



Regulatory Reform: Improving Permit Timeliness

Summary of Agencies' Joint Response

January 7, 2014

Thirteen audited agencies jointly responded to the performance audit report on permit timeliness. (The Department of Natural Resources, which is governed by a separate elected official, responded independently.) These agencies, along with the Office of Financial Management and the Governor's Offices for Regulatory Innovation and Assistance and Results Washington, thank the State Auditor's Office (SAO) for its efforts to identify and make recommendations to improve predictability and timeliness of permit decisions. Their responses to the recommendations are summarized as follows:

Businesses need predictability and clarity on permitting

Businesses need regulatory requirements that are predictable and clear to understand how to submit complete and accurate permit applications to eliminate redundant and costly permit reviews.

The SAO's report recognizes that good progress has been made toward adding permit timeliness information to state websites – increasing from 15 percent of permits in 2012 to 40 percent in 2013. However, these results do not show the many instances in which permits are processed in the same day, with applicants receiving a decision immediately.

Agencies are committed to further improvements. They are mindful that streamlining efforts must be carefully balanced with maintaining the intent of the regulation, such as protecting public health and safety or preserving the environment.

Efforts are focused in the right areas — but there is more to do

The performance audit report confirms that we are focusing regulatory reform efforts in the right areas — but we have more to do.

Overall the SAO's business survey responses were 90 percent positive. Businesses also responded with a 95 percent positive rating in the areas of:

- Permit interactions with regulatory agencies were friendly
- They received answers to their questions
- Their permit decision was clear

The audited agencies recognize that additional improvements will ultimately enhance economic vitality in Washington by helping ease burdens on businesses.

Flexibility is needed to complete actions with limited resources

Some permits are simple and some are complex. Regardless, permit requirements are designed to provide some level of protection to Washingtonians. For example, restaurant health permits protect public safety while hydraulic project approval permits protect the environment for future generations. Some processes are instantaneous while others take six months to a year or longer to meet statutory requirements, public standards or coordination with federal and local partners.

Recognizing this range of complexity, agencies need flexibility to tailor plans and performance targets to their unique missions, permits, customers, applicable regulations and limited resources.

Agencies will take comprehensive actions and report progress

The audited agencies have outlined a comprehensive action plan to improve permitting predictability, clarity and timeliness. These plans will be documented by June 2014; the work schedule will not exceed four years. Agencies will report their progress by June 2015 so the Office for Regulatory Innovation and Assistance (ORIA) can produce a comprehensive report by December 2015. After completion:

- Estimated processing times for all permits — from submission to decision — will be published.
- Methodology for identifying permits that need improvement or assistive tools will be documented.
- Agencies will have improved some permit processes and identified more for improvement.
- ORIA will have provided the Governor, Legislature, businesses, state agencies and the public with a comprehensive progress report on improving permitting clarity, predictability and timeliness that includes best practices and lessons learned.

In addition, Results Washington will have identified performance measures on streamlining regulatory processes related to permits in two of the Governor's five goal areas.

These actions will fully address the issues identified by the SAO:

1. Agencies do not always know how long business permit decisions take, and they do not always give businesses information they have.
2. Regulatory agencies have simple, low-cost opportunities to reduce the time it takes for a business permit decision to be made.

While this is a modified approach from the SAO's recommendations, we believe the Governor, Legislature, business community and the public can be better served by having agencies report permitting progress information to ORIA instead of reporting individually to the Legislature. ORIA has statutory authority to collect this information and is in the best position to facilitate information-sharing among state, local and federal agencies and to produce a comprehensive report.

Results Washington tracks progress on all performance audit actions at <http://results.wa.gov/whatWeDo/audits/agencyActionPlans.aspx>.