



Commonwealth of Virginia
Office of the Governor

Executive Order

NUMBER THIRTY-NINE (2024)

PROMOTING TRANSPARENCY AND EFFICIENCY IN PERMITTING AND LICENSING

By virtue of the authority vested in me as Governor of the Commonwealth, I hereby issue this Executive Order to ensure our Commonwealth supports the thousands of Virginians applying for permits, licenses, certifications, registrations, and other forms of agency approval.

Importance of the Initiative

In 2022, I established the Office of Regulatory Management and the Office of Transformation to improve government efficacy and efficiency to further ensure Virginia is the best place to live, work, and raise a family. In the few years since then, much progress has been achieved through both offices.

The Office of Regulatory Management (ORM), which was created by Executive Order (EO) 19, was tasked with modernizing the regulatory and permitting processes in the Commonwealth. Since its creation in June 2022, it has made great strides both in modernizing regulations in order to alleviate burdens on Virginia citizens and promoting regulatory transparency. As part of EO 19's directive to reduce regulatory requirements by 25%, agencies have now eliminated or streamlined over 50,000 regulatory requirements and saved Virginia citizens over \$1.2 billion. ORM has also implemented reforms that have created a far more transparent regulatory process. As a result of these efforts, 100% of all regulatory actions (including those that otherwise are exempt from the Administrative Process Act) and guidance document changes are now posted on the Virginia Regulatory Town Hall website and accompanied by a cost-benefit analysis.

The Office of Transformation was directed in Executive Order 5 to enable Secretariats and their agencies to deliver a great customer experience to Virginians. In less than three years, the Office of Transformation jump-started unprecedented transformation in customer service, operational streamlining and performance, and cross-agency program improvements. At the Department of Motor Vehicle (DMV) service centers, customer wait times were cut by more than 70% for the 3.5 million Virginians who annually frequent DMV from 37 to 10 minutes. At the

Virginia Employment Commission (VEC), over 1.3 million unemployment work items were eliminated, and VEC went from being last and third from last in U.S. Department of Labor national timeliness rankings to top 20 in the two key metrics (first pay timeliness and timeliness payments). Through critical cross agency initiatives, the Office of Transformation enabled radical improvements in support for those with critical mental health needs (*Right Help, Right Now*) and those reentering society following incarceration (*Stand Tall-Stay Strong-Succeed Together*).

ORM and Transformation also partnered to improve Virginians' experience in another critical area. From Day 1, a major focus of my Administration has been achieving a "streamlining of the regulatory/permitting approval processes of all agencies to achieve a substantial shortening of the time required for an approval [or rejection]."¹

Each year, Virginia agencies issue more than 400,000 permits, licenses, certifications, registrations, and other forms of agency approval ("approvals"). This includes over 600 different types of approvals. These are in addition to the almost 3 million traditional driver's licenses and gaming licenses issued annually.²

Issuing approvals is a critical function undertaken by our state government. These approvals implement important safeguards to protect our Commonwealth's public health, safety, and welfare. For example: restaurant permits ensure that citizens are served safe and high-quality food when dining out; environmental permits prevent land degradation and promote a safe drinking water supply; professional licenses guarantee that teachers, nurses, contractors, and other skilled practitioners possess the necessary skills to undertake their chosen occupation.

Unfortunately, too often we do not ensure Virginia businesses and residents have a great customer experience when applying for approvals. Receiving an approval in a timely manner can make the difference between success and failure. Time spent waiting for an approval is time that could otherwise be spent building houses, teaching students, or undertaking hundreds of other productive activities. In FY2024, it took on average 10 days to process completed approval applications resulting in over 11,000 years of waiting. Reducing waiting times by 10% would result in Virginians waiting 1,100 years less annually. That freed-up time includes Virginians getting to work earlier with their professional licenses, development completed earlier for housing, and major projects achieved earlier to address critical infrastructure. And it would save Virginians millions of dollars by allowing them to undertake productive activities more quickly.

In addition, the process for issuing approvals often fails to take advantage of 21st century technology. Many agencies still rely on paper processing and the approval process can often be opaque, with applicants unable to determine how long it will take to receive an approval or track

¹ See Executive Order 19.

² This figure included 1.7 million DMV licenses and identification cards and 1.1 million hunting and fishing licenses.

the status of their application. This can stifle business development, result in lower rates of compliance, and discourage investment in our great Commonwealth.

Virginia's government owes its citizens the assurance they can receive approvals efficiently and transparently.

Preamble

In January 2022, I tasked the Department of Environmental Quality (DEQ) to pilot an innovative system for tracking its permits. The pilot system went live on December 1, 2022. Since that time, DEQ has partnered with five additional agencies and the Virginia IT Agency (VITA) to include virtually all permits of public interest. This expanded tracking system, which is referred to as Virginia Permit Transparency (VPT), covers over 100,000 applications issued per year across six agencies (DEQ), the Department of Energy (Energy), the Marine Resources Commission (VMRC), the Department of Transportation (VDOT), the Department of Health (VDH), and the Department of Conservation and Recreation (DCR)).

Now that these permits are available online, the participating agencies can turn to tracking and improving processing times. Over the past two years, DEQ has managed to improve its permit processing time by 70% using the Permitting Enhancement and Evaluation Platform pilot program. DEQ estimates that the improved processing time saves Virginia citizens up to \$40 million per year. The other five agencies are now assessing their review times and looking for ways to expedite their processes.

Also at the beginning of 2022, I instructed the Secretary of Labor and the Department of Professional and Occupational Regulation (DPOR) to resolve their critical backlog in applications. DPOR averaged 33 business days to process licensing applications, with its three main boards, Contractors, Real Estate, and Barbers and Cosmetology, experiencing even longer durations.

DPOR took a comprehensive approach to tackling this issue, by (1) establishing metrics and dashboards for tracking durations; (2) mapping each component of the application process and associated expected timelines; and (3) setting a goal of reducing average durations by 30 days by 2026. In addition, DPOR reorganized its teams to spur collaboration across license types and used a sprint structure to drive short-term deliverables enabling the overarching goal. As of July 1, 2024, DPOR reduced its average durations by 85% to five business days, with an estimated annual economic benefit to Virginia's economy of \$179 million.³ DPOR also prioritized a re-platform of its licensing system to digitize application submissions and further automate the processing of applications.

³ Each business day provides around \$200/day in additional income generated based on average income data. Multiplying \$200/day by 32,000 approvals in FY24 by the 28-day reduction in processing times results in \$179 million.

Because of these efforts and the importance of improving Virginians' experience with their state government, I also requested an inventory of all approval types across agencies, including annual volume of issued approvals and average processing times. The results of this effort highlighted the opportunity for further action.

This Executive Order builds upon these efforts in four ways:

1. It directs agencies to provide additional data on the approvals they issue by December 13, 2024.
2. It directs agencies to improve the process for issuing approvals in up to four ways:
 - a. Eliminating obsolete approvals;
 - b. Including approvals involving multiple steps on VPT;
 - c. Reducing approval processing times⁴ through streamlining; and
 - d. Digitizing and enhancing the user experience for the approval application process.
3. It directs agencies to submit their improvement plans by December 13, 2024.
4. It directs agencies to report on their achievements by January 31, 2025, and then quarterly thereafter.

Directive

Accordingly, pursuant to the authority vested in me as Chief Executive Officer of the Commonwealth and pursuant to Article V of the Constitution of Virginia and the laws of the Commonwealth, I hereby direct all relevant agencies to take the following actions:

I. Report on agency approvals

Each agency shall report the following information for each type of approval it issues to its relevant Secretariat and the Office of the Governor, through the Office of Regulatory Management, by December 13, 2024:

1. The total number of applications processed annually;
2. The average processing time for each type of approval;
3. Any fees or charges associated with the approval;
4. Any involvement of other federal, state, or local government subdivisions in the approval process, including the average duration of the processing time by each such government subdivision;

⁴ Processing time defined as the time after application for approval submitted.

5. A citation to the statute or regulation that mandates the issuance of each approval; and
6. Information on whether the application, fee payment, and relevant details for each approval can be completed online.

II. Remove obsolete and unnecessary approvals

In FY2024, there were 87 approval types that had an annual volume of only one (41) or zero (46). Such approvals may no longer be necessary.

All relevant agencies shall identify and catalog low-volume approvals and submit a report to the Office of the Governor through the Office of Regulatory Management. This report shall include (i) a recommendation as to whether each low-volume approval should be eliminated; and (ii) an indication of whether the authority for each such approval is statutory, regulatory, or administrative.

If an agency determines that a low-volume approval should be eliminated, and the authority for issuing such an approval is permissive (e.g., lacks a statutory or regulatory basis), the agency shall notify the Office of the Governor through the Office of Regulatory Management that the issuance of the approval shall cease.

In cases where eliminating a low-volume approval requires regulatory authority, the agency shall coordinate with the relevant Secretariat and the Office of Regulatory Management to initiate the regulatory reduction process as outlined in Executive Order 19.

Where a low-volume approval is required by statute, the agency shall coordinate with the relevant Secretariat and the Office of the Governor, through the Office of Regulatory Management, to identify the necessary statutory changes and any additional conditions required to eliminate the approval.

III. Publicize application, review, and approval process

Relevant agencies shall identify and catalog approvals that meet the following criteria (i) the approval process has a target processing time of 15 or more days; and (ii) the approval involves more than one procedural step (including steps inside or outside of the relevant agency).

Agencies shall collaborate with VITA to validate identified approvals' fit with VPT and develop a work plan for incorporating those approvals into VPT by December 13, 2024. All qualifying approvals shall be incorporated into VPT no later than April 30, 2025.

IV. Improve processing times through operational streamlining

All relevant agencies shall certify to the Office of the Governor through the Office of Regulatory Management by December 13, 2024, that, for each approval under their purview, the agency has:

- Assigned an agency owner or assignee responsible for each type of approval;
- Mapped the process for each approval;
- Implemented a system to track application durations, either through a live dashboard, such as VPT, or other tracking mechanism; and
- Established a standardized intra-agency process for application review and approval.

Agencies shall submit to the Office of the Governor through the Office of Regulatory Management, by December 13, 2024, their strategy to simplify existing approvals. This strategy shall include efforts to reduce complexity by:

- Reducing the number of procedural stages in the approval process; and
- Converting individual permits (which involve case-by-case evaluations and more extensive procedural requirements) to general permits (which are more standardized and streamlined), where permissible by regulatory, statutory, or administrative authority.

Agencies are encouraged to prioritize these efforts for high impact approvals.

V. Improve and standardize the front-end customer experience

Agencies shall work in coordination with the Virginia Information Technology Agency (VITA) to enhance the applicant experience for all approvals by digitizing processes for (i) submitting applications, phasing out partially or wholly manual processes; (ii) processing fees digitally; and (iii) addressing incomplete or missing background information online.

Agencies are encouraged to utilize standardized technology solutions to digitize the application process and facilitate faster, more cost-effective, and sustainable processing.

VITA shall provide agencies with standardized offerings for online application submission, payment processing, and website modernization, where possible.

Agencies shall collaborate with VITA to develop a strategy and timeline to address any identified gaps in the digitization process. Such a plan shall be finalized by December 13, 2024, and submitted to the Office of the Governor through the Office of Regulatory Management.

VI. Further directive

The Office of Regulatory Management shall provide standardized forms for agencies to use in reporting the required information. Agencies shall report on their metrics and achievements by January 31, 2025, and then quarterly thereafter to the Governor.

The Office of Regulatory Management, in coordination with the relevant Secretariats, may request updated reports to ensure compliance with this Executive Order or any amendments thereto.

VII. Definitions

For purposes of this Executive Order:

“Agencies” refers to all executive branch agencies, including agencies with regulations that have a full or partial exemption from either Article 1 or Article 2 of the Administrative Process Act with the exception of institutions of higher education.

“Applicant” is the individual, entity, or any collection thereof submitting an application or seeking an approval.

“Approval” refers to a permit, license, certification, registration, or any other instrument that a regulated party must obtain from an agency prior to engaging in a particular activity.

“Average duration” means the amount of time that an agency takes to fully process any given approval application, measured as of the previous year.

“High impact approval” means any approval that either (i) has an average processing duration of ten or more days and for which more than one hundred applications are received annually or (ii) has an average processing duration exceeding forty-five days.

“Low-volume approval” means any approval issued by an agency with five or fewer issuances per year.

“Office of Regulatory Management” carries the same meaning as set forth in Executive Order 19.

“Procedural stage” means a step in the approval process where a permit or license application is transferred or reviewed by an agency owner or designee, whether within the agency, involving another state agency, or an external agency, including federal or local government subdivisions.

Effective Date

This Executive Order shall be effective upon its signing and shall remain in force and effect unless amended or rescinded by further executive order or directive. Given under my hand and under the Seal of the Commonwealth of Virginia this 18th day of October, 2024.



Glenn Youngkin
Glenn Youngkin, Governor

Attest:

Kelly Gee
Kelly Gee, Secretary of the Commonwealth