



*Bellevue ♦ Spokane ♦ Kennewick ♦ Vancouver*

**Complete Report  
Washington is Open for Business Roundtable  
Bellevue  
Wednesday, May 2, 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".

51 small businesses from northwest 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 Bellevue:

Governor's Office of Regulatory Assistance – Director Faith Lumsden  
Department of Labor & Industries – Deputy Director Ernie LaPalm  
Employment Security Department – Commissioner Karen Lee  
Department of Revenue – Deputy Director Leslie Cushman  
Office of Minority and Women's Business Enterprises – Certification Manager Vicky Schiantarelli

See reports from other cities plus the action plan for resolving the issues raised at the following 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**

- Online services are good but do not abandon traditional methods like phone contact
- Online filing is good. Being able to file returns on-line has greatly assisted business in filing and paying timely.
- Access to info on the internet has helped business. Very nice tool!
- Likes DOR letter ruling process and Taxpedia.
- Taxpayer Information Center– working well
- Information online/self-service is important. (see improvement section)
- Written ruling process works great. Provides comfort that decisions will be upheld.
- Good write-up on tax on tax incentives on site. Very useful.
- Unclaimed property audit helpful, educational and helped the company set-up an internal process to deal with unclaimed property payments, etc.
- Revenue reports good information, however it's often too late to be useful
- Revenue's on-line sales tax information
- DOR email response time is very good.
- Easily able to amend returns using DOR's website

### **Department of Labor & Industries**

- #1 is the retrospective program.
- Consultation services - interaction works well.
- Auditor was very knowledgeable, thorough, time sensitive (for the business) and shared info. Made the audit experience very enjoyable and did not disrupt business operations.
- Information on website very good.
- The relationship w/L & I safety directors has greatly improved!
- AGC (Assoc. General Contractors) positive outreach – greatly improved in comparison to past years.
- Helped large company establish a self-insurance company.
- Stepped up and dealt with crises such as the crane collapse in Bellevue, etc.
- L&I's customer service: always get to someone knowledgeable
- Has used electronic systems for contractor registration, filing, claims, prevailing wage; encourages sub-contractors to use the online systems as well
- L&I safety consultants – voluntary inspections are valuable
- Example: Business initiated contact & L&I arranged payment plan when needed & waived penalties
- L&I events (e.g. May 8 conference) are good
- Listens to business suggestions and makes changes
- Helpful and worked with business owner when there was problems with her payment getting lost in the mail – gave her another chance and did not enforce late penalties
- Online access to check licenses of contractors is very valuable to fight fraud
- Cracking down on fraud
- Construction Trades Regulation

- Website is informational and easy to navigate
- Using the internet for electrical inspectors
- L&I's On-line contractor status is available and helpful
- L&I provided good safety education but unfortunately it happened after an accident; would have been more helpful to have education prior to the accident which may have helped prevent accident
- L&I's Preferred Worker program is great
- L&I's Tax Holiday is great (happening again July – Dec.2007) Good at coming

### **Employment Security Department**

- WorkSource works well.
- The relationship w/ESD staff and their helpfulness, professionalism has been wonderful.
- Good communication, listens well to businesses
- WorkSource allows us to be specific and screen for potential employees without having to leave the office; we've found good employees and learn a lot about potential employees by the way they respond through WorkSource; WorkSource is an easy website to use

### **Miscellaneous / All agencies**

- Agencies are accessible.
- DOR & L&I online services and Unemployment Insurance systems are convenient and secure
- All agencies should focus on online services. But, do not abandon traditional forms. Likes that taxes can be paid on-line.
- Initial point of contact with agencies for business in getting questions answered & problems addressed has greatly improved due to more knowledgeable, informed staff at the "front line"
- Partnerships between agencies (e.g. DSHS & WorkSource) are good, but need to be publicized more
- up with new forms
- Online Master Application was simple
- Provided with a lot of resources and phone numbers to call with questions when incorporated the business
- Positive overall changes from 14 years ago to now
- Online technical support helpful and responsive
- Easy display of contact numbers and help lines (information is easy to find)
- phone inquiries are responded to quickly and L&I & Revenue folks are very helpful
- Professional auditors from L&I and Revenue who visit us are good communicators
- Employment Security & L&I are willing to listen and talk about resolving issues
- Agencies collect funds well
- Accessibility is good; you can call, use the internet, fax - everyone can participate with all the different methods; businesses can choose from several options; keep it that way
- Communication has improved with all 3 agencies over years

- Willingness to be helpful and assistive plus agencies are looking more often for solutions rather than punishment
- Internet sites much better, filing taxes easier – all agencies
- Info on-line saves phone calls (especially likes fillable forms)
- Two business owners noted OMWBE was very helpful when they started their businesses
- Field offices
  - Nice to have face-to-face interaction
  - Reduces the need to travel
- Each agency has the same uniform colors for their forms so it is easy to distinguish which form goes with which agency.
- Consultation Services by L&I and Revenue are beneficial; consultants come to your place of business and are able to give ideas, advice, and point out areas that need attention without any risk to the business owner.
- DOR, L&I, and ESD respond to questions very quickly (via email and phone).

## **Question 2 – What needs to change?**

### **Department of Labor & Industries**

- Experience with WISHA was not good. In-house advocates, unable to see employers point of view. Unable to find anyone willing to listen to his concerns. Unannounced visit. Presumed the representative was there to help, but ended up with a lot of fines/penalties.
- WISHA rules are unrealistic and out of touch.
- WISHA needs to share risks with insurance carriers.
- Access to Safety info. is not timely, succinct & easy.
- Need safety information available & focused toward the subcontractor.
- Useful to have state set up an insurance help center to help contractors address their insurance needs.
- Need help in determining who is responsible for safety at job site, i.e., contractor, subcontractor.
- No ability to fix problem to avoid penalty. Business wants opportunity to fix problem rather than a penalty be imposed. Give a window of time to Business to fix issue before penalty.
- It's not the employer's fault when an employee does something stupid. Agency needs to be sensitive to employees making bad choices & not always blame the employer. Employee accountability!
- Federal/State replication of identical information between OSHA & WISHA.
- Companies that make full reports of injuries are at a disadvantage in comparison to those companies that do not fully disclose injuries.
- Employer needs easier methods to deal with problem employees specifically regarding safety issues.
- L & I (?) – judges on benefit claims are not impartial.
- May need Law change – L & I is employee-focused and not employer/business-focused.
- Should explore fraud education programs for businesses/employers.

- Compliance seems to nit-pick on small issues and hands out fines when a warning may be more appropriate. Need to consider employee accountability.
- HVAC example: L & I seems to be under the impression that they “need to regulate more” and thus does not seem to take business reasons into consideration. Should be concerned about not over-regulating. Must have a good basis to do so, get input.
- Clarify what is “Effective in Practice”, need guidelines.
- Compliance needs to ensure more consistency.
- Online systems only work for active claims for their own company. Could this be expanded to include other agencies’ data?
- Protected information obstacles understood, but somehow need to share information between insurance carriers and federal databases to explore multiple claims and flag potential abusers
- More integration of online systems: single password/user ID for all agencies for claims, filing, etc.
- Abandon quarterly system in favor of monthly for L&I and ESD; quarterly can be a burden for managing cash flow
- Explain forms better (Plain Talk?) – get forms (related to employees, mainly) they don’t understand, don’t know purpose or why they are receiving them. Often come from third parties.
- Is there a resource or knowledge base at L&I to explain?
- Dictionary or directory of forms?
- Who do I call? It’s not always clear on forms or web site who to call for help.
- More interaction with account managers would be good (not claims managers)
- More often call Building Industry Association of WA for help instead of L&I
- High turnover of claims managers so you can’t develop a relationship with any one of them
- Retraining took way too long after an injury
- Doctors don’t understand industrial injuries and are non-responsive – this part of the system needs more money for fraud investigation
- The system doesn’t work for those who are really injured
- L&I agency workers do not have flexibility and decision making authority when they visit, audit or work with the business; agency leaders above seem to make the decisions; give the employees who work directly with businesses the authority to make decisions and keep promises
- L&I’s regulations don’t always meet real world situations; need flexibility in interpretation
- Posting paper permits on site is a waste of time for a business; City of Bellevue doesn’t require paper permits to be posted any more; could the state remove this requirement?
- L&I should focus more on prevention than compensation; for example, make sure businesses are focused on safety during their routine meetings; provide training to new businesses as they get started; the state requires a test before a driver is licensed, consider testing businesses on safety before they are licensed
- Add a place on permits for special instructions; today there is no place on L&I’s permit application
- There are challenges for service installers and bureaucracy transfers to consumer through business; For example, when installing a pigtail for a dryer

inside the house, regulations require installer to have an electrical contractor's license; when installing same pigtail outside the house, no contractor's license is required

- Should allow breakdown of rates by activity, not by biz. (ex: power washing by roofers)
- Postpone payment on on-line system.
- Claim mgmt. process better for small biz & TPA's, More timely, claims agents more diligent.
  - "Needed Mack Truck before" – still needs energy, but better.
- Worker responsible for following safety rule/using injury reduction equip/techniques – "employee personal responsibility"
- Unemployment Insurance/L&I – Admin Judge – ruled them employee misconduct was "not intentional"
  1. process streamlined
  2. judges need to be more accountable, more consistent
- Worker responsibility – current system rewards employees who aren't responsible/safety-conscious
- Big jump in rates due to one claim
- 5 – 10% are potential abusers
- Employers need info at the beginning of the process
- Any staff answering phone needs to know correct referral
- Promote small biz help in the on-hold system
- Hard to find L & I Express Filing on website
- Onerous safety requirement (105-employee restaurant)
  - requirements "overwhelming"
  - don't have support from L & I
  - employer has all responsibility – worker has none
  - worker not required to report injuries-no time requirement
  - OSHA vs. WISHA – unclear which applies – sometimes in conflict
  - How to hire disabled and maintain safety? Need support
- L & I needs to hold employees accountable, (not just employers.)
- With regard to safety, need more accountability on employee (e.g. – employer gets cited even when they go by the book & employee ignores everything and gets hurt)
  - No incentive to get back to work (time lost pay against net pay)
  - No penalty on employee for missed meetings, etc. (with L&I)
  - Employers can work with L&I to investigate after the fact, but no way to flag in the record
  - Businesses use BIAW instead of calling claims manager (BIAW has the relationship with the claims mgr, not the business)
- More flexibility in resolving improper claims down the road
  - Example: 3-yr. window wasn't enough for a particularly complex claim where error was discovered too late. Issue wasn't getting claim \$\$ back. Reversing the negative impact of this improper claim on their experience modification rate (EMR) would have been good, fair. L&I had no latitude to address individual situation.
- Primary employee should be listed first under the industry code (for how much tax to pay) – populate the form based on NAICS

- Look at the way they do the experience ratings with consideration for impact on business profitability
- Provide more education and preventive information up front as a new business starts up
- Change the image; L&I appears to be fearful of working with businesses to enforce laws; contractors and L&I work in a negative environment; attitudes on both sides need to change
- L&I - Too many employees are abusing the claim system.
- L&I – very slow in responding to claim fraud.
- L&I micro-manages too much; they are over-the-top with the amount of paperwork they require.
- L&I should reconsider the separation of the Compliance and Consultation groups. Many times the information they provide to businesses conflicts with one another.
- Need training wages that can help small biz.

### **L&I and WorkSource**

- Use apprenticeship model for training & development (severe manpower shortage in skilled trades)
- WorkSource should work with unions
- Workforce development: work more closely with community and technical colleges for training
- Focus on trades yields direct benefit in the local economy as opposed to glamorizing high technology -“you can’t outsource construction to India”

### **Employment Security Department**

- ESD - On-line tax reporting of employees who have applied for SSN’s but don’t yet have a number is difficult because you have to falsify information on the tax report in order to complete the report & avoid penalty.
- Storm water runoff – no rules to determine retention requirements, yet the employer is subject to inspection (and penalty) without any guidelines.
- Very difficult to find good employees especially in the skilled trades.
- State programs on vocational trades need to be brought back. ESD should be closely involved in this.
- It’s hard to find good employees; help us understand which employees are not risks; give us history of their previous employment
- Employment Security’s quarterly tax reports comes 15 times to one business in Bellevue; same information and same report, just 15 times
- Improve coordination for work force
  - provide assistance to businesses that have multi-lingual employees
- increase clarity of information and decisions as they move up the chain; today nothing happens to solve problems the higher the problem moves in the agency
- Unemployment Insurance – “attitude is employer is guilty until proven innocent.” Consistently 5-6 months behind on requesting relief for benefits, so rates higher/money lost while appeal in process
- WorkSource – not useful for restaurant biz
  1. potential employees didn’t respond to ad
  2. those that did were not qualified-not adequately screened

- Private employment agencies deliver better results. WorkSource is “last resort”
- Education is not just preparation to go to college! We need to refocus on the skilled trades & the development of people in these areas.
- Recently changed how they pay-out.
  - Issue: How benefits are calculated
  - Want: Average over 4 qtrs.
  - Now: On 2 highest qtrs.
- Best e-filing system – least confusing – easiest to pay – easier to register – can pay immediately after registering.
- Appeals on Unemployment Insurance
  - Hard to get relief of benefits
  - Work hard to document
  - Decision seems arbitrary and inconsistent
  - Review appeals – do the people making the decisions really understand the case?
- Online system to track info about workers filing claims
- Add small biz liaison
- Has this agency evolved to meet the needs of today’s economy and marketplace realities? (e.g. – seasonal workforce unemployment issues)
- Employee issues: more interaction between the agencies and employers
- UI department should look at circumstance and payment history before assessing late penalties. (something like the DOR 24-month penalty waiver)
- Employment Security should have the same tax standards/rules as the IRS; for example, independent interpreters are considered independent contractors with IRS and those same interpreters are considered employees by the state
- ESD should provide employers with information regarding employee misconduct and how they can defend themselves and ease the burden; what do employees need to prove they are not at fault?
- Unemployment Claims (ESD)
  - Employers are losing claims due to negligence by agency employees. This causes employers to go through the appeals process which they win 99% of the time; Employers are spending too much time working on appeals due to agency mistakes.
  - Need to train agency employees better to avoid more work on both sides.
  - Employers often feel powerless when it comes to unemployment claims.
  - Misconduct by employees is the hardest issue surrounding unemployment claims and is very hard to prove.
  - There seems to be a presumption that ESD immediately is in favor of the employee versus the employer.

### **Department of Revenue**

- Researching tax information on L & I site more difficult than DOR’s
- Taxpedia search needs to be improved.
- Audit should have some standards in place. Businesses have seen very different approaches/expectations from different auditors.
- Needs to work on coordination with the cities.
- Incredibly complicated for a new business.



- Can the state produce a computer module with all the rules & regulations for all agencies in one application? All the steps necessary to be in compliance for a business would be included in module.
- Website very difficult to navigate.
- Needs to improve their website. Weakest of all agencies.
- Taxes are based on gross revenue and not on net. As a result, businesses get penalized for having employees. The current tax structure does not encourage businesses to take risks and encourages fraud.
- Businesses should be taxed based on % of gross that is not going out for expenses
- Businesses requested that the State at least start a dialogue in the area of taxes and policy
- B&O tax is outrageous
- Paying taxes on delivery location will be a challenge for businesses like florists; tracking sales tax in different jurisdictions is very difficult and time consuming for small businesses
- Reform the tax system as it applies to small business
- Web site is good, but should provide more info. on web site – specifically all determinations.
- More targeted education/information, to specific industries.
- Lower overall tax burden. Taxes are limiting growth of business
- Simplify tax!
- Friendly – engaged staff on phone
- Can request on-line an immediate penalty waiver
- Employer should be compensated for collecting retail sales tax (25 states already do it)
- B & O tax should go away; Policy – net B & O rather than gross
- Sales tax/B & O – very complex to administer
- Big penalties for mistakes
- Have visit from DOR
  - – education visit, biz held responsible only after the education visit
- DOR to publish all determinations
- Need to do more about Streamlined Sales Tax
- Tax Incentives
- Need to consider more incentives for small biz.
- Make sure DOR rule making addresses high-tech issues. (eg. Server farms out of state providing access have a service B & O rate that is lower than in-state information services providers.
- Get small business tax payers in on the discussion of DOR fair taxes (on net not gross)
- State sales tax is too difficult to do on-line; only takes minutes to do via help over the phone; misreporting happens with on-line version; form is so complex - could it be simpler?
- DOR – compensate small businesses for collecting sales tax
- DOR – GIS system to help locate tax rates – ability to provide partial info to get accurate response

## **Cross Agency Issues**

### **Technology and Websites**

- Need to make sure that websites provide instructions on how to access services non-electronically.
- Courthouses search capability great. Look to them as an example of ease to get info.
- Integrate databases across agencies – single sign on, single account for all agencies
- Agencies have three different systems that all have their own learning curve. It seems like one system a year gets changed and the businesses have to relearn how to use it.
- Employment Security, Revenue and L&I computer systems don't talk to each other; this causes more work for businesses
- Improve communication between agencies; computer systems must talk to each other
- Database that crosses all agencies. Employees don't know which agency to go to for certain information.
- State prepare modules to fit employers software programs. Work with software vendors in developing module.
- Biz Portal – can we link to Spanish pages on agency web sites? Needs to be translated to Spanish
- Good table of contents or index would help save time
- Provide more timely updates of information on L&I and Access Washington websites
  - There is so much to sort through, not sure where to look for the information we need
  - Make the pages simple and clean with drop down boxes
  - 1st time users must be able to use these websites
  - WorkSource is a good example of a usable website; easy to use
- Create one online system to pay UI/L & I/DOR taxes – or – links between them with one user ID & password. Common user ID/password – Important because it will save time
- Feedback box/button on web sites
- Agencies should utilize the internet and email more to relay information to business owners.

### **Forms and Publications**

- One combined standard form that businesses can enter all their information and agencies can pull what they need from it, rather than businesses having to enter information into many different forms.
- Change forms at a set time (ex. Every October 31<sup>st</sup>)
- Give businesses a chance to try out new forms before they are required to use them (transition time)
- Review all forms and make sure the agency needs and will use the information requested on the form
- Re-entry of information into forms is labor intensive
- Pre-fill/populate new forms to save businesses time.

- Software package to allow businesses to complete required forms offline and then get online to upload the data.

### **Outreach and Education**

- Continue Business Forum meetings!
- Each agency/program needs to host educational seminars for business to assist with compliance, rules, regulatory, interpretations, etc. (Outreach to the community and also focused down to the specific program.
- Look at other states and what they are doing to attract business – OR, ID, NV, CO

### **Small Business Assistance**

- Focus more discussions (like this roundtable) on industry-specific issues; possibly county focus as well (e.g. King County very different, significant issues form others)
- Tailor make documents to different types of businesses so they don't have to read through stuff that doesn't apply to them (Industry specific information)
- Agencies should provide more information specific to industries
- Reduce paperwork so we can run and grow our business
- Too much paperwork and not enough time to read everything
- Have to hire someone just to complete all the paperwork
- Too much paperwork; often times small business owners have to wear many hats and don't have a lot of time to spend on paperwork nor do they have the money to hire someone to do it all.
- Flow charts or checklists for small businesses to use as a resource to keep them on track of what they should be doing.
- Integrated point of entry for all agencies would be useful
- ESD/L&I – should have at least one person in the agency who is unbiased and can assist employers or represent them; Ombudsman.
- Employers would like more guidance with instruction and understanding rules.
- Difficult for small business to participate (in L&P process?) due to time constraints
- Want to trust that their employee charged with completing regulatory tasks aren't going to find it too cumbersome
- Increase opportunity for competition
- Need more to attract new biz's. & also support existing biz's.
- Businesses would like to see workshops tailored to start-up businesses.

### **Communication and Collaboration**

- Generally, agencies seem to say what is wrong (to businesses) but do not tell what is right/how things should be done correctly.
- Revenue, L&I & ESD don't know our business; they work off lists of jobs and descriptions on paper; classifications for jobs are not accurate but are used because they show up on a list; for example, employees who do not drive vehicles are listed as drivers with L&I because there is no category that is a better match; See State of Idaho - they make it easy to do business in their state
- Work with businesses on the front end; 3 years ago the business owner bought business which had been in business 40 years and has never seen an inspector;

business wants to be proactive but he's just waiting for the shoe to drop when the inspector finally comes

- There is no holistic approach during audits; one business was promised NO penalties and interest but when the person who visited returned to the office, someone higher up in the organization made a decision and the business had to pay penalties and interest
- Inconsistent interpretations from different agency staff cause problems
- Communicate in simple language; state government jargon doesn't make sense to us
- There is little if any communication among state agencies; when we provide information to one agency, we expect they will share with the other agencies that need to know
- Input provided before but not enough follow-through to resolution.
- Have call centers be able to share concerns and feedback from the calls they get with decision makers. Create a database of questions and problems for front line staff to document and give feedback throughout the agency. Have a monthly meeting to share common issues higher up.
- A directory of agency staff and who to call for what issues
- One phone number for all three agencies so they can be directed to the right place
- Solicit input from businesses on policy/law change.
- State needs to view small business as their customer and go to them to discuss the needs/issues of small business.
- Understand unique needs of small biz. And then address them.
- Improve communication among agencies
- Agencies should talk to industry advisors from different types of small businesses to get their input and points of view.
- Need to see results and concrete changes coming out of the roundtables
- Need quarterly feedbacks from the roundtables
- Summary of roundtables on websites
- Too many unnecessary mailings; agencies send out a lot of mail and the majority of it doesn't pertain to the business owner. As a result some of the important information gets lost among all the "junk."
- Also invite business employees to the roundtables (i.e., CPA, payroll, etc.)
- Make businesses and other agencies more aware of when agencies change their forms, systems, processes, and websites
- Be sensitive to the changes already made by other agencies.
- Strengthen communication between agency staff who work with elected policy makers
- Open/increase communication for all agency staff ("do-ers") and the agency policy makers
- All three agencies need to retain knowledgeable employees who will help businesses by giving consistent guidance and assistance
- Have someone from the Governor's Office at these roundtable sessions to represent the policy issues, get input and do something to resolve them or get laws changed

### **Compliance (Fraud & Underground Economy)**

- Underground business drives our costs up; competition with underground businesses is unfair and drives costs up; customers always look for the best deal - cheaper prices and often get them from underground businesses
- Need policy change: Allow release of workers who abuse UI/L&I
- Compliance must be a competitive advantage (is not now; seeing legitimate businesses close).
- Assistance to employers on fraud issues.
- Underground Economy
  - Very hard to compete with businesses that are paying employees “under the table.”
  - May illegal employers would rather take the risk of getting caught and have the extra money in their pocket, then operate illegally and have to pay taxes.
  - Many workers do not want to be paid legally (pay taxes, etc.).
  - Business owners need a way to notify agencies about illegal employers.
  - Agencies need to raise the penalties for illegal employers.
- Too many employers paying the price for the actions and bad decisions employees make.
- Agencies sometimes mistake honest mistakes for intentional ones; should have more patience/forgiveness for new business owners.

### **Legislation & Rules + Government Inefficiency**

- Departments are not willing to come up with solutions for the entire small business environment; they are willing to change for the “squeaky wheel” rather than find a good solution and are afraid the make decisions other than responding to the “squeaky wheel”
- Laws are not enforced equitably - all 3 agencies
- Things that are visible get all the attention; focus on everyone not just the big businesses with lots of employees
- State of Idaho makes it so easy to run small businesses; they are #1 in start ups and #2 in retention; Washington is #2 in start ups and #48th in retention; learn from State of Idaho
- Apply regulations equitably
- There needs to be a small biz conduit to the rule making process
- E-mail notification of rules according to NAICS codes (ask Connie where this is done now)
- ORA – Needs to be higher profile – “We don’t know who you are”

### **Customer Service**

- A co-location of DOR/L&I/ESD would be helpful; a one-stop shop.
- It would be nice for some of the field offices that aren’t currently open to the public to open their doors for a few hours every week. Maybe every Wednesday from 1-3. Business owners sometimes have to drive a long way to get face-to-face interaction.

### **Reduce Regulatory Burden**

- Adopt a more market-driven philosophy or approach to fees and rates

- Tax breaks are given to large corporations and interest groups at expense of small business

### **Health Insurance Costs**

- Health insurance costs are high; it costs \$1,200 per family and small businesses want to provide insurance to their employees but can't afford it at that rate
- Affordable health care for business needs to be addressed by the state!
- Employees aren't getting health insurance due to cost
- State needs "low mandate" coverage – basic health coverage
- Young workers don't buy insurance
- #1 issue: Recently passed health program doesn't help; too costly & doesn't provide
  - Can be done at private sector level
  - "Cafeteria plan" – worker chooses and pays accordingly

### **Miscellaneous Issues & Concerns**

- Immigration issue – Migrant labor force – need broader acceptance of temporary workers. Make it legal to live here for a set amount of time.
- Market Ruling Requests more.
- More trade missions (subsidized)
- Encourage tourism
- Need to see where the taxes are going – need more roads
- Bad traffic keeps the small business owner from getting their job done (705 byway to I-5, extra lane on 405 and 167)
- 60% of the independent interpreters have a UBI; the state is required to provide interpreters to maintain federal funding
- Government inefficiency is not productive; find ways to be more efficient; driving government's costs (taxes, insurance) down will allow business to lower costs to customers and make be more competitive
- All agencies need to do more with fewer employees – use technology and good management techniques; small business has been forced to do that.
- Government has lost focus. Does government have a Mission Statement? Is it just on an individual agency basis or is there an overall guiding Mission Statement for all (state) government?

### **Issues with Other state agencies**

- **Liquor Control Board** may want to consider publishing a directory because they have so many departments.
- **Liquor Control Board** does not solicit input from biz before instituting policies/legislation.
- **DSHS** needs online systems like DOR/L&I/ESD – "Make it really simple"
  - Example: Too much paperwork involved in administering child support claims against new employees; DSHS system is a burden to employers with no compensation (can take \$1 out of paycheck)
- **DSHS** – Easy to report workers for "deadbeat parents" – but very hard to close it out after worker is gone. Also, seem to have to provide the same info multiple times

- **DOL** We are #2 in border crossings so passport requirement will affect biz. Need to make sure drivers license option for identification remains available.
- **DOL** Eliminate waiting time between registration or change and actual transaction – must complete master business application each time
- **DOL** - Business owners would like the city licensing procedure consolidated. The requirement to have a business license in every city they do business is time-consuming and expensive.

### **Most Critical Issues to Resolve (per roundtable attendees)**

#### **Make Employees Responsible**

- If injuries are not reported within 24 hours they cannot be an LNI claim. Make the employee responsible. Allow us to see claim records so we can decide who to hire.
- LNI – employee accident reporting requirements need to be tightened up.
- Ensure that discussions of this order are able to move upward to the policy makers through the professional staff.
- LNI – employee responsibility.

#### **Make it Easy**

- Simplify! Simplify!! Simplify!!!
- Easier to pay taxes; one user ID, one password, one website (links okay).
- One form; less paperwork – specific industry information.
- Consolidation of filing/paying taxes; incentives for compliance; more accountability for employees.
- Single point of contact for customers – integration of technology in ways seamless to customers; accountability based on results not effort.

#### **Investigate Fraud**

- More LNI fraud investigations and enforce them paying it back (liens, garnishments); make doctors more accountable and make them pay huge fines for fraud so they have no reason to lie.
- More LNI fraud investigations; more doctor oversight (LNI); unemployment insurance – go back to averaging 4 quarters of wages instead of using 2 highest quarters of wages.
- Investigate fraud.

#### **Consistency**

- ESD – Accountability for inconsistent adjudicator and ALJ decisions;
- Consistency in regulations; show us you are using our money wisely; work to keep businesses healthy in Washington; give us a clear and meaningful appeals process.

#### **Other**

- Employer is not guilty till proven innocent in LNI and UI cases; continue to listen to small businesses to improve your processes.

- Change B&O tax structure – base on profitability not revenues; focused fraud emphasis (unregistered contractors, injury fraud, medical providers, individual employee fraud).
- Eliminate the dept.'s biased opinions. They should not be able to communicate with all and not be directed by unions.
- Addressing agency issues cannot fix the real issues. Major re-thinking and re-direction needs to be directed to policy change.