



# Washington State Auditor's Office

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## Regulatory Reform: Enhancing Regulatory Agency Coordination

### A strategic approach could improve regulatory agency coordination

Agency coordination on regulatory matters offers many benefits to both businesses and government, including reducing the time and cost of regulatory decisions. Lawmakers in Washington have long recognized the need for coordination among state and local agencies as a way to promote economic vitality and increase state program efficiency. We found that state agencies are currently coordinating some of their work, but agency staff describe much of that coordination as informal and initiated only on an “as needed” basis. Coordination could be improved through a more systematic approach; however, the state lacks a lead agency or long-term strategy to identify and prioritize opportunities for targeted, multi-agency coordination of regulatory processes, and to facilitate that coordination on an ongoing basis.

We conducted this audit to answer the following questions:

1. Are state agencies currently coordinating their processes to minimize resources needed for businesses' regulatory approvals?
2. Do opportunities exist for expanded coordination among Washington's regulatory agencies?

### The state does not have a long-term strategy to identify and prioritize opportunities to coordinate

While several coordination efforts established by lawmakers for specific industry needs have been successful, Washington does not have a strategic approach to identify and prioritize new opportunities for such multi-agency coordination. A strategic, targeted approach would ensure ongoing coordination among regulatory agencies, which could result in significant benefits to businesses and government.

We found	We recommend
<p> The state lacks a lead agency to identify and prioritize opportunities to coordinate through a long-term strategic approach</p> <p> Examples of well-known coordination initiatives included:</p> <ul style="list-style-type: none"><li>✓ Written policies and protocols</li><li>✓ Interagency sharing of applicant information</li><li>✓ Structured communication channels</li><li>✓ Performance management</li><li>✓ Local government participation</li></ul> <p> Much agency coordination is currently based on existing relationships rather than systematic practice</p>	<p><b><i>The Legislature assign a lead agency to:</i></b></p> <ul style="list-style-type: none"><li>✓ Develop a long-term strategy and timetable to identify and prioritize multi-agency opportunities for coordination</li><li>✓ Identify and convene agencies relevant to each coordination project</li><li>✓ Work with agencies to employ leading practices in coordination and help facilitate that coordination</li><li>✓ Report results to the Governor and the Legislature annually</li></ul>

## Several coordination initiatives directed by lawmakers included leading practices that should be systematically applied elsewhere

To help us learn more about existing regulatory agency coordination and additional opportunities, we looked at well-known coordination efforts directed by statute or executive direction, as well as three hypothetical business projects requiring multiple agencies' regulatory approvals. The three projects involved approvals from a total of 11 state agencies.

In each case, we compared the way agencies coordinated with both local and other state agencies to leading practices in coordination in four areas.

Three well-known coordination efforts, the Transportation Permit Efficiency and Accountability Committee (TPEAC), Washington's Shellfish Interagency Permitting Team (SIP), and the Seattle Restaurant Success Initiative, all shared leading practices that we did not always find in the coordination efforts of agencies involved in our three hypothetical business projects, such as:

- Interagency sharing of applicant information
- Written coordination policies and protocols
- Structured communication channels
- Measuring results of coordination activities
- Participation by local governments

TPEAC brought multiple interests and regulators together to coordinate environmental permitting for Washington's transportation projects. Through multi-agency collaboration, the committee developed numerous cross-agency "programmatic" permits for high frequency, routine activities.

The SIP team developed a model permitting program as part of a larger effort to restore and expand Washington's shellfish resources to promote clean-water industries. During this process, the team developed a master list of requirements accepted by all permitting agencies.

The Seattle Restaurant Success Initiative brought together multiple regulatory agencies and created user-friendly materials to help guide prospective restaurateurs through permitting.

### Agency coordination is primarily based on existing relationships, rather than systematic practice

All of the agencies we looked at said they do some coordination of regulatory approvals for our hypothetical business projects, but all also said that at least some or most of the coordination is based on existing relationships between agencies and their staff, not on systematic coordination efforts.

Because the state lacks a strategic approach to coordination, and agencies' coordination efforts were not systematic, many of the leading practices we found in the well-known initiatives were not always found in the regulatory approval processes of the three business projects we evaluated. As part of our detailed recommendations, we suggest the state identify a lead agency to develop a long-term strategy for identifying and prioritizing opportunities, and to facilitate ongoing coordination.

#### Four areas of leading practices

##### 1 Communicating multi-agency requirements

- Transparent regulatory requirements

##### 2 Coordination framework

- Interagency outreach to promote coordination
- Written policies and protocols
- Consistent regulations across agencies

##### 3 Coordinating regulatory activities

- Concurrent regulatory activities
- Interagency sharing of applicant information
- Structured communication channels

##### 4 Measuring coordination

- Performance measures
- Performance management