



ML Strategies Advisory

Baker Calls for Industry Input on Regulatory Review and Economic Development Strategy

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Responding to criticisms that state regulations are burdensome and make Massachusetts a more costly and less competitive place to live and do business, Governor Charlie Baker signed [Executive Order 562](#) to simplify the Commonwealth's regulatory regime. The order directs all state agencies within the Executive Department to conduct a year-long review of state regulations, with the instruction that none should exceed federal requirements.

To make the review as effective as possible, the Baker administration is seeking input from all stakeholders, including industry, local government, and individual citizens. Secretary of Administration and Finance Kristen Lepore will be designing, implementing, and overseeing the process to gather and analyze the public's commentary on the Commonwealth's regulations.

The order, which will remain in effect until March 31, 2016, calls for governmental agencies to submit the roughly 2,250 executive branch-related items in the Code of Massachusetts Regulations to a battery of stress tests, including proving the following:

1. A clearly identified need for governmental intervention that is best addressed by the specific agency and not another agency or governmental body;
2. Costs of the regulation do not exceed the benefits that would result from the regulation;
3. The regulation does not exceed federal requirements or duplicate local requirements;
4. Less restrictive and intrusive alternatives have been considered and found less desirable based on a sound evaluation of the alternatives;
5. The regulation does not unduly and adversely affect Massachusetts citizens and customers of the Commonwealth, or the competitive environment in Massachusetts;
6. The associated agency has established a process and a schedule for measuring the effectiveness of the regulation; and
7. The regulation is time-limited or provides for regular review.

The order extends the directive of the first executive order Baker signed after assuming office in January, which suspended the promulgation of any new regulations by governmental agencies until further notice.

Following the review period, new proposed regulations will have to be accompanied by impact statements that defend the regulations' efficiency and speak to their potential impacts on small and large businesses, municipalities, and non-profit organizations. The proposed regulations will then go through a multistep review process in which they will be submitted to the cabinet secretary overseeing the specific agency and, if approved on this level, will then be reviewed by the Secretary of Administration and Finance.

Governor Baker hopes to sunset the most onerous, complex, and unnecessary rules to promote efficiency and access. The Administration has publically stated that the review criteria and burden reduction directive are not meant to be seen as non-negotiable mandates, and that the benefits of potential reductions in burdensome requirements will be weighed against resulting risks to health or public safety or other negative outcomes.

Similarly, as the Administration formalizes its economic development strategy they are looking to business, legislative, civic, and municipal leaders to help inform their policies. In furtherance of this goal, the Administration is conducting a Regional Economic Development Roundtable Discussion to ensure that key priorities are captured from across the state. The regional meetings that will be conducted on June 25th are as follows:

Western (Discussion location: Springfield)

Central (Discussion location: Worcester)

MetroWest (Discussion location: Lowell)

Northeast (Discussion location: Lynn)

Greater Boston (Discussion location: Quincy)

Southern (Discussion location: Barnstable)

The meetings will focus on six main topics of discussion: Preparing Communities for Success; Fostering a Culture of Innovation and Entrepreneurship; Sector Strategies; Competitiveness and Regulations; Talent Retention and Workforce Development; and Housing Development.

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