

2024

REGULATORY ROUNDTABLE REPORT

Making State Government
Work Better for You



GOVERNOR'S OFFICE
FOR REGULATORY
INNOVATION & ASSISTANCE

ACKNOWLEDGEMENTS

ORIA would like to thank our partners for supporting the roundtable events. Special thank you to our facilitator Dawn Alford from Circa 9021.

Thank you for partnering with us!



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Thank you to our state partners!



WASHINGTON
Secretary of State



TABLE OF CONTENTS

Introduction	1
Spokane Roundtable	3
Yakima Roundtable	4
Skagit Valley Roundtable	5
Puget Sound Roundtable	6
Longview Roundtable	8
Grays Harbor Roundtable	9
Port of Grays Harbor Roundtable	10
Summary	11
Key Themes	12
Conclusion	14
Appendix 1 - Survey Question	16
Appendix 2 - Roundtable Questions	17

The 2024 Small Business Regulatory Roundtables were organized by the Washington State Governor’s Office for Regulatory Innovation and Assistance (ORIA). These meetings gave business owners, local officials, tribal, and community leaders a chance to talk about how state rules and regulations affect them and share their concerns with people from government agencies. People who attended the meetings were able to talk about problems, share ideas, and suggest ways to improve. State agencies wanted to learn about how things are being done now and how they can improve.

The roundtables were held in Spokane, Yakima, Mount Vernon, Seattle, Longview, Aberdeen, and the Port of Grays Harbor. Within each region, ORIA established partnerships with economic development councils (EDCs), associate development organizations (ADOs), and chambers, which helped engage many different types of businesses. These organizations acted as a bridge between state government and local businesses. Their participation ensured that the roundtables were relevant and met the needs of the community. State agency representatives were also invited to attend. Their purpose was to listen and take notes while at the events, rather than explaining their agency’s role and programs. This partnership allowed honest feedback on where the gaps are in business resources and knowledge.

With the help of our partners, ORIA was able to survey the business community’s needs before holding the roundtables. ORIA surveyed businesses, chambers, and EDCs in Washington State to find out what topics they wanted to discuss.

Survey

In partnership with the Department of Commerce (Commerce), the survey was distributed to EDCs and ADOs in regions where the roundtables were held. The survey was also shared directly with local chambers who sent it to their members. The survey results were compiled and used to develop the agenda for each roundtable. A complete list of the survey questions can be found in Appendix 1.

The feedback from the survey results reflected key challenges from small business owners as described below:

- **Regulatory Complexity and Burdens.** Small businesses struggle with rules and regulations like high taxes (such as the Business and Occupation tax) and complying with multiple agency regulations. They describe the process is too complicated and takes too much time, especially when it comes to payroll, licensing, and trade name registrations.
- **High Operating Costs.** High costs for wages, energy, commercial rents, and supplies are big challenges for small businesses. Results showed these expenses make it hard to keep businesses running, especially in areas with high minimum wages and rising prices for products.
- **Government and Bureaucratic Frustrations.** Businesses were displeased with the government’s lack of responsiveness and overall communication. Problems also included old, confusing online systems, rules being enforced inconsistently, and agencies not working together in unison.

- **Need for Digital Outreach and Marketing Support.** As technology changes, businesses need help with digital tools. They seek support in using social media and finding ways to stand out against bigger online competitors.
- **Impact of Social and Infrastructure Issues.** External factors, such as homelessness, public safety issues, and lack of parking make it harder for businesses to run and connect with customers in some areas. Many business owners are seeing fewer customers and local businesses are struggling because of these issues.
- **Desire for Clear, Centralized Compliance Resources.** Respondents want simpler, more centralized resources to help them understand tax, licensing, and rules, especially in industries that have a lot of regulations like cannabis and childcare.
- **Funding and Training Opportunities.** There is a strong need for grants, tax incentives, and educational programs, especially for businesses owned by women and minorities. People are looking for training in areas such as rules, cybersecurity, accounting, and other important skills to help businesses stay strong and successful.
- **Perception of Unequal Support.** Some business owners feel that policies mostly help big companies instead of small businesses. They are asking for more representation in decision-making and direct government support to create equal opportunities for success.

From these key challenges, the roundtable topics were created. The topics included licensing and permitting, tax reporting and filing, agency rules, and customer service. Topic selections were chosen based on the most important issues expressed by the business community. At each roundtable, the same questions were asked for each topic. The roundtable questions can be found in Appendix 2. ORIA staff collected the comments for analysis, after each roundtable.

During the roundtable discussions, agencies learned more about the daily challenges businesses face when working with the state and the availability of resources. Many of the same issues came up in different regions, meaning these are the most common problems businesses experience.

Spokane Roundtable Summary

The Spokane roundtable was held on June 26, 2024, at the Spokane Falls Community College Student Union Building. Small business owners, agency staff, and public representatives all took part in the event. Participating state agencies included ORIA, the Department of Labor and Industries (L&I), the Department of Revenue (DOR), the Office of the Secretary of State (SOS), and the Department of Enterprise Services (DES).

The discussions focused on confusion about what different agencies are responsible for, language barriers, and how complicated it is to get licenses and permits. Participants talked about problems such as having to pay multiple fees across jurisdictions, lack of training and support, and miscommunication between agencies. Small business owners shared their frustration with customer service, saying they often had rushed conversations and received unclear advice. Other concerns included confusing rules and the financial strain of dealing with complicated processes.



The participants suggested that agencies create a one-stop-shop for resources, improve multilingual support, and work better together to reduce barriers for small businesses. At the 2024 Spokane roundtable, they shared how regulatory processes affect their communities, hoping changes will help small businesses across Washington State.

Yakima Roundtable Summary

The Yakima roundtable was held on June 27, 2024, at the Opportunities Individualization Center of Washington with participation from small business owners, EDCs, and agency staff. Participating state agencies included ORIA, the Washington State Office of Minority and Women Business Enterprises (OMWBE), L&I, DES, SOS, and DOR.



The discussions focused on the challenges small businesses face when dealing with licensing, permitting, and rules. The goal was to get feedback on how to make these processes better for the businesses. The main problems included confusing and complicated licensing requirements, issues with paying taxes correctly, and problems with how different agencies communicate. Business owners said they had a hard time because licensing rules are different in each county and town. They pointed out that there weren't enough resources in different languages, and that many legal documents were hard to understand. Businesses also faced problems with unclear advice from agency staff and slow responses, which made it hard to know how to comply. People were frustrated with strict enforcement, high fees, and the need for lawyers to help interpret rules.



Participants highlighted the need for a central place to get help, support in different languages, and better communication between state and local agencies. They suggested making processes simpler and improving how businesses are informed about available support. The participants from the 2024 Yakima roundtable were active and excited about helping create better systems for small businesses.

Skagit Valley Roundtable Summary (Mount Vernon)

The Skagit Valley roundtable was held on July 25, 2024, at Skagit Valley College with participation from small business owners, EDCs, public members, and agency staff. Participating agencies included ORIA, the Washington State Commission on Hispanic Affairs (CHA), SOS, and L&I.



The main concerns were about complicated licensing processes, different agency rules, tax issues, and communication and language barriers. Business owners were frustrated by unclear licensing requirements, especially because they were different in each city, town, or county. They also had trouble using websites that didn't support multiple languages. Outdated regulations, inconsistent enforcement, and slow response times from agencies made it more difficult and more expensive to run their businesses. A big problem was inconsistent communication with businesses getting conflicting advice from agency staff, not having follow-up help, and not knowing about resources like workshops and tools to help with compliance.



The 2024 Skagit Valley roundtable participants shared important challenges that small businesses in Washington State face with regulatory processes. These challenges show that there is a need for simpler and easier ways to improve how businesses run and their overall experience working with the government.

Puget Sound Roundtable Summary (Seattle)

The Puget Sound roundtable was held on August 8, 2024, at the Panoramic Center with participation from small business owners, EDCs, public individuals, city and county officials, and agency staff. Participating agencies included ORIA, the Washington State Department of Ecology (Ecology), the Washington State Department of Transportation (DOT), the Washington State Military Department (MIL), DOR, L&I, SOS, and DES.



At this roundtable, business owners pointed out issues like high fees, overly confusing instructions, and online resources that were hard to access. They also raised concerns about complicated and inconsistent licensing requirements, especially at the local level. Business owners were frustrated by delays and having to submit the same documents multiple times. Another problem was the lack of resources in different languages and clear guidelines, particularly for non-traditional businesses like pop-ups. They face financial and operational challenges because of old rules and regulations, strict enforcement, and different agencies interpreting the rules in various ways. Communication problems such as slow responses and conflicting advice made it even harder for business owners to understand what they needed to do.



The 2024 Puget Sound roundtable gave several recommendations, such as making licensing and permitting processes simpler, offering support in multiple languages, using clearer language for requirements, improving coordination between agencies and better customer service to meet the needs of small businesses in Washington.



Longview Roundtable Summary

The Longview roundtable was held on August 15, 2024, at the Cowlitz Event Center, and small business owners and agency staff attended. Participating agencies included ORIA and DOR.

Participants discussed ways to improve the licensing process like speeding up approval times, using simpler language to make communication clearer, and making systems easier to use. They also talked about the high costs of following the rules and how complicated the regulations are. A big priority was more outreach to help businesses find useful resources.

The 2024 Longview roundtable highlighted key problems giving a clearer understanding of how the regulatory process affects business owners. Based on these comments, improvements can be made. It is clear that there's a need for a more transparent, centralized, and easy to use system that works for all types of businesses, at any stage.



Grays Harbor Roundtable Summary (Aberdeen)

The Grays Harbor roundtable was held on August 29, 2024, at Grays Harbor College with participation from small business owners, city and county officials, and agency staff members. Participating agencies included ORIA, the Washington State Office of Equity (Equity), L&I, SOS, and DOR.

This roundtable highlighted problems with communication between agencies, language barrier impacts, and lack of understanding of regulatory processes. The language used in the rules was often too technical and different between agencies, which caused confusion and made it harder for businesses to operate. Participants shared that they often had to wait a long time on hold, received conflicting advice, and that there wasn't enough outreach to rural areas. Businesses said they didn't know about support programs like grants, multilingual services, or other helpful tools. They also pointed out the challenges rural businesses face, such as high costs associated with following rules and regulations, confusion about tax classifications, and understanding the different roles of each agency. Tax rules were hard to understand, and the payment systems were outdated, which made things even harder for rural businesses.



The 2024 Grays Harbor roundtable suggested several solutions to help businesses. These included making licensing and permitting easier to navigate, providing better support to businesses, offering industry-specific training, and improving communication. Some ideas focused on using visual aids, creating mobile-friendly resources, and reaching out more to rural areas. Based on the feedback from participants, there needs to be clearer, fairer, and easier to understand rules and processes, especially for small businesses in rural communities.

Port of Grays Harbor Roundtable Summary

The Port of Grays Harbor roundtable was held on September 25, 2024, at the Port of Grays Harbor Council Chamber with participation from small business owners, county officials, port officials, and agency staff members. Participating agencies included ORIA, Ecology, L&I, DOR, and DES. This roundtable was different from the rest in that the Port of Grays Harbor specifically requested the partnership with ORIA to facilitate the meeting.

Participants shared there were problems including delays to get permits and inconsistent rules. They also noted poor communication between agencies and a lack of understanding of port-related activities such as dredging and stormwater management. Business owners were concerned about high costs, confusing regulations, and not enough education on meeting state rules. Some key issues included unclear and uncoordinated guidelines, strict stormwater rules that were tougher than federal standards, and inconsistent permit timeliness. Additionally, businesses struggled because different inspectors gave different evaluations, leading to confusion and accidental non-compliance.



At the 2024 Port of Grays Harbor roundtable, participants suggested there be clearer communication, better education on following rules, and a single system to share important state regulation updates. They recommended that agencies work together more and provide support that fits the unique needs of each region, small business, and port. The discussion showed the need for simple, clear guidelines, a faster permitting process, and better responses from state agencies. Participants also stressed the importance of fair and timely enforcement and consistent rules to help rural communities and ports succeed.

Summary

Holding roundtable discussions in different regions helped uncover the unique challenges each area faced. This was important because different communities have different needs when it comes to starting and running businesses. While each region shared its own concerns, many of the same problems kept coming up across multiple communities. In total, the roundtables gathered over 800 comments, which will help guide future improvements. By analyzing these comments, 10 key themes were identified from both the discussions and the survey.



Key Themes

Key themes from each region varied depending on the needs of each community. However, there were 10 universal themes that continued to resurface.

1. **Clearer Expectations of Regulatory Requirements.** Small business owners are having trouble understanding the complicated rules, especially when it comes to licensing and permits. They want these processes to be simpler and prefer having everything in one easy to use platform. On top of being complicated, these processes are always changing. Small businesses have trouble keeping track when changes happen and requested a notification system to help them stay organized.
2. **Educational Gaps and Compliance Challenges.** Many businesses, especially in rural areas, don't have the educational resources they need to understand rules and regulations. The language used in materials is often too technical, making it hard for them to understand what is required.
3. **Better Coordination Between State and Local Municipalities.** Lack of communication and coordination between agencies has made it confusing for businesses to know where to go for specific regulations. Often businesses will talk to one agency and then be sent to another. This can happen several times, causing frustration for business owners as it wastes their time and harms their business.
4. **Agency Communications.** Communications between state agencies were often unclear and need to be simpler. This caused confusion for customers because the information wasn't easy to understand. Agencies need to meet people where they are no matter the stage of their business.
5. **Customer Service.** A concern that came up several times was the lack of good customer service. People said they spoke with staff who were not friendly, did not provide enough clarity, or effective support. Businesses stated they experienced waiting long periods of time on the phone, rushed conversations, and not getting responses when needed.
6. **Multilingual Services and Resources.** Businesses asked for services and resources in multiple languages because there aren't as many options available compared to English ones. Underserved communities need the same resources that English speakers have access to.
7. **Awareness and Accessibility.** The resources that are available are hard to find, and businesses aren't sure where to look for them. Many of these resources are online and are not easy to use. People have asked for resources and tools to be made more user-friendly and help lessen the technology barriers.
8. **Burdensome/Multiple Fees Across Municipalities.**
Businesses mentioned that there are high costs to follow rules and even more costs if they don't follow them. These expenses create extra challenges for running businesses, both in terms of operations and finances.
9. **Strict Enforcement Practices/Inconsistent Enforcement.** Inconsistent rule enforcement often causes businesses to end up out of compliance. Sometimes, businesses go through several inspections, but the results are different.

KEY THEMES

When the results are different, whether or not they are following the rules is questioned and the business owners are left confused on where they stand. Businesses asked for better training for inspectors because it affects their daily operations.

10. Outreach. Businesses need the state to improve communications with different communities such as underserved, rural, and multilingual groups. By adjusting messages to include everyone, especially those who are usually left out, more people can join the conversation. When these groups get involved, it helps increase representation and allows the state to better support all businesses.

The feedback from the roundtables will help make state systems work smoother in the future. By focusing on the most common issues, agencies can do a better job helping businesses. Each agency is working within their departments to improve and update important key themes mentioned.

Conclusion

Overall, the 2024 Small Business Regulatory Roundtables gave small businesses and stakeholders, from around the state, a chance to talk directly with state agencies representatives about how regulations affect them. From these discussions, agencies learned which issues matter most to businesses and shared ideas for possible improvements. Agencies that were mentioned at the roundtables and in the survey have been informed of the specific concerns they need to address.

For example, some of the biggest problems for small business owners in Washington are communication, customer service, and access to resources. To fix communication issues, agencies are working on better translation services and using simpler language. Customer service was a problem for all agencies, they are looking to improve their systems, making websites easier to use, and responding faster to calls. To help businesses find the resources they need, agencies are updating educational materials and making more people aware of available support.

ORIA is leading a new project called “Total Business Access” (TBA) to improve communication and customer service. This is a collaborative project between different state agencies. Several state agencies, including DOR, L&I, ESD, SOS, the Department of Licensing (DOL), the Liquor and Cannabis Board (LCB), and the Department of Health (DOH), are active participants. The main goal is for state agencies to work together making resources and tools easier to understand, simplify processes, reduce confusion, and provide better customer experience. Improving customer satisfaction to create a better experience for businesses is a major priority of this project.

The project started with a meeting of the Unified Business Identifier (UBI) agency directors. During the meeting, participants learned about the initiative and chose representatives to join a working group. This group is in charge of creating a project plan, finding current problems, gathering resources, and suggesting ways to make improvements.

One of the first steps in the project was to create a Resource Inventory, where agencies collected and reviewed the business-related resources they had. This helped them find missing information, repetitive services, and areas that need upgrades. After that, agencies gathered customer service feedback from surveys, call center conversations, and direct complaints. The goal was to understand what business owners think is working well and what changes can be made. The results of this process will help guide future improvements and possible system updates to make government customer service better.

Another way state government helps businesses have a better experience is through the Small Business Liaison Team (SBLT). The SBLT is facilitated by ORIA and includes representatives from 29 state agencies who help small businesses navigate the complex regulatory issues within their agencies. This team is a great resource for businesses because the liaisons can either answer questions directly or connect businesses to someone who can help.

Members of the SBLT are working on practical ways to better support businesses. They are making resources easier to find and improving processes to be more efficient. For example, the DOL uses a system called POLARIS for licensing. This system allows users to give feedback, which helps improve the system and customer satisfaction. This feedback has been used to create training videos for a specific licensing group and provide contact information for applicants who need help. Feedback is reviewed every month, meaning the system is constantly being updated.

Updates on agency improvements are posted on the Business and Economic Resilience Newsletter, a monthly newsletter which is published and managed by ORIA. The newsletter is a team effort created by members of the SBLT, who work together with local economic development partners to support and connect with business owners.

Its main goals are to keep businesses informed during emergencies, make it easier for them to find state services and resources, and share important news from different agencies that affect small businesses.

The newsletter includes updates on rules, important reminders from agencies, and information about state programs, grants, and contracts. However, it is not meant to take the place of newsletters from individual agencies. Businesses can subscribe to get news on government actions that affect them such as new rules, regulations, programs, workshops, and growth opportunities. This is a great way to keep informed and up to date.

Survey Questions:

1. Which of the following do you most closely identify with: Small business, business organization (Associate Development Organization, Chamber of Commerce, etc.), Local Government, Other, No Answer, not completed or not displayed.
2. If you are a small business owner, how many years have you owned a small business: 0-2 years, 3-5 years, 6+ years, no answer, not completed or not displayed
3. What is your city and zip code?
4. Tell us about the regulatory challenges small businesses in your area face.
5. Are there particular areas where you face compliance challenges? Please explain:
6. Have you ever been prohibited or limited from doing business because of state regulation? How did it impact you?
7. Tell us about the topics that capture the interest of small businesses in your area. Please rank the top three categories.
8. Are there specific business-related regulations or programs that you would like to learn more about?
9. Which topics would you suggest for future outreach and training sessions aimed at small businesses?
10. What environmental issues most affect your business?
11. What environmental regulations are most difficult to comply with?
12. If there were incentives to help you comply with environmental regulations, which would be the most helpful? Please rank the following:
 - o Low-interest Loans
 - o Grants
 - o Tax Incentives
 - o No Cost Technical Support
 - o Public Recognition Award

Roundtable Questions:

Licensing and Permits

- What challenges have you encountered when obtaining licenses or permits?
- Are there licensing and permitting requirements that are unclear or difficult to understand?
- What barriers do you find prevent you from gaining access to information about these requirements?
- What additional information or resources would help you better understand the licensing and permitting process?
- Do you believe the fees associated with licenses and permits are reasonable? Why or why not?
- What improvements would you suggest to make the licensing and permitting system more efficient and user-friendly?

Tax Reporting and Filing

- What are the most significant challenges you face related to filing or paying taxes and fees?
- Are there specific aspects of tax regulations that you find particularly challenging or unfair? Are there specific reporting requirements that seem redundant or overly complex?
- Do you find the information provided about tax requirements simple, clear, and accessible?
- What information or resources would help you better anticipate and manage taxes and fees, and improve the transparency of costs associated with regulatory compliance?
- What improvements would you suggest for making tax reporting and payment processes more efficient?

Agency Rules

- What specific agency rules and guidelines do you find most difficult to understand and apply?
- Are there specific agency rules and guidelines that are burdensome or overly expensive to comply with?
- What resources are needed to better educate businesses about agency rules and compliance requirements?
- Are there any regulatory practices that you believe could be improved to better balance compliance and business needs?
- What changes would you propose to streamline and enhance the clarity, effectiveness, and fairness of agency rules and regulatory requirements?

Customer Service and Communication

- What are your experiences with the communication and customer service provided by regulatory agencies?
- How can regulatory agencies improve communication and support to help small businesses comply with regulations?
- Are educational resources or information about regulations lacking? How can we improve access to relevant regulatory information for small business owners?
- What difficulties do you face navigating websites, technology, and digital tools required for regulatory compliance?
- How can we ensure that the voices of small business owners are heard and considered in regulatory changes?