James M. Jeffords Center's
Vermont Legislative Research Service

Bureaucratic Efficiency and the Cost of Red Tape

This report offers a comprehensive approach to the concept of Red Tape, details the ways in which state governments around the country have attempted to remedy the problem of inefficient regulatory processes, and examines the effect of red tape specific to administrative agencies in the state of Vermont.

Defining Red Tape

Red tape may be defined as "rules, regulations, and procedures that remain in force and entail a compliance burden but do not serve the legitimate purposes the rules were intended to serve."[1] Red tape is not the whole regulatory process in its entirety, instead it is the burdensome, inefficient, and formalized rules that are placed on an administrative agency that prevent that agency from effectively and efficiently operating.[2]

Why Governments Struggle to Overcome Organizational Redundancies and Excessive Costs

Efficiency has been a "cherished administrative value" and a "key concept" in studying public administration since the Progressive Era.[3] Current trends in analyzing public administration and government quality have included criteria such as "responsiveness" and "equity;" however "efficiency" remains a "guiding governmental value."[4] .3Hindy Schachter, "Does Frederick Taylor's Ghost Still H
Governmental Efficiency in Our Time,"

In Arizona, like most other states, budgets are typically developed by adjusting the program.[28] Budgeting for Outcomes was first used by Governor Gary Locke in Washington in 2003 and was named the "Priorities of Government" (POG) model. At the time, Washington State was facing a $2.4 billion budget shortcoming and significant budget modifications were the priority.[29] The Locke administration called for an in-depth evaluation of what services the government provided. They were interested in implementing priority-based budgeting to close the deficit of $2.4 billion without raising taxes. In the past, legislators would have started with the baseline budget and focused on cutting programs or raising taxes until the general fund matched the forecasted revenue, the so called "cost-plus budgeting system" most states use. They brought in a consultant David Osborne — known for working on Vice President Al Gore's Reinventing Government plan at the federal level during the Clinton Administration.[30] The Public Strategies Group and the Locke Administration created the POG approach where the state would prioritize services and determine the most important things to buy or deliver for the dollars invested.[31] The POG is still in use in Washington State by Governor Chris Gregoire's Administration. The key benefits of the POG approach is providing legislatures with relevant performance information that can be applied to budget choices. The approach also helps frame the question, "Are we sure we're buying things at the best possible price?"[32]

Connecticut

The Commission on Enhancing Agency Outcomes (CEAO) was created in the state of Connecticut to "identify functional overlaps and other redundancies among state agencies and promote efficiency and accountability in state government."[33] The commission was tasked with identifying ways to eliminate overlaps and redundancies.[34] The commission had the goal of reducing costs to the state of Connecticut while improving the quality and accessibility of state services. The commission found areas of waste and then recomm54(T)-2(7l,(mmis)2y)8(a)0(ti)u

Executive Budget Book that is then presented to the legislature when they convene in January. The budget is proposed to the legislature for deliberation and upon the Appropriations Bill's passage, in both the House and the Senate, the bill is forwarded to the Governor. Budget implementation begins when the bill becomes law. Change in the current year's budget is enacted through a Budget Adjustment Act.[43]

The Regulation of Industries Particular to Vermont

Telecommunications

Regulation of the telecommunications industry comprises many different forms, most of which are formed and implemented at the state level of government. These include setting retail rates, ensuring customer access to telecommunications services, and enforcing quality standards.[44] This regulation is predicated on the idea that utility markets such as the telecommunications industry are natural monopolies and therefore "not subject to effective competition, or that competitive markets may not produce socially desirable results."[45]

price restrictions on the telecommunications industry.[49] Although it is too soon to judge the effects of this legislation in Florida, a similar deregulation bill was passed in California in 2006. After careful study, the telecommunications marketplace in California was deemed “sufficiently competitive to guarantee customer choice.”[50] In other words, it is relatively easy for customers to switch providers if they are unhappy with the price or quality of their service. One would bureaucratic effectiveness may be measured, and offered several examples of how various entities attempt to remedy the problem of bureaucratic inefficiency.

This report was completed on May 3, 2012 by Alison Kelly, Elizabeth Dunn, Marc Laliberte, and William Andreycak under the supervision of graduate student Kate Fournier and Professor Anthony Gierzynski in response to a request from Representative Don Turner.

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