applications. Since some teen mothers were unable or unwilling to go through two separate application procedures—and either dropped out or removed their child from daycare—Ramsey County asked permission to use the same criteria for each application process, essentially consolidating them into one. The State Auditor agreed.



Last year West Virginia passed a “Local Government Flexibility Act,” which operates in similar fashion. It has not yet granted any waivers, however, because all requests have been for waivers from laws, not regulations—and changing a law requires legislation.

Whatever method you choose, the important thing is to make it harder to defend the rule than to waive it. When people complain about “red tape” they’re usually talking about rules. Some rules are necessary, but the vast majority are often relics of a bygone era. If you want results for citizens, get your machete out and start chopping!