



Bellevue ♦ Spokane ♦ Kennewick ♦ Vancouver

**Complete Report
Washington is Open for Business Roundtable
Vancouver
Wednesday, May 16, 2007**

Governor Gregoire invited small businesses to meet with agency leaders from the Departments of Labor & Industries, Revenue, Employment Security, Office of Minority and Women's Business Enterprises and the Governor's Office of Regulatory Assistance.

She encouraged businesses to discuss how well routine regulatory processes work. The Governor asked businesses to share their thoughts about making Washington a business friendly state where it is easy and convenient for small businesses to operate.

Governor Gregoire conducted similar outreach with citizens in communities across the state last summer as she prepared to build her Next Washington Plan. She believes that by working together with small businesses, we can make sure Washington stays "Open for Business".

58 small businesses from Southwest Washington met with agency directors or deputy directors to talk about what is working and what is not working.

The following agency leaders participated in Vancouver:

Governor's Office of Regulatory Assistance – Director Faith Lumsden
Department of Labor & Industries – Director Judy Schurke
Employment Security Department – Deputy Commissioner Paul Trause
Department of Revenue – Director Cindi Holmstrom

See reports from other cities plus the action plan for resolving the issues raised at this link: <http://www.ora.wa.gov/roundtables/default.asp>

Responses to questions about what is working well and what is not working so well are detailed below.

Question 1 – What's working well?

Department of Revenue

- Had an audit and the Auditor was very helpful and knowledgeable.
- E-file is great. A big "Yes."
- Call center staff friendly and helpful.
- Webpage
- Tax exemption for capital improvements
- Excise Tax training was very valuable – would like to see more of that.
- New business outreach classes
- Customer service
- E-file; websites in general
- DOR workshops for excise tax
- 1 on 1 assistance w/ DOR representatives

Department of Labor & Industries

- WISHA safety consultation program is working well.
- One business owner had an injured employee and they found it easy and fast to work L&I.
- Good website and online resources
- Timely consultation services
- Help forming a safety program
- Voluntary audits for employers to be proactive in identifying problems
- Has improved policies and listens to small businesses more when changing/improving policies
- Dealing one-on-one with agency staff has improved. Problems don't have to be escalated to higher-ups because staff is given more power to handle them.
- Will come out and talk to businesses and give advice without the businesses having to worry about being cited or written up for violations that may be found.
- Customer service
- On-Line safety manuals

Employment Security Department

- Had to call the local office about a tax question and the staff was helpful.
- Appreciate the ability to cross match online.
- Benefit eligibility follow up improved
- Legislative changes regarding eligibility
- Online Resources
- Business owner noticed that ESD has reduced the amount of paperwork required dealing with taxes, but qualifies that by saying that there is still a lot of paperwork.
- More neutral in appeal process (not favoring employer or employee)
- Customer service
- Actually get a person when you call
- Go2worksource.com (11 on scale of 1-10)

Miscellaneous / All agencies

- Electronic Filing is good.
- Master business license and availability online.
- Have gotten good response from state representatives.
- Columbia River Economic Development Council is a wealth of information and very helpful.
- Websites and online functions have improved dramatically – much more user friendly
- Starting a business has gotten easier
- Online presence
- Business portal
- Business roundtables
- Good customer service and responsiveness
- More professional than in the past
- Staff generally helpful and friendly
- When first started out, went to Olympia and got a complete package of all the information needed from the counter staff. They were very helpful. I don't think I could have received this service locally.
- Columbia Gorge petition process was complicated and expensive, but fair. They protected the environment while allowing business to begin.
- Technology has made information available no matter what part of the state you are in, or want to go. No geographic barriers to information.
- Revenue and Labor and Industries' auditors provided good service- found where my business had paid too much

Question 2 – What needs to change?

Department of Labor & Industries

- Need to do more education and outreach in the Safety program and ergonomics.
- Actively market owner-employee coverage through L& I - many business owners had never heard and were unaware of this ability.
- Too much paperwork – contributes to the excessive time employers have to dedicate to claims
- Need access to case manager
- Different requirements across border w/Oregon
 - Double insure
 - Reciprocal agreement
- Not enough emphasis on fraud – too many “horror stories”
- Takes 30 days for a case manager to look at a file
- Doctors
 - Some doctors are “paternal” when it comes to claimants
 - There is doctor-shopping and conflicts of interests
 - Doctors have little knowledge of occupational medicine - suggestion – state specialists and online profile of businesses to educate doctors
 - Need more oversight of doctors
- More emphasis on what employers obligated to do to be in compliance
- Prevailing wage – Oregon can provide “in shop” w/o paying prevailing wage.

- Excessive paperwork shuffling – provider trying to get a reimbursement is costly, particularly for small businesses – processing the paperwork costs more than the item being reimbursed.
- Concern from a business owner that money is going out of state – Policy and thresholds on price of hearing care devices causes people to purchase from manufacturers out of state. Owner suggested using a more individualized approach.
- Low reimbursement rates/amounts
- Businesses/Providers see the need to help when it comes to L&I Claims, but it is so costly that they make no margin/profit from it. There is little incentive.
- Hire employees process was complicated, time consuming, frustrating, and staff was not helpful. In the end, the business owner did all he could and was still audited and punished for not doing it correctly. He said that he will not hire any more employees because of the difficulty of the process – he has decided to stay the same size business.
- Staff was very rude.
- Reduce fraud – there is a huge amount of under the table employment because the process is too complicated.
- Stop garnishment without notice – Garnish authority should follow due process and be used as a LAST RESORT.
- Rates are applied globally instead of being specific to types of jobs – need more education on the subject and need more employer advocacy.
- Staff are interpreting rules differently or giving contradictory information
- Inspectors are not fair and not helpful
- Need to get the work out about consultation services
- An employee was falsely reporting time worked. Employer made the corrections but didn't know he needed to have the employee sign the corrections so was held to the higher amount/time worked.

Employment Security Department

- Not aware of Work Source with suggestion to market this service.
- Need to look at how to educate business owner on using online system to do better job matches.
- Fax # to respond to Notice to Base Year Employer not working
- 10 day time period to respond to notices
- Should be able to respond online
- More transparency and employer advocacy in UI – specific example of a Veterinarian who fired an assistant for just cause with documented occurrences, but was still told to take the employee to court. The business owner decided it was cheaper to just pay the UI. She would have liked more information throughout the process.
- Sometimes employer accounts get charged even after employees have left and gone to new jobs because they are still listed as the employer. Puts a burden on employers to make sure they are not getting charged unfairly. (Waiver of Charges)
- Make it very obvious on documents sent to employers (ex. Claim notice) when they are required to respond or they will be charged. Also had a suggestion to make the notice to the second employer stand out by making it pink.

- Hold a workshop on Unemployment Insurance. Ask for co-sponsorship from regional business associations. Introduce WorkSource.
- Claims managers are totally claimant advocates. They are hard to contact and non-responsive. (One business owner was asked for information about a claimant. He says he left the information on the manager's voicemail and followed up but could never get in touch with the manager again. That manager still said they did not get the information.) – Can employers use other means of responding? (Internet, email, phone, etc.)
- Upfront fact finding should have more emphasis than the costly appeal process.
- Appeal Process – tele-center staff do not tell employers their right to have an in-person ALJ Hearing – Staff needs to tell people their rights.
- Small businesses are not aware of WorkSource (need to market)
- Need to offer more early childhood training classes
- Need to market worker assessment services to small businesses
- Need to group WorkSource orientations for unemployment claimants by occupation or professional level (Not everybody needs the same level of help)

Department of Revenue

- One company had indicated that they really had trouble processing a name change (indicated they had tried from Feb 06 to March 07). Finally got it changed but they still have problem with the Federal government.
- Border issue and competition with Oregon competitors bidding on Vancouver contracts. For example, one business provides a service and so they are subject to B&O but they need to purchase expensive equipment (plus sales/use tax on the equipment). So (1) their profit margin is lower than other service providers and (2) they are not competitive with the Oregon competitors. What options (eg different/favorable B&O rate)?
- No tax break or credit for providing services to low income (legal service)
- Web page could be better
- Cross reference sales tax paid to B&O paid to check compliance
- Double taxation across border
- B&O tax is too complex
- Need better education and cooperation between states on interstate and foreign sales deductions
- How do businesses get reimbursed when pay too much tax
- Border issue: uneven playing field on use tax (Solution: Have businesses list the shipping address on tax form to provide proof of use tax)
- B&O taxes based on gross is totally unfair.

Office of Minority & Women's Business Enterprises

- OMBWE Difficult to work with
- OMWBE Not timely in reporting
- OMWBE Businesses need more education regarding list of OMWBE businesses
- State should require agencies to give a certain percent of contracts to OMWBE businesses
- OMWBE business should be referred to as emerging business in the community
- OMWBE should do more to make business available to certified businesses.
- There is not enough diversity in state's contracts

Cross Agency Issues

Technology / Website

- Need common entry or portal for reporting where you are guided to move through the necessary reports and only need one password
 - Provide links to county and local government websites on state pages
- Improve internet navigation

Forms & Publications

- Posters available online to workers rather than be required to hang them up.
- It is labor intensive to read through all the paperwork and follow all the requirements.

Small Business Assistance

- Provide more information in the New Business Packet. Or when registration is done online, provide links or give option to sign up for other programs. (Example: Many business owners don't need to register with L&I so they never visit or receive information from that agency – thus they were unaware of the ability to get owner coverage.)
- Provide a small business advocate. Provide a regular small business e-report to inform them about programs and new developments. They would like to be able to sign up through a listserv so they receive notices and aren't required to visit the web site. (Example: Health care legislative package status) No paper please as they get overloaded.
- Business would like to get targeted industry information. They currently get too much paper and information which may not be relevant to the business. They felt agencies could work more directly with industry associations and provide them with the information to send to members.
- Starting a business process – One gentleman had to hire an attorney to make it easier – would be helpful to have a consolidated packet of everything you need to know from all agencies.
- Need better information or resource on necessary steps to locate a business in Washington state
- Never know for sure if they are complying with all the regulations.
- Agencies should know each other's business so they can tell a small business what else they need to do.
- More incentives for small businesses. Big business gets all the tax breaks.
- State should give small businesses adequate notice when a big developer is planning on coming in and kicking them out of leased space. Big businesses are putting us out of business-sending us outside the zone of commerce.
- Small business can't afford to have experts tell them what to do. Make it simple so small business knows how to comply.
- Would like to see more problem-solving
- Fix problems with border sales tax issues
- Create incentives for compliance

Legislative Rules & Government Inefficiencies

- State needs to remove restrictions in State laws with regard to use and/or manufacture of alternative energy solutions/equipment. Look at the current laws; may need legislation.
- Takes too much time and money to deal with the systems – discourages businesses from growing.

Reduce Regulatory Burden

- State should award contracts to Washington businesses
- Businesses should get priority and early notification of state contracts
- State should help Washington businesses fill out bids and proposals for State contracts

Issues with Other State Agencies

- **Ecology** - One taxpayer commented that he receives excellent service from Ecology but feels they need more staff. (Example: He felt he pays a lot of taxes and those should be spent on adding staff)
- **Ecology** - Streamline permitting processes
- **DSHS** appeals process is not working. Had license revoked, they already decided what they were going to do, did not listen to me. Licensers should listen before they decide.

Most Critical Issues to Resolve (per roundtable attendees)

Improved Coordination Among Agencies

- Provide combined workshops of how these agencies can be involved in the establishment of a new/start-up business. What can the combined expertise provide small businesses in growth?
- Interaction and the ability to collect data and cross reference issues and answers in a solution oriented way.
- Do more about coordination and one-stop shopping so that we feel confident that we are not missing any responsibility or a benefit.

Education and Marketing of Services

- More education on ESD.
- Dissemination of some opportunities available: sometimes we don't know some information/classes/agencies exist, that would have been useful. Promotion of reasons to keep business and customers here in Washington (as opposed to Oregon or other states).
- Better marketing of their services. Easier SBA Tax forms and assistance to fill them out.

Other

- Tax deadline table.
- Tax incentives for small business owners, in particular deferrals or breaks for start up companies. Solutions to competitors across Oregon border without licensing and tax structure in Washington.
- Reduce taxes. E-newsletter.
- List of compliance issues for new businesses.

- Better website navigation.
- Should have one stop registration process for all state (and local) purposes so a business does not need to go to multiple places to open business and not be at risk.