



Regulatory Reform: Communicating Regulatory Information and Streamlining Business Rules

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STATE AUDITOR

Background

- Series of audits on the topic of regulatory reform
- Purpose is to improve the way the state interacts with businesses, not about deregulation
- Businesses need clear, timely regulatory processes to minimize the cost to regulators and those being regulated
- Businesses are subject to penalties and fines when they don't comply with regulations
- Citizens want better results from government



Why Regulatory Reform?

- Businesses and citizens face a complex maze of state and local laws and regulations in Washington
- For example, someone wanting to open a convenience store with a gas pump needs up to a dozen or more regulatory approvals



Our Regulatory Reform Audits



Inventory of Regulations



Website Access to Business Information



Streamlining Business Rules



Permit Timeliness





What we did

- The state did not have an inventory of business regulations, so we created one
- Scope: Business permits, licenses, and inspections
 - 26 regulatory agencies
 - 1,377 permits, licenses and inspections
 - Found information online--agencies helped by checking for accuracy
 - The inventory formed the foundation for all future audits about regulatory reform
 - Published online
www.sao.wa.gov/EN/Audits/PerformanceAudit/Pages/RegReform.aspx



Inventory of Regulations



The inventory is published on our website

AUDITOR OF STATE
WASHINGTON

WASHINGTON STATE AUDITOR'S OFFICE

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CURRENT AUDITS

2010-2013 State Government Work Plan

Performance audits in progress

Local government outreach results

REPORTS

Search for performance audit reports

PAST AUDITS

Status of performance audit recommendations

Performance audit summary results

OTHER INFORMATION

Performance audit resources

Performance Review Project

Performance Audit home page

REGULATORY REFORM

The Auditor's Office has begun a series of audits designed to identify opportunities for the state to improve the way it interacts with businesses. These regulatory reform audits will focus on the activities of 26 state regulatory agencies that administer more than 1,300 business licenses, permits and inspections. To gather baseline information, we compiled an inventory that identifies:

- The purpose of each business license, permit or inspection.
- The business activity being regulated.
- Where the application is available, with links to online applications.
- The fee for each license, permit or inspection.
- The state laws and administrative rules that govern the permit, license or inspection process.
- Whether the application or information about the specific regulatory requirement is available through the websites of the state Office of Regulatory Assistance (ORA) or Business License Service (BLS).

INVENTORY OF REGULATIONS

Click on the Excel files below to access each agency's inventory of regulations. Each spreadsheet contains separate worksheet tabs for permits, licenses and inspections. The worksheets are designed to be printable on 11-by-17-inch paper. For printing assistance, [click here](#). Information in the inventory was current as of September 2011.

- Accountancy
- Agriculture
- Archaeology & Historic Preservation
- Early Learning
- Ecology
- Employment Security
- Financial Institutions
- Fish and Wildlife
- Gambling Commission
- Health
- Higher Education Coordinating Board
- Horse Racing Commission
- Insurance Commissioner
- Natural Resources
- Labor and Industries
- Licensing



Inventory of Regulations



Sample spreadsheet – Dept. of Ecology

State Permits Required for Businesses in Washington State Department of Ecology

Permit Name	Permit Category	Purpose Of Permit	Business Activities Requiring Permit	Where Permit Application Is Available	Where Business Submits The Permit Application	Required Frequency Of Renewal
Agricultural Burn Permit for Baled Agricultural Residue Burning	Air Quality	To burn baled residue (broken, mildewed, diseased or otherwise pest ridden bales) from 10 acres or less, or a maximum equivalent of 2 tons per acre	Businesses wishing to burn baled agricultural residue	http://www.ecy.wa.gov/biblio/ecy07075.html	Dept of Ecology, Cashiering Unit or delegated Permitting Office	Valid for one year or less
Agricultural Burn Permit for Field Burning	Air Quality	To burn fields (or portions thereof) of natural vegetation, except when burning orchard pruning, natural vegetation along fence lines, irrigation and drainage ditches, natural vegetation blown by the wind, or burning conducted under other agricultural permits	Commercial agricultural operations that conduct field burning	http://www.ecy.wa.gov/biblio/ecy020126.html	Dept of Ecology, Cashiering Unit or delegated Permitting Office	Valid for one year or less
Agricultural Burn Permit for Pile Burns	Air Quality	To burn piles of agricultural vegetation on land that is going to stay in agriculture	Commercial farmers who pile up agricultural vegetation they want to burn on land that is going to stay in agriculture	http://www.ecy.wa.gov/biblio/ecy020123.html	Dept of Ecology, Cashiering Unit or delegated Permitting Office	Valid for one year or less
Agricultural Burn Permit for Spot Burning	Air Quality	To regulate burning in areas that are 1/2 acre or less in size, such as; small weed patches, pots of heavy residue, and equipment plugs and dumps	Commercial agricultural operations that burn small areas such as; small weed patches, small spots of heavy residue, and equipment plugs and dumps	http://www.ecy.wa.gov/biblio/ecy020125.html	Dept of Ecology, Cashiering Unit or delegated Permitting Office	Valid for the calendar year in which it is issued
Air Operating Permit (AOP)	Air Quality	To regulate major sources of air pollution including emission limits, work practice standards, monitoring, recordkeeping and reporting, to include periodic reports certifying compliance with terms and conditions	Any business releasing contaminants to the air from any new or existing major source of air contaminants	http://www.ecy.wa.gov/biblio/94175.html	Dept of Ecology, Air Quality Program	Valid for 5 years



Our First Regulatory Reform Audits



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Permit Timeliness





? Our audit question

- Do Washington state government websites effectively provide regulatory information to businesses?

i What we did

- Reviewed Washington's three **central business websites** for complete information
- Reviewed 26 **agency websites** for complete information and ease of use





Central Business Websites

- Washington has three “one-stop” websites for businesses
- Each was created by statute or executive order
- We reviewed each one for completeness, based on what they were created to provide





What we found

Business.wa.gov

Access Washington®
Welcome to the State of Washington

Home | Agencies | Services | Help Center | Contact Us

Living in Washington | Visiting & Recreation | Doing Business | Employment | Government | Education

Search [Go!]

Doing Business

- [What's New?](#)
Tell Us How to Improve Regulatory Processes | Washington Small Business Credit Initiative | Learn to Start and Run a Successful Business | ...More
- [Business Guide](#)
- [Business Roadmap for Starting a New Washington Business](#)
- [Business Status](#)
Change Business Structure | Change Business Address | Search Business or Professional Licenses | ...More
- [Do Business with the State](#)
Bid Opportunities | Office of Minority and Women's Business Enterprises | Prevailing Wage Information | ...More
- [Grow a Business](#)
Get Grants and Loans | Before You Hire | Take Advantage of Tax Incentives | ...More
- [Help for Your Business](#)
Audit Video – Tips to Help | Financing Assistance | Training | Manage Employees | ...More
- [Licenses, Permits and Inspections](#)
City and Town Licenses | List of Licenses | Permits and Inspections | ...More
- [Resources](#)

How Do I?

- Find business registration requirements
- Find the minimum wage
- Find small business liaisons
- Get sales tax rates
- Obtain a Certificate of Good Standing
- Receive notice of Washington State business opportunities
- Report fraud or make a complaint
- Search for or register a corporation
- See the Business Website Briefing Paper (PDF)
- More "How do I?" topics

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Preview the New Access Washington!
Please help us improve the site by using the preview and filling out the survey.
[Start Here](#)

twitter
State Tweets

Boat, Bikes, Boards, & Beverage Coolers Surplus sells it all. Bid now before...
Boat, Bikes, Boards, & Beverage... <http://t.co/S79IG1CI>

Get your bid on! Time is running out for 2004 BMW R1150RTP motorcycle 2005 BM...
Get your bid on! Time is run... <http://t.co/myLBMrWA>

Follow @WaStateSurplus on Twitter

Created in 2006 as the state's "single, secure, online portal" for businesses.

Its "Licenses, Permits, and Inspections" tab contains:

- Links to **7 of the state's 26** regulatory agencies
- Links to BLS and ORA websites





What we found

Business Licensing Service (BLS)

The screenshot shows the homepage of the State of Washington Business Licensing Service (BLS). The header includes the state seal and the text "State of Washington Business Licensing Service" with links for "Contact us", "Forms", and "About us". A navigation bar below the header contains links: "Home", "Start your business", "Change or update your business information", and "How to renew your license". The main content area features a large banner with a woman smiling and holding a card, with the text "Save time – apply or renew online". Below the banner are three main service buttons: "Apply for your business license", "Renew your business license", and "Check the status of a business license". Each button has a list of links below it. The "Apply" button links to "State business license application", "Get a customized business license guide sheet", and "Specialty licenses". The "Renew" button links to "Corporation or LLC renewal and annual report", "Business license renewal application", and "Professional license (DOL)". The "Check status" button links to "Search business licenses" and "Check the list of licenses for information kept by other agencies (DOL)". On the right side, there is a "Other resources" section with links to "I-1183 changes", "Determine business registration requirements", "Search for or register a corporation", "Report fraud or make a complaint", "Get sales tax rates", "Get a Certificate of Good Standing", and "Business.wa.gov". At the bottom right of the "Other resources" section is a "Small Business Guide" icon.

State of Washington
Business Licensing Service

Contact us | Forms | About us

Home | Start your business | Change or update your business information | How to renew your license

Save time –
apply or renew online

Apply for your business license

- State business license application
- Get a customized business license guide sheet
- Specialty licenses
- More ►

Renew your business license

- Corporation or LLC renewal and annual report
- Business license renewal application
- Professional license (DOL)
- More ►

Check the status of a business license

- Search business licenses
- Check the list of licenses for information kept by other agencies (DOL)

Other resources

- I-1183 changes
- Determine business registration requirements
- Search for or register a corporation
- Report fraud or make a complaint
- Get sales tax rates
- Get a Certificate of Good Standing
- Business.wa.gov
- Read the small business guide

Small Business Guide

First created in 1977 as the state's "one-stop master licensing system."

It provides:

- **16%** of the state's business licenses
- **2 of the top 10** most-requested licenses





What we found

Office of Regulatory Assistance (ORA)

WASHINGTON STATE
Governor's Office of
Regulatory Assistance

Home Environmental Permitting Small Business Regulatory Improvements About Us

Quick Links

- Contact ORA
- Evaluate Our Service
- Site Index
- ORA Publications
- Project Questionnaire
- Permit Schematics
- Permit Handbook
- JARPA

help@ora.wa.gov
800-917-0043
360-407-7037

One Front Door
to Washington's outdoors

Small-Business Guide
WASHINGTON STATE

Home

Welcome to ORA – the place to come for help in understanding environmental permitting; government regulations; and getting your small business up and running.

Our services include:

Environmental Permitting Assistance
With help from knowledgeable staff and online tools, ORA can guide you through the environmental permitting process. [Learn more.](#)

Small Business Assistance
Visit ORA's online business service center where you can plan, start, or grow your business in Washington State, and handle common business transactions online. [Learn more.](#)

Regulatory Improvements
ORA is working with its partners to make regulatory processes easier and more effective. Learn what is being done now, what is planned for the future, and how you can share your regulatory improvement ideas. [Learn more.](#)

Search

ORA
Connecting you with the resources you need

ORA Strategic Plan

- New! See ORA's strategic plan for 2012-2017
- Legislative Rule-Making Update
- 2011 Implementation of Executive Order 10-06
- Broadband Projects
- New! Read ORA's guidance for broadband projects
- JARPA Updates
- New! Learn about upcoming changes to JARPA
- New business owner?
- Roadmap to register and license

Required to provide “information on....permitting and regulatory requirements”.

Its handbook contains:

- Information on **32%** of the state's business permits
- Permits are exclusively **environmental**





Agency Websites

- 26 agencies provide regulatory information to businesses online
- We mapped a sample of permits and licenses from each to assess ***completeness*** and ***ease of use***
 - Selected high volume permits and licenses
 - 57 total, representing 75% of all applications over a 5-year period
 - Mapped the steps from the home page to the application
- Used standards and best practices for government websites on www.HowTo.gov and www.Usability.gov
- Used laws and executive orders where appropriate





Agency Websites

- Completeness
 - Key information such as purpose, how to apply, etc. (mapping)
 - Availability of permit decision times online (inventory)
- Ease of Use
 - Business “button”
 - Logical steps in navigating to the application (mapping)
 - Three clicks or less to application (mapping)





What we found

- Regulatory information on 26 agency websites was incomplete
- No agency provided all regulatory information for all permits and licenses
 - Purpose
 - Who needs it
 - How to apply
 - Fee
 - Processing time
- The business portions of the agency websites did not share a common look and feel, and they were not all easy to use

23% of permits and licenses told businesses online how long it will take the agency to process them





Recommendations

To help facilitate the longer-term vision of a one-stop portal for all business transactions while meeting current user needs:

- Continue to pursue a **one-stop** in the long term
- Add **content** to the three central business websites in the short term
- Develop **standards** for clear, consistent, and usable business portions of agency websites
- Provide **complete** regulatory information on agency websites





Enacted

- [SSB 5718](#) - Requires the Office of the Chief Information Officer (OCIO) to track and report progress on the implementation of the one-stop business portal
- [ESHB 1403](#) - Requires 13 additional agencies to fully participate in the Business Licensing System (BLS)

Proposed

- [SB 5757](#) would have required the OCIO to develop standards that enable agencies to produce clear, consistent, and usable web content; however, bill did not pass the Legislature



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? Our audit question

- Do Washington regulatory agencies have processes in place to streamline their business rules consistent with governors' orders?

i What we did

- Surveyed all agencies to learn about their streamlining practices based on governors' executive orders
- Visited 11 agencies that said they did extensive streamlining





What we did

- Online survey for each administrative rule that governs regulatory activities to assess streamlining practices
- Used results to select a sample to audit
- Visited 11 agencies to look at specific streamlining activities, to include:
 - Documentation of the process
 - Reviews in regular intervals
 - Reviews using streamlining criteria
 - Measurement of results





What we found

- Agencies are streamlining some, but not all, of their rules
- Several agencies could improve their streamlining efforts by documenting a regular, criteria-based process
- None of the agencies are measuring results to see if streamlining is producing its intended effects





Recommendations

To ensure existing regulatory rules are necessary, clear, and consistent:

- Improve rule streamlining **processes**
- Improve **accountability**
 - Holding agencies accountable for measurable results
 - Monitoring results through a reporting structure





Enacted

- [SSB 5679](#) - Requires a formal rules review process for the Departments of Health, Ecology and Labor & Industries.
- [HB 1818](#) - Requires the Department of Commerce to conduct annual multi-jurisdictional regulatory streamlining projects impacting specific industry sectors within specific geographical locations through 2019.

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that: Since 2010,|
6 the department of commerce and the office of regulatory assistance have
7 convened and coordinated a number of cross-agency collaborative
the mission to grow and improve jobs; the state auditor's office issued
a regulatory performance audit in 2012 identifying many agency actions
11 effective regulation as one of its four global priorities to support
12 the mission to grow and improve jobs; the state auditor's office issued
13 a regulatory performance audit in 2012 identifying many agency actions
14 that can also improve the business community's ability to comply with
15 regulatory requirements; and the Washington state economic development
16 commission's 2012 comprehensive statewide strategy emphasized the need
17 for smarter regulations in order to achieve long-term global
18 competitiveness, prosperity, and economic opportunity for all the
19 state's citizens.



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? Our audit questions

- Do regulatory agencies and businesses know how long business permit decisions take?
- Can regulatory agencies reduce the time it takes them to make permit decisions?

i What we are doing

- Agency survey
- Business engagement
- Permit evaluations





Regulatory agency survey

- Laws and executive orders direct agencies to tell businesses how long permit decisions take and to streamline processes
- Surveyed 15 agencies administering 300 permits to learn:
 - Whether they track processing time
 - How long until a decision is made
 - Whether they have targets
 - If not, why not
- Reviewed websites to verify which permits provide businesses with decision time information





Business Engagement

- Business survey
 - more than 3,000 recent permit applicants
 - Customer satisfaction questions about permitting
 - Shared survey results and comments with agencies





i Business Engagement

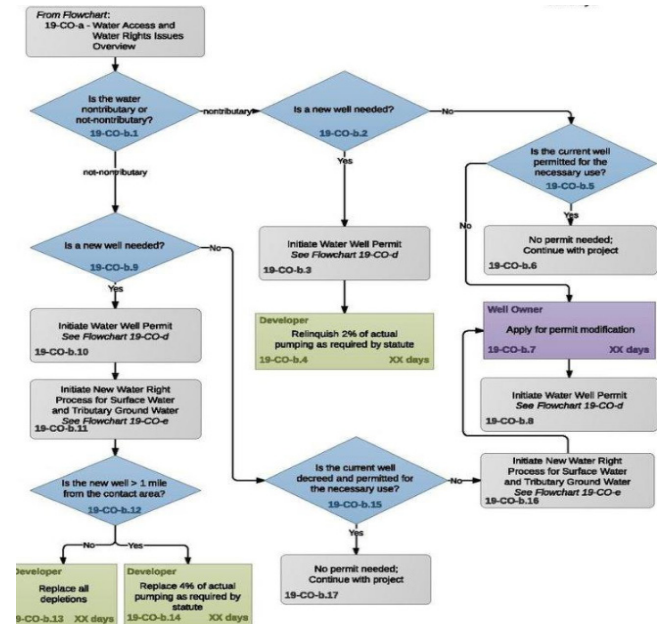
- Business focus groups
 - Regional, cross section of business size and industry
 - Asked about expectations and experiences around permitting





i Permit Evaluations

- Looked for opportunities to shorten permit times, based on best practices and literature from around the country
- Selected 8 permits from 7 agencies
- Created permit maps
- Used a performance evaluation scoring template
 - Useful to agencies to evaluate all permits and licenses





Next Steps

- Wrapping up fieldwork
- Draft report for agency review by October
- Publication by the end of the year



QUESTIONS



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