



**REMOVING
BARRIERS TO
JOB CREATION
FOR ALL VIRGINIANS**



VISION

*I will eliminate outdated regulations and tear down barriers to entry to foster greater job creation for **ALL** Virginians.*

Ed Gillespie

SUMMARY

As governor, Ed Gillespie will enact meaningful reform to remove barriers to job creation. Ed's policies will make it easier for businesses to grow and thrive.

Our economic growth rate in 2015 was an anemic two percent. Yet that was the first time in five years it was above one percent. In 2014, we were in the bottom ten states in economic growth. Ed knows Virginia can and should be number one in economic growth and job creation.

As governor, Ed will produce the Governor's Economic Growth Plan as required by statute.¹ This comprehensive plan for the economy will lay the foundation for Virginia to again become the best state for business and put a greater focus on start-ups and scale-ups.

For too often and too long, when it comes to economic policy Virginia governors have had a near singular focus on trying to lure Fortune 100 companies to move their headquarters lock, stock, and barrel into Virginia. While Ed will be a relentless marketer of Virginia all across the country and all across the globe, his 'Removing Barriers to Job Creation for ALL Virginians' Plan is part of a broader reorientation of economic development strategy toward more natural, organic growth through small business formation and the expansion of existing businesses in Virginia.

The sweet spot of job creation is when a small business is becoming a bigger business. Ed knows the key to long-term, sustainable job creation and diversification of Virginia's economy lies in unleashing entrepreneurs, innovators and small business owners. Rather than only being "whale hunters," we will grow our own whales. Part of this means listening to local leaders who know their region best. Ed will listen closely to local leadership and experience to again become the best state for business.

While a governor does not directly create private sector jobs, a focused state government has a duty to foster an environment that makes it easier for the private sector to create jobs. Rational regulation is one way to do that, and Virginia is ripe for it.

Virginia is the 11th most broadly and onerously licensed state. It has the eighth most burdensome licensing laws in the country.²

According to a recent analysis from the Mercatus Center at George Mason University, the Virginia regulatory code consisted of 24 titles comprised of over 32,000 unique sections of text. As of 2016, it contained 8.8 million words and 133,094 restrictions.³

It would take an individual 490 hours—over 12 weeks—to read the entire Virginia Administrative Code. That's assuming the reader spends eight hours a day, five days a week reading at a rate of 300 words per minute. And that would be just to read it all, not even to understand it all.

Ed will pursue reforms that simplify and clarify our long, complicated regulatory code. He will eliminate unnecessary barriers to entry and propose changes to our licensing process to make it easier for people to meet the requirements of those we do need in place. Ed will lay out a specific path to more easily start and grow a business, and advance efforts to relieve the burden of excessive litigation against businesses.

1 - <http://law.lis.virginia.gov/vacode/title2.2/chapter2/section2.2-205/>

2 - <http://ij.org/report/license-to-work/ltw-state-data/?state=va>

3 - <https://www.mercatus.org/publications/snapshot-virginia-regulation-2016>

STAND UP FOR VIRGINIA AND ITS JOB CREATORS

Our Founders created checks and balances on Federal power not only through three separate and equal branches of Federal Government, but also a Federalist system in which the states serve as a check on Federal Government overreach. Under the current Administration, Virginia's state departments and agencies have too frequently acted as extensions of Federal departments and agencies rather than checks on them. A Gillespie Administration would stand up for Virginia's prerogatives in our Federalist system when the Federal Government exceeds its authority under Article 1, Section 8 of the U.S. Constitution, and will defend the rights of Virginia and its people under the 9th and 10th Amendments.

→ **OVERHAUL THE CURRENT OFFICE OF INTERGOVERNMENTAL AFFAIRS AND FOCUS ITS MISSION ON FEDERALISM**

Ed will repurpose the existing Virginia Office of Intergovernmental Affairs in Washington, D.C., into the Virginia Office of Federalism, directing it to engage with the U.S. Congress and Federal departments and agencies on behalf of Virginia to advocate for the repeal or modernization of excessive regulations that breach state prerogatives or unnecessarily hinder job creation without tangible benefit. This office will advocate to and collaborate with the White House Office of Management and Budget, Virginia's Congressional delegation and Virginia businesses to prevent and repeal federal regulations that stifle Virginia's economy with little or no public benefit. Ed will lead a coalition with like-minded governors in order to speak with a unified voice.

→ **IDENTIFY AND REPEAL FEDERAL REGULATIONS MOST HARMFUL TO VIRGINIA'S ECONOMY**

The Gillespie Administration will hear from and act on recommendations from Virginia businesses to ensure federal regulations most harmful to Virginia are prioritized for repeal as part of the federal regulatory reform agenda. Ed will work to reduce burdensome regulations on Virginia businesses and swiftly identify rules coming down the federal regulatory pipeline with a potential to harm Virginia's economy. He will utilize Virginia's fast track repeal process to accomplish this.

→ **SUPPORT VIRGINIA BUSINESSES IN DEALING WITH COSTLY LITIGATION**

Virginia has slipped in the legal climate rankings relative to other states. Ed will work with the Virginia Chamber of Commerce's Institute for Legal and Regulatory Reform and others to relieve Virginia businesses of the costs of excessive litigation while ensuring legal protections for workers and consumers.

REFORM

VIRGINIA'S REGULATORY CLIMATE

As governor, Ed Gillespie will reform Virginia's regulatory climate.

-  **TWO-FOR-ONE REGULATION POLICY**

Ed will require agencies to repeal or modernize two regulations for every new one implemented (with appropriate consideration for emergency regulations or health/safety regulations). A promise to reform Virginia's regulatory code must begin with a bold proclamation of policy. The two-for-one regulation policy will create a more fair administrative code by weeding out antiquated regulations.
-  **REGULATORY "RED FLAG"**

Ed will provide businesses and concerned citizens the ability to 'flag' an overly burdensome or costly regulation. If more than ten percent of those subject to a regulation submit a 'red flag' the Administration will direct a review and policy response within 90 days. Hard-working Virginians will not only have a say when regulations are too burdensome, but a commitment from a Gillespie Administration to respond in a timely manner.
-  **MEANINGFULLY ENGAGE PUBLIC COMMENT**

A Gillespie Administration will host public forums across Virginia to enable business and community leaders to identify costly regulations. Ed understands the value in hearing directly from men and women across the Commonwealth and he will direct his administration to be sure that Virginians have the opportunity to share their insights.
-  **EMPOWER AND TRAIN APPOINTEES TO SPOT HARMFUL REGULATIONS**

Ed will require the training of cabinet secretaries and agency heads on procedures to conduct regulatory analyses so that costly regulations are not rushed through before a full accounting of their impact on business and individuals.

REFORM

VIRGINIA'S REGULATORY CLIMATE



IMPROVE THE ECONOMIC ANALYSIS OF PROPOSED REGULATIONS

In keeping with his commitment to evidence-based policy making, Ed will propose improvements to determine whether a proposed regulation will have a net positive or negative economic impact on Virginians. He will ensure processes are in place to avoid placing more regulations on those industries already sufficiently (or excessively) regulated.

Ed will adopt Delegate Margaret Ransone's recent proposal to require the Department of Planning and Budget when preparing an economic impact analysis to also determine the cumulative impact of the proposed regulation, taking into account the impact of any other proposed or final regulation on the businesses or other entities to which the regulation being analyzed would apply.⁴ For example, an additional regulation may cost \$100,000 in economic activity, but if the industry is already regulated to the tune of \$16 million per year, then maybe we need to more closely review the extra \$100,000.



APPLY THE TSA PRE-CHECK MODEL TO BUSINESS REGULATION

Most agencies today collect data from businesses in an inefficient and outdated way, only utilizing limited information collection processes, and there is no significant collaboration between agencies. Ed will instruct the Secretary of Technology to devise a secure and tested method to better coordinate data information when businesses interact with state government. This effort will identify ways that agencies can develop coordinated applications rather than each agency using a different mechanism to ask for the same information.

By following the TSA Pre-Check model we will ensure a more fluid and cost-effective process by which companies interact with agencies. Businesses will be able to opt-in, in the case they prefer the current method.



CODIFY REGULATORY REVIEW

Legislation patroned this year in the General Assembly by Delegate Scott Lingamfelter would have required agencies to develop regulations in the least burdensome and intrusive manner possible and provided guiding principles for the development, adoption, and repeal of regulations. The bill would have required each agency to establish a schedule over a 10-year period for the review of all regulations for which the agency is the primary responsible agency. Unfortunately, Governor McAuliffe vetoed this commonsense legislation. Each Governor issues an Executive Order that outlines the periodic review timeline (usually six years) and the "least burdensome" requirement, this bill would have codified a minimum review and enshrined important state policy. Ed would sign this bill into law.



SUPPORT LEGISLATIVE REVIEW OF RULES

Ed will support the proposed constitutional amendment to grant the "General Assembly the authority to review any administrative rule to ensure it is consistent with the legislative intent of the statute that the rule was written to interpret, prescribe, implement, or enforce." This commonsense measure will provide Virginians an important check on executive overreach.

4 - <http://lis.virginia.gov/cgi-bin/legp604.exe?161+sum+HB898>

REFORM OCCUPATIONAL LICENSING

Ed Gillespie will reform occupational licensing processes to tear down barriers to entry in the marketplace and ease excessive burdens on entrepreneurs.

-  **ESTABLISH SUNRISE REVIEW TO REDUCE UNNECESSARY LICENSING**
As governor, Ed will support legislation to set up a process to review any new occupational licensing schemes. The legislation will require a study to determine whether regulating a profession or trade would protect the health, safety, and welfare of Virginians. By requiring that the need for newly proposed professional and trade regulations be evaluated prior to adoption, this process will make it harder for marketplace incumbents to erect barriers to entry for the purpose of limiting new competition.
-  **REDUCE EXCESSIVE REQUIREMENTS FOR LICENSING**
Becoming a barber or a cosmetologist in Virginia requires the completion of 1500 hours, over nine months, of training. As governor, Ed Gillespie will propose legislation to limit the ability of regulatory boards to impose excessive requirements and penalties for licenses. He will direct the Department of Professional and Occupational Regulation (DPOR) to compare Virginia's occupational requirements to other states to determine if any of Virginia's requirements are comparatively burdensome. Finally, he will look for ways to completely deregulate professions where there is no harm to the public or consumers.
-  **SUPPORT HIGHLY TRAINED RETIRED MILITARY AND APPRENTICES**
As governor, Ed will ensure that military experience is considered as qualifying for obtaining an occupational license. Legislation passed and signed by Governor Bob McDonnell provided military personnel, veterans and spouses certain flexibility in securing professional licenses. Ed will support legislation to waive the first year fee for veterans applying for an occupational license.
-  **ENSURE FAIR CITIZEN REPRESENTATION ON REGULATORY BOARDS**
Regulatory boards should be made up of a broader array of citizens with diverse backgrounds - and not just industry insiders. Hard working Virginians in a given regulated population deserve to be fairly represented on the regulatory board of that population. Ed will direct DPOR to devise methods for ensuring fair representation on professional regulatory boards.

STREAMLINE BUSINESS FORMATION

As Governor, Ed will make it is easier to open and grow a business in Virginia.

-  **ESTABLISH A SMALL BUSINESS CABINET**
Ed will sign an executive order to establish the Small Business Cabinet to directly advise the Secretary of Commerce and Trade on the business formation process, reduce paperwork and improve government's responsiveness to small business.
-  **REDUCE THE COST OF DEALING WITH GOVERNMENT BY 50 PERCENT**
One of the biggest pain points for businesses is the cost of compliance. The inability of governments to provide businesses a seamless experience across agencies leads to frustration as they have to start from scratch each time they have to work with a new government entity. Ed will lead an effort to streamline businesses' interaction with government and reduce direct and indirect costs by 50 percent. He will do this by improving collaboration between agencies, simplifying the permitting process and prioritizing digital services. Ed will report progress on the Governor's website to monitor results and accountability over four years.
-  **CREATE MODEL LOCAL BUSINESS LICENSING POLICY**
Many individuals and businesses deal with licensing on both the local and state levels, and many small businesses interact with more than one locality. Currently, local licensing is a patchwork of time frames, requirements, and paperwork. As governor, Ed will work with the General Assembly to develop a Model Local Licensing Policy. Localities may choose to adopt the model licensing protocols and processes, or not, but the establishment of a model policy will provide individuals and businesses more consistency across local governments and make localities that adopt the model more attractive to start-ups and expansions.
-  **UPDATE AND IMPROVE THE COMMONWEALTH'S BUSINESS ONE STOP PORTAL**
Ed's Secretary of Commerce and Trade will begin work immediately with the State Corporation Commission to allow a business to complete all business formation steps in one place - the Business One Stop Portal.⁵ The McAuliffe-Northam Administration has spent so little time making Business One Stop work the website still includes the old logo of an agency eliminated four years ago!
-  **ONCE ONLY SOLUTIONS POLICY**
Ed will seek solutions to solve a major problem businesses face when dealing with state government, namely the need to provide the same information for each new encounter with various agencies. This problem can be addressed using a secure, confidential system that connects state government information.⁶ Such a system would eliminate the constant reentry of duplicative information and would be optional.

For example, if a small business faces a problem related to both the Virginia Department of Taxation and the Virginia Department of Agriculture and Consumer Services, this policy will ensure that a small business owner will only have to present the facts of the problem once and not be forced to re-explain the problem over and over as the Commonwealth seeks to resolve the issue at hand. Delegate Scott Garrett championed a "clipboard" policy to solve the same problem. Virginia can improve the experience, but we need a governor to prioritize this commonsense policy.

5 - <http://businessonestop.virginia.gov/>

6 - Delivering on Digital: The Innovators and Technologies That Are Transforming Government

SUPPORTERS

“I like Ed’s regulatory policy. I know this regulatory reform can be accomplished. When I was Governor, we reviewed every Virginia regulation. After 4 years, 71% of Virginia’s outdated, redundant or excessive regulations were repealed or amended. I know that 20 years later there are similarly better ways to ensure clean water, land and air and safe workplaces. With this plan, Ed Gillespie has again demonstrated his seriousness and ability to foster a business-friendly regulatory environment to spur job creation in Virginia.”

GOVERNOR GEORGE ALLEN

“I am impressed by Ed’s comprehensive plan to eliminate barriers to job creation and small business growth. He understands that we need to make it easier to start and grow a business. His detailed proposal will help all Virginians by creating a stronger, faster-growing economy.”

SPEAKER BILL HOWELL

“Ed Gillespie’s plan provides a commonsense blueprint for removing barriers to job creation. Ed understands that the free market is the most powerful force for opportunity and job creation, and his plan will put Virginia on a new course toward greater prosperity.”

SENATE MAJORITY LEADER TOMMY NORMENT

“When governors focus on creating a pro-business environment, instead of only attracting a handful of major companies, the state’s economy will thrive. Virginia needs Ed Gillespie as our next governor to set the conditions necessary for our small businesses to create good-paying private sector jobs.”

SPEAKER-DESIGNEE M. KIRK COX

“The ‘Removing Barriers to Job Creation for ALL Virginians’ is yet another thoughtful plan from Ed Gillespie to put Virginia back on the right path. Ed will continue to release bold policy proposals in the coming months. All Virginians will benefit from Ed’s pro-growth policies.”

POLICY LEADERSHIP TEAM CO-CHAIR SENATOR MARK OBENSHAIN

“Encouraging job creation and growth has always been my number one priority, but we need a governor who also makes it a top priority. Virginians need someone who understands and can put forward pro-business policies to help businesses thrive and create the jobs we need. Ed will get Virginia’s economy growing again.”

JOBS AND ECONOMIC GROWTH WORKING GROUP CO-CHAIR DELEGATE DANNY MARSHALL

SUPPORTERS

“Over 40 states are better focused on the heavy hand of government regulation on our citizens and businesses. We can do better. With Ed Gillespie’s leadership as governor, we will do better. Ed’s plan will create a more sensible regulatory environment that promotes small business formation and expansion. That’s the best way to create the jobs we need in Southside and across Virginia.”

JOBS AND ECONOMIC GROWTH WORKING GROUP CO-CHAIR SENATOR FRANK RUFF

“I’m proud to support Ed’s commonsense plan to reduce burdens on small business. Virginians should be impressed with Ed’s vision.”

GOVERNMENT REFORM AND EFFICIENCY CO-CHAIR DELEGATE STEVE LANDES

“As governor, Ed Gillespie will focus on the fundamentals of governing, including improving our regulatory and licensing climate. He is committed to creating a pro-business environment that will make our Commonwealth more prosperous for all Virginians.”

GOVERNMENT REFORM AND EFFICIENCY CO-CHAIR SENATOR GLEN STURTEVANT

“As an entrepreneur, I know that bureaucratic red tape is one of the biggest hurdles small businesses face when working to grow their business and create jobs. Ed is the right person to transform Virginia’s regulatory system and foster an environment that will allow small businesses to thrive. As a serial entrepreneur himself, Ed knows first-hand what it takes to grow small businesses and our economy. I can’t wait until he’s in office and this exciting plan is online and in action!”

CAMPAIGN CHAIRMAN PETE SNYDER

“Ed’s a small business owner himself, so he understands better than anyone how government over-regulation makes it difficult for us to grow our economy. I know this detailed blueprint is just the start. He’ll work tirelessly to get government out of the way, and he has my support.”

DR. NANCY DYE