

State of Washington  
Joint Legislative Audit and  
Review Committee

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# Permit Assistance Center Sunset Review

## Report 98-4

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October 6, 1998

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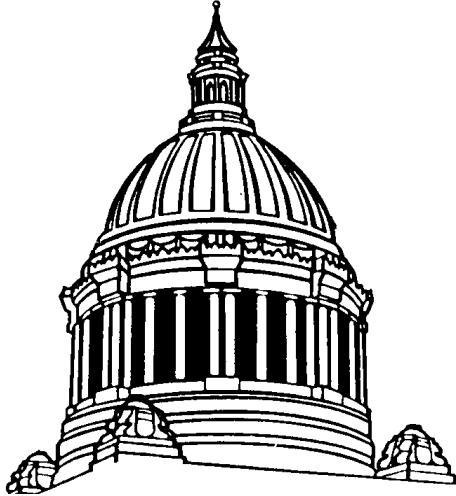


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Established by Chapter 44.28 RCW, the Joint Legislative Audit and Review Committee (formerly the Legislative Budget Committee) provides oversight of state funded programs and activities. As a joint, bipartisan legislative committee, membership consists of eight senators and eight representatives equally divided between the two major political parties.

Under the direction of the Legislative Auditor, committee staff conduct performance audits, program evaluations, sunset reviews, and other types of policy and fiscal studies. Study reports typically focus on the efficiency and effectiveness of agency operations, impact of state programs, and compliance with legislative intent. As appropriate, recommendations to correct identified problem areas are included. The Legislative Auditor also has responsibility for facilitating implementation of effective performance measurement throughout state government.

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State of Washington  
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and Review Committee

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# PERMIT ASSISTANCE CENTER SUNSET REVIEW

## Summary

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### LEGISLATIVE HISTORY

This is a sunset review of the state's environmental Permit Assistance Center (PAC) which the legislature established within the Department of Ecology (DOE) in 1995. The PAC was created to provide assistance to businesses and public agencies in order to facilitate their compliance with the state's environmental quality laws in an expedited fashion. It was also mandated to provide a formal Coordinated Permit Process (CPP) to coordinate environmental permit processes for applicants with complex projects who may use this process at their option and expense. The PAC currently<sup>1</sup> has approximately 2.6 FTE staff and a 1997-99 Base Biennial Budget of \$309,000.

### STUDY APPROACH/EVALUATION CRITERIA

In accordance with the provisions of the Sunset Act (Chapter 43.131 RCW) and Government Auditing Standards, we generally used: compliance with legislative expectations, efficiency and effectiveness of operations, customer satisfaction with and need for services provided, and performance of similar functions in other states as criteria against which to evaluate the Center's performance. We also evaluated whether PAC services are

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<sup>1</sup> This PAC budgetary data has been recast for the final report to more closely reflect the actual PAC organization and scope of operations, staffing levels, and expenditures.

duplicative of services provided by other public or private entities and the possible impact of the termination of center operations.

## **FINDINGS**

### **Compliance with Legislative Intent**

The DOE has complied with the legislature's intent by establishing and operating the Permit Assistance Center. It has also implemented the Coordinated Permit Process as mandated by the legislature. The PAC staff have completed the legislatively-mandated reporting requirements dealing with "potential conflicts and perceived inconsistencies among existing statutes" and the degree that the CPP is used and timelines involved, including appeals. These two annual reports, however, do not appear to have generated a lot of interest among legislators or their staff at this point in time.

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**PAC is  
meeting  
legislative  
intent**

### **PAC Workload, Measurement of Efficiency, and Effectiveness of Operations**

#### **Workload, Lack of Baseline Data**

The workload of the PAC is primarily consumer-driven. To date, over 2,750 individuals have contacted the Center for permitting information since its inception. According to data provided by PAC staff, 19 percent of the information requests come from governmental entities, 32 percent of the requests come from businesses, and the remaining 49 percent of the requests for information come from individuals. The CPP has been used by five entities to date, including the Department of General Administration, the Department of Corrections, and three private companies.

It is difficult to assess in quantitative terms how effective overall the Center has been in permit coordination and consolidation. This is because the PAC does not have baseline information on environmental permit processing timelines, costs, etc., prior to the Center being established. The program does, however, have limited data on the degree that the Center was able to achieve targeted Permit Decision-Making Timelines set out in the

Coordinated Permit Process Scheduling Agreements. Those data show that, for the most part, permitting timelines (as well as the applicants' expectations) have been met.

### **Recommended Enhancements in PAC Planning Practices**

Due to the lack of information on the overall effectiveness of PAC activities, we believe that the Center would benefit from the development of a clear operational plan and measures of efficiency and effectiveness. This would provide the PAC with the information necessary to plan and monitor its workload and budget and to also assess the degree that it is accomplishing its statutory responsibilities. This effort could also benefit policy makers by providing them better information to assess the usefulness of the PAC activities to the citizens of this state.

In this regard, the Center should document their performance in achieving improvements in the environmental permit coordination process. To accomplish this, the Center could identify and track the results of those environmental permitting coordination activities that enhance the ability of both business and government to meet environmental standards in a more efficient and economical way.

### **Customer Satisfaction and Non-Duplication of Services**

The PAC has two primary customer bases, those contacting the Center for ad hoc type information on environmental permitting and those participating in the formal CPP process. Based on a review of agency documentation and interviews with CPP participants, we believe that the PAC clientele base is very satisfied with the services that the Center provides. The PAC also does not duplicate the efforts of other agencies or the private sector. To the contrary, one of the purposes of the PAC's activities is to coordinate and consolidate environmental permitting activities, therefore identifying and eliminating duplication of effort in this area.

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**Better  
information  
on PAC  
impacts is  
needed**

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**Customers  
are very  
satisfied**



## Results of Survey of Other States

We surveyed all the other states to assess their permit coordination practices and received responses from 26 states. The vast majority (22) of the responding states indicated that they had created some function or process within their environmental protection agency to promote coordination of environmental permitting practices. However, Washington is the only state that we are aware of that has a formal statutory Coordinated Permit Process. Interestingly, only one state, New York, had developed strategic plans or performance measures for their activities. The use of an agency web site to provide information to the public was the most frequently cited example of a “Best Practice” in environmental permit coordination activities. Washington State has recently created such a web site, as noted in the body of this report. For the most part, the PAC appears to be operating in a similar fashion to its counterparts in other states and to be in the mainstream of environmental permit coordination practice.

## SUNSET CONCLUSIONS AND RECOMMENDATIONS

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**Report  
recommends  
continuation  
of PAC, with  
changes**

As discussed in this report, environmental permit coordination activities are recognized as desirable and beneficial to promote both economic development and compliance with environmental regulations.

To this end, the PAC has effectively complied with its legislative mandate and, in the almost unanimous view of the Center’s customers and stakeholders, it is providing a needed, highly-useful, and beneficial service. Based on our review of the results of our out-of-state survey, the Center appears to be in the mainstream of environmental permit coordination practice. The PAC also does not appear to duplicate the services of other entities, either public or private.

For these reasons we are recommending that the Center’s enabling legislation be re-authorized by the legislature. We also believe that the requirement for the Center’s annual report requirement should be modified so that the report is produced only on a periodic basis—at the discretion of DOE—and

encompasses information more useful to the legislature and state government. Additionally, we believe this state's PAC and also policy makers would benefit from more specific quantitative information on the Center's impact on the environmental permitting process through the development of a strategic planning process and performance measurement system for the PAC.

## **AGENCY RESPONSE**

We received responses from the Department of Ecology and the Office of Financial Management. Both agencies concur with the recommendations in the report. The text of their responses is included in Appendix 2 of this report.

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**Agencies  
concur**

## **ACKNOWLEDGMENTS**

We wish to thank the staff of the Permit Assistance Center and the Department of Ecology for their extensive and continuing assistance on this project. They were especially helpful in working with us to obtain information on PAC-related activities in other states. The staff of the other "Permit Agencies"—Department of Health, Department of Fish and Wildlife, Department of Natural Resources, and the local air pollution control authorities—also provided valuable assistance in the development of this report. The Office of Financial Management staff were also instrumental in the development of the budgetary information in this report.

This Sunset Review of the Permit Assistance Center was conducted in accordance with the Government Auditing Standards (1994 Revision) promulgated by the Comptroller General of the United States.

This review was conducted by Gerry McLaughlin. Ron Perry was the project supervisor.

Thomas M. Sykes  
Legislative Auditor

On October 6, 1998, this report was approved by the Joint Legislative Audit and Review Committee and its distribution authorized.

Representative Cathy McMorris  
Chair

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# RECOMMENDATIONS

## Summary

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### *Recommendation 1*

The Department of Ecology should work with the Permit Assistance Center in establishing a strategic planning process and performance measurement system for the Center's operations, consistent with the requirements of Chapter 43.88. RCW (Budget and Accounting Act) that will provide the agency and the legislature with better information about the effectiveness of the program.

Implementation Date:	July 1, 1999
Fiscal Impact:	None
Legislation Required:	No

### *Recommendation 2*

The legislature should reauthorize the Permit Assistance Center, within the Department of Ecology.

As part of that legislation, consideration should be given to amending RCW 90.60.030 (6) to change the timing and content of the Permit Assistance Center's annual report to a periodic report. That report would be submitted at the discretion of the Department of Ecology and contain:

- Specific policy and operational recommendations for enhancement of state environmental permitting coordination efforts, and
- A status of the implementation of a strategic planning process and a performance measurement system for the Center's operations.

Implementation Date:	1999 Legislative Session
Fiscal Impact:	Approximately \$300,000 is being requested in the DOE budget for PAC operations for 1999-2001 Biennium. JLARC staff makes no recommendation regarding an appropriate funding level for PAC activities.
Legislation Required:	Yes

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# LEGISLATIVE HISTORY AND STUDY APPROACH

## Chapter One

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This is a sunset review of the state's environmental Permit Assistance Center (PAC) which the legislature established within the Department of Ecology (DOE) in 1995. The Center was created to provide assistance to businesses and public agencies in order to promote compliance with the state's environmental quality laws in an expedited fashion. The PAC was also mandated to provide a formal Coordinated Permit Process (CPP) to coordinate environmental permit processes for applicants with complex projects who may use this process at their option and expense. The PAC has approximately 2.6 FTE staff and a 1997-99 Base Biennial Budget of \$309,000.

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## Summary

In accordance with the provisions of the Sunset Act (Chapter 43.131. RCW) and Government Auditing Standards, we used compliance with legislative expectations, efficiency and effectiveness of operations, the degree of customer satisfaction with and identified need for the PAC services, and a comparison with operations of similar entities in other states as criteria against which to evaluate the Center's performance. We also addressed the degree that PAC services may or may not duplicate the activities of other entities both public and private.

## INTRODUCTION

The legislature established the Permit Assistance Center (PAC) within the Department of Ecology (DOE) in 1995.<sup>1</sup> Its enabling

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<sup>1</sup> The Permit Assistance Center statutes are codified under Chapter 90.60 RCW-ENVIRONMENTAL PERMIT ASSISTANCE.

legislation included a sunset provision that would automatically terminate the Center on June 30, 1999, with repeal of the Center's enabling legislation on June 30, 2000, unless re-authorized by the legislature. In this chapter we describe the legislative history of the PAC and the approach and criteria we used to evaluate its compliance with legislative intent, efficiency and effectiveness of operations, and the degree it is meeting the needs of its customers.

## LEGISLATIVE HISTORY AND INTENT

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### PAC created to help entities comply with environmental laws

The Center was created to provide assistance to businesses and public agencies in complying with the state's environmental quality laws. The PAC was also mandated to provide a formal Coordinated Permit Process (CPP) to coordinate environmental permit processes for applicants with complex projects who may use this process at their option and expense. A sunset termination provision was included in the Center's enabling legislation.

The Center was created as part of legislation (ESHB 1724, Chapter 347, Laws of 95) to implement recommendations of the Governor's Task Force on Regulatory Reform. The Center has currently been in operation for three years. The legislation for the Center replaced the Environmental Coordination Procedures Chapter 90.62 RCW Act that had been functionally inactive, due to lack of funding, since approximately 1981.

The legislature's intent in establishing the PAC was to "institute new, efficient procedures that will assist business and public agencies in complying with the environmental quality laws in an expedited fashion, without reducing protection of public health and safety and the environment."<sup>2</sup> The following agencies were designated by the PAC's enabling legislation as "Permit Agencies" and mandated to participate in the program: Department of Fish and Wildlife, Department of Natural Resources, Department of Health, Department of Ecology, and State Air Pollution Control Authorities.

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<sup>2</sup> RCW 90.60.10 (4).

## **STUDY APPROACH/EVALUATION CRITERIA**

In accordance with the provisions of the Sunset Act (Chapter 43.131.RCW) and Government Auditing Standards, we generally used: compliance with legislative expectations, efficiency and effectiveness of operations, customer satisfaction with and need for services provided, and performance of similar functions in other states as criteria against which to evaluate the Center's performance. We also evaluated whether PAC services are duplicative of services provided by other public or private entities and the possible impact of the termination of center operations.



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# COMPLIANCE WITH LEGISLATIVE INTENT/PERMIT ASSISTANCE CENTER OPERATIONS AND BUDGET

## Chapter Two

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The Department of Ecology (DOE) has complied with the legislature's intent by establishing and operating the Permit Assistance Center (PAC) within the department and has implemented the Coordinated Permit Process (CPP) as mandated by the legislature. The Center staff has also completed the legislatively-mandated reporting requirements. To the degree that it can be determined, the PAC also appears to be in compliance with legislative budgetary direction.

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## Summary

### INTRODUCTION

The first objective of this sunset review was to determine the degree that the PAC has complied with the legislative expectations for the Center as set out in its enabling legislation Chapter 90.60 RCW. The DOE was directed and funded to establish a Permit Assistance (information) Center and implement a CPP. The purpose of the information center and the CPP was to assist businesses and public agencies in complying with environmental quality laws. These processes are designed to facilitate greater coordination among multiple permitting authorities and provide more reliable and effective access to information on environmental laws and permitting processes.

As part of the services provided, the PAC was to develop a Permit Handbook, for use by the public, which explains the basics of the most commonly required environmental permits. The CPP was intended to coordinate an applicant's environmental permitting process through a master permit decision-making timeline and overall scheduling agreement. A detailed discussion of the PAC and the CPP follow:

## PERMIT ASSISTANCE CENTER

### Permit Assistance (Information) Center

An actual "Permit Assistance Center" is located in the main landing of the DOE headquarters building in Lacey, Washington. The Center operates administratively within the DOE's Shorelands and Environmental Assistance Program, but is multi-agency in focus. The Center has a wide variety of publications available pertaining generally and specifically to this state's environmental laws, regulations, and permitting requirements, including a Permit Handbook, as required by RCW 90.60.030, for dissemination to the public.

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### PAC implements an on-line permit assistance program

The Center also functions as the information source for the PAC and handles public requests on a daily basis via phone, E-mail, FAX, and direct personal contact. The workload of the PAC is primarily consumer-driven. To date, over 2750 individuals have contacted the Center for permitting information since its inception (primarily by phone). According to data provided by PAC staff, 19 percent of the information requests come from governmental entities, 32 percent of the requests come from businesses, and the remaining 49 percent of the requests for information come from individuals.

### PAC Web Site

The PAC recently designed and created an On-line Permit Assistance System (OPAS) accessible through the Internet and operated by PAC staff located at DOE. The On-line system allows applicants to determine which state and federal environmental permits are required and provides contact points for those permits. The auditor was unable to determine, at this time, the degree that the web site could change the need for staffing phone lines at the Center.

## COORDINATED PERMIT PROCESS

### Description of Process

As mandated in its enabling legislation, the PAC has created a Coordinated Permit Process (CPP). This process is designed to achieve coordinated and synchronized permit decision-making and consolidated and streamlined permitting procedures for applicants with complex and/or larger projects that usually involve multiple environmental permits and agencies. Applicants may use this process at their option and expense. The process expedites environmental permit decision-making through coordinated and consolidated hearings, comment periods, concurrent studies, consolidated permitting and appeals processes, and critical path permit scheduling. A coordinating “permit agency” serves as the applicant’s main point of contact through the duration of the CPP. The coordinating permit agency is responsible for developing the master permit decision-making timeline and managing and coordinating many of the procedural aspects of the permitting process.

The coordinating permit agency is, by statute, either the DOE, Department of Fish and Wildlife (F&W), Department of Health (DOH), Department of Natural Resources (DNR), or one of the state’s local air pollution control authorities. To date, the coordinating permit agency has exclusively been DOE. The cost of the services of the coordinating permit agency is negotiable and recoverable through applicant fees.

The CPP has been used by five entities to date, including the Department of General Administration (GA), the Department of Corrections (DOC), and three private companies as shown in the following exhibit.

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DOE is lead  
agency

**Exhibit 1****Summary of Coordinated Permit Process Applicants**

<b>Applicant</b>	<b>Project</b>	<b>Description</b>	<b>Charges for CPP</b>
Battle Mountain Gold Company	Crown Jewel Mine Project	Develop, construct, operate, close and reclaim Gold Mine	\$29,000
WA Department of Corrections	Stafford Creek Corrections Center	State Corrections Center, Grays Harbor	\$27,000
WA Department of General Administration	Heritage Park	46.16-acre state park proposed along eastern shore of Capitol Lake	\$12,000
R.D. Merrill Company	Arrowleaf Planned Designation Resort	Methow Valley Resort	\$30,000
Comico American Inc.	Pend Oreille Mine	Lead Zinc Mine, Metalline Falls	\$70,000

Source: DOE.

**Recovery of Expenditures**


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## Permit applicants pay cost of CPP

Under the provisions of RCW 90.60.100, the CPP is authorized to recover from the "applicant" the reasonable costs incurred by the agency. DOE has interpreted "reasonable costs" to be direct staff costs plus an indirect overhead rate charged to federal contracts.<sup>1</sup> In this regard, the PAC has either been reimbursed or is currently anticipating receiving the amounts shown above in the right-hand column of the exhibit.

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<sup>1</sup> For Fiscal Year 1998, the rate would be 29.2 percent of Salaries and Benefits.

## REPORTS TO THE LEGISLATURE

### Annual Report

The PAC is required by RCW 90.60.030 to provide an annual report to the legislature on “potential conflicts and perceived inconsistencies among existing statutes”. In response to this mandate, the Center has submitted two reports—one in December 1996 and another in December 1997.

In these reports the Center noted that they “found no examples or situations where compliance with one statute makes it impossible to comply with another statute.” The PAC did, however, note opportunities for increasing coordination among multiple permitting agencies. They also cited areas where agencies have initiated efforts to improve coordination and communication. The most notable example in the report of an improvement in the permitting process is the Joint Aquatic Resource Permit Application (JARPA) which was developed to consolidate seven aquatic resource permit application forms from federal, state, and local agencies.

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**Annual  
reports  
submitted as  
mandated**

### Report on CPP Activities

RCW 90.60.800 required the PAC to report to the legislature by December 1, 1997, on various aspects of the implementation of the CPP. Due to the short period of time that had elapsed since the inception of the CPP, the report did not provide much information on the overall effectiveness of the CPP in coordinating and expediting the environmental permitting process.

The Center completed this report by incorporating it into the annual report discussed above. In the report, as discussed in Chapter 4, the PAC staff included feedback from stakeholders on the operations of the CPP.

## Suggestions for Change in Timing and Content of Annual Report

The two annual reports submitted to the legislature do not appear to have generated a lot of interest among legislators or their staff at this point in time.

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### Annual reports of limited use

Based on a review of these reports, the auditor believes that it might be a more effective and efficient use of state resources, if the information contained in these reports were transmitted to the legislature (specifically to the chairs of the applicable policy and fiscal committees) on a periodic basis, as deemed advisable by DOE, rather than annually. The auditor also believes that the report should translate any comments on potential improvements in environmental permit coordination activities into actual recommendations directed at either the legislature or specific state agencies. This would provide the legislature the information necessary to follow-up on PAC recommendations should it choose to do so.

We are recommending that any report to the legislature continue to be mandated in statute as this should enhance DOE's authority and ability to comment on and recommend changes to the environmental permitting practices of other state agencies and local government entities.

## PERMIT ASSISTANCE CENTER PARTNERSHIP COMMITTEE

"Permit Agencies," whose permitting processes are coordinated by the Center, staff an Ad Hoc co-operative entity called the "Permit Assistance Center Partnership Committee." The committee meets on quarterly basis. The PAC Partnership Committee is ostensibly a peer agency group, assembled to provide support, guidance, and leadership for PAC operations. During the course of this review, the auditor attended one meeting of the committee and also separately interviewed the participants. It appears the committee has had a limited role to date in providing guidance to PAC operations. The auditor believes that the PAC Partnership Committee could play a more significant role, especially by assisting the PAC to develop formal recommendations for

improvements in environmental permit coordination activities as discussed above.

## PERMIT ASSISTANCE CENTER BUDGET

### Budgetary History

The 1995-97 Omnibus Appropriations Act provided \$215,000<sup>2</sup> (\$70,000 GF-State) for the implementation of ESHB 1724-Revisions to the Growth Management Act to the Department of Ecology for PAC operations. DOE allocated additional available funding to support PAC activities. Actual total expenditures for PAC operations for the 1995-97 Biennium were \$478,454 (\$280,227 General Fund—State).

The Center did not receive a line-item appropriation for the current biennium but was funded within appropriations made to DOE. Budgetary practices within DOE have allocated approximately 2.6 FTE staff, and a 1997-99 Base Biennial Budget of \$309,000 (\$267,000 General Fund—State) to the PAC. It should be emphasized that PAC expenditures are not tracked as a distinct cost center in DOE's financial accounting system.

Exhibit 2 illustrates the budget history of the PAC for the previous and current biennia.

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<sup>2</sup> The Legislative Budget Notes indicated that these funds were for PAC operations.

**Exhibit 2**

**Budgeted Funds (by Source) and Estimated Expenditures  
for 1995-97 and 1997-99 Biennia  
Permit Assistance Center**

Fund Source	1995-97 Budgeted Funds	1995-97 Actual Expenditures	1997-99 <sup>3</sup> Estimated Expenditures
GF-State	\$321, 839	\$280,227	\$267,000
GF-Fed	31,497	31, 497	
GF-Local	10, 000	26,966	
State Tox <sup>4</sup>	79,798	84,661	42,000
APCA <sup>5</sup>	48,384	50,673	
Met. Min.	15,398	4,400	
Total	\$506,916	\$478,454	\$309,000
FTE	4.28	3.93	2.6

Source: DOE.

### Compliance with Legislative Appropriations Language

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**Legislative budget language was ambiguous**

The auditor was unable to ascertain whether the legislature expected the \$215,000 appropriation amount from three different funds to be the maximum amount for the Center's operations for the 1995-97 Biennium. The appropriation language in the Omnibus Appropriations Act (ESHB 1410) which provided the funding contained no language limiting PAC operations to this amount. Additionally neither the Legislative Budget Notes nor legislative or executive branch budget analysts were able to shed any light on the issue. Furthermore, the last Fiscal Note prepared on ESHB 1724, reflecting the content of the bill as it passed the House, speaks only to the need for "four staff members" to operate the Center and the CPP, and a 1995-77 Biennium resource need of \$278,000.

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<sup>3</sup> Since the publication of the JLARC preliminary report, the DOE/PAC staff have recast their 1997-99 Biennium expenditure estimates shown in this exhibit based on an reassessment of the allocation of expenditures directly attributable to PAC operations.

<sup>4</sup> State Toxics Control Account.

<sup>5</sup> Air Pollution Control Account.



If the legislature has concerns about the level of resources currently being used by the PAC, it should provide clearer direction to DOE in this regard in the 1999-2001 Omnibus Appropriations Act or the Legislative Budget Notes.

## Permit Assistance Center Staffing by Other Agencies

RCW 90.60.030 states that the PAC was to “seek” the assignment of employees from the permit agencies listed under RCW 90.60.020(6)(a) to serve on a rotating basis in staffing the Center. The subject agencies are: DOE, DNR, DF&WL, and DOH. For an operation that runs during normal business hours, the FTE contribution from each agency would have been approximately .25 FTE. To date, other than the DOE, none of the other agencies has contributed personnel to staff the Center. Representatives of the subject agencies state that they were not funded to provide staffing to the Center.

## CONCLUSIONS

The DOE has complied with the legislature’s intent by establishing and operating the Permit Assistance Center and has implemented the Coordinated Permit Process as mandated by the legislature. The Center staff have also completed its legislatively-mandated reporting requirements. To the degree that it can be determined, the PAC also appears to be in compliance with legislative budgetary direction.

The auditor does believe, however, that the PAC annual report should be changed to a periodic report that would contain specific policy and operational recommendations for enhancement of state environmental permitting coordination efforts and also include a status of the implementation of a strategic planning process and performance measurement system for the Center.

This suggested policy change is incorporated as part of Recommendation 2 made later in this report.

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**DOE/PAC  
has complied  
with  
legislative  
intent**

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# EFFICIENCY AND EFFECTIVENESS OF PAC OPERATIONS

## Chapter Three

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It is difficult to quantitatively assess how effective overall the PAC has been in its environmental permit coordination activities and the efficiency of its use of resources. This is because the program has no baseline information on environmental permit processing timelines, costs, etc., prior to the Center being established. DOE lacks data that show the degree to which activities of the PAC enhance the ability of both business and government to meet environmental standards in a more efficient and economical way.

We believe that the Center would benefit from the development of a clear operational plan and measures of efficiency and effectiveness. This would provide the PAC with the information necessary to plan and monitor its workload and budget and to also assess the degree that it is accomplishing its statutory responsibilities in an efficient manner.

## INTRODUCTION

The second objective of this sunset review was to assess the efficiency and effectiveness of PAC operations. In addressing this objective, we reviewed the information provided by the PAC staff on their day-to-day operations, their stated accomplishments, and the measures they use to assess the success of their environmental permit coordination activities. We also reviewed any other activities which DOE management undertakes to assess accomplishment of its mission and use of resources. These activities are commonly known as the management control process.

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## Summary

## GOALS AND OBJECTIVES

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### PAC needs outcome and efficiency measures

The PAC has not set out overall goals for the Center's operations nor established specific measures for assessing the efficiency and effectiveness of Center activities. The Center has established some intermediate goals for specific projects within the CPP and internally tracked those results. The Center has stated some implicit overall goals through adoption of two performance measures as discussed below.

## PERFORMANCE MEASURES

The DOE/Shorelands and Environmental Assistance Program and the Permit Assistance Center have established two general performance measures for Center operations as part of the 1997-99 Biennial Budget Process: 1) number of Coordinated Permit Processes streamlined, and 2) number of clients assisted through the Permit Assistance Center. As discussed in Chapter 2, over 2750 individuals have contacted the Center for permitting information since its inception and five entities have or are currently using the CPP.

It should be noted that these measures track the outputs of the PAC—not outcomes. The PAC currently does not have any outcome/effectiveness measures, nor does it track any operating ratios to assess the efficiency of its operations. The Center is currently working on the development of outcome and efficiency measures as part of their 1999-2001 Budget submission.<sup>1</sup>

## COORDINATED PERMIT PROCESS TARGETED TIMELINES

Within the CPP, the PAC establishes timelines (targeted completion dates) for various phases of the permitting process. There are limited data on the degree that the Center was able to achieve targeted Permit Decision-Making Timelines set out in the

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<sup>1</sup> Chapter 43.88 RCW, this state's Budget and Accounting Act mandates that state agencies have a strong management control process by requiring a strategic planning process, to include the development of goals and objectives tied to an effective performance measurement system.

Coordinated Permit Process Scheduling Agreements. That data shows that, for the most part, permitting timelines (as well as the applicants' expectations) have been met.

## **CONTINUOUS IMPROVEMENT PROCESSES**

The PAC has noted in its annual report to the legislature on the operations of the Coordinated Permit Process its intent to implement principles of continuous improvement in its operations (consistent with the Governor's Executive Order on the subject). We believe that this effort would also be consistent with our recommendation to use the PAC report as a vehicle to promote improvements in statewide environmental permit coordination activities.

## **LIMITATIONS OF OUTCOME MEASUREMENT**

PAC staff have spent considerable effort in identifying those aspects of its mandated activities which can be measured and tracked. In this respect, the Center has noted in annual reports to the legislature that it does not have ultimate control over permitting activities conducted by other agencies. We agree with this perspective to a limited degree. However, even though the Center does not have direct control over the environmental permitting process, it should be the centralized source for data on whether state coordination efforts are having any impact.

## **CONCLUSIONS**

### **Difficulty in Assessing Impacts**

It is difficult to quantitatively assess how efficient and effective overall the Center has been in its environmental permit coordination activities. This is because the program has no baseline information on environmental permit processing time lines and costs prior to the Center being established. DOE also does not have the means to assess the degree to which PAC

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Limited data available on PAC effectiveness

activities enhance the ability of both business and government to meet environmental standards in a more economical way.

However, the PAC has, for the most part, been able to achieve targeted permitting timelines through the CPP. It also should be noted that PAC staff have made efforts in their annual reports to promote operational improvements to this state's environmental permitting processes.

### Recommended Enhancements in PAC Planning Practices

We believe that the Center would benefit from the development of a clear operational plan and measures of efficiency and effectiveness. This would provide the PAC with the information necessary to plan and monitor its workload and budget, and to also assess the degree that it is accomplishing its statutory responsibilities in an efficient manner. This effort could also benefit policy makers by providing them better information to assess the usefulness of the PAC activities to the citizens of this state.

In this regard, the Center should document its performance in achieving improvements in the environmental permit coordination process. To accomplish this, the Center should identify and track the results of those environmental permitting coordination activities that enhance the ability of both business and government to meet environmental standards in a more efficient and economical way.

#### ***Recommendation 1***

*The Department of Ecology should work with the Permit Assistance Center in establishing a strategic planning process and performance measurement system for the Center's operations, consistent with the requirements of Chapter 43.88. RCW—Budget and Accounting Act, that will provide the agency and the legislature with better information about the effectiveness of the program.*

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Strategic  
plan and  
performance  
measures are  
needed

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# CUSTOMER SATISFACTION/NEED FOR PAC SERVICES

## Chapter Four

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The PAC has two primary customer bases: those dealing with the Center for ad hoc type information on environmental permitting and those participating in the CPP process. Based on a review of agency documentation of PAC operations and interviews with CPP participants, we believe that the PAC clientele are very satisfied with the services that the Center provides, and they feel these services are needed by the public.

Additionally the PAC does not duplicate the efforts of other agencies or the private sector. To the contrary, one of the purposes of PAC's activities is to coordinate and consolidate environmental permitting activities, therefore identifying and eliminating duplication of effort in this area.

## INTRODUCTION

The last sunset review objective was to determine the degree that the PAC provides a needed service which is not duplicative and whose termination would adversely affect the public health safety and welfare. The primary measure we used to address this objective was to assess the degree that the Center's "customers" believe that the services are needed, non duplicative, and provided in a satisfactory manner. In doing so, we reviewed the results of customer surveys conducted by the Center on an ongoing basis. We also conducted our own survey of major stakeholders to assess their views on the scope of PAC operations and their satisfaction with the Center's services.

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## Summary

## **PAC'S ASSESSMENT OF CUSTOMER SATISFACTION**

### **Customer Response Cards**

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**Public stakeholders view PAC as useful asset**

PAC has established a customer “feedback loop” by asking users of PAC services to complete a survey card rating the service they received. Copies of 94 returned survey cards were provided to the review team. The vast majority of the customers rated the services of the Center as superior. However, the number of response cards was not large considering that 2750 customers have used the Center to date. PAC staff indicated to us the number of customer response cards was not large because the Center only solicited comments from customers who were sent materials. In order to gain a better response rate, PAC staff are now requesting customer feedback from all individuals who contact the Center seeking information. They also mail out survey cards on a monthly basis to all customers.

### **Survey of CPP Stakeholders**

Additionally, in 1997 the PAC sent a questionnaire to participants in its CPP process to assess their satisfaction with PAC services. The responses were generally positive and are reported in the Center’s final December 1997 report to the legislature on “Potential Conflicts and Perceived Inconsistencies Among Existing Statutes.”

## **JLARC STAFF SURVEY OF MAJOR STAKEHOLDERS**

JLARC staff surveyed the major stakeholders, including both state/other public agencies and private business associations and labor groups, as to their views of the general utility of the Center in facilitating implementation of the state’s environmental laws. Generally, the public stakeholders view the PAC as a useful asset in assisting agencies to comply with state environmental law. There does, however, seem to be a lack of awareness of the PAC services in some parts of the state. Additionally, two of the state

agencies believe the PAC operations would benefit from more formal local government involvement in CPP.

Despite follow-up by the auditor, the bulk of the private business associations chose not to respond to our survey.

The comments of the public entities that responded and the Independent Business Association are excerpted below. (Copies of the full responses are available at the JLARC office.)

- **Department of General Administration**

"GA highly recommends the re-enactment of 90.60 RCW to continue the program." "There are no suggested operational or statutory changes. However, our staff did not know this service existed—we stumbled on to it. The services of the PAC could be more broadly communicated within state government."

- **Department of Fish and Wildlife**

"Chapter 90.60 RCW is an excellent vehicle to integrate state and local permit processes into regulatory reform through individual local government and/or local government association partnership and participation in the PAC. Applicants would benefit from local government involvement in the PAC and its on-line permit assistance, and greater local government involvement in the Coordinated Permit Process."

"Based on the above comments, WDFW recommends that Chapter 90.60 RCW be re-enacted and the functions of the PAC continued. We suggest that above changes to the statute authority and the operations of the PAC be made to reflect these comments."

- **Department of Corrections**

"I support the re-enactment of Chapter 90.60 RCW, which will continue the operations of the Center. A baseline of performance and the effectiveness of chapter



90.60 RCW has been established since its enactment. The success of the Stafford Creek Corrections Center negotiations is proof of the positive results that can be achieved by bringing key people together early in the process. Allowing this process to continue and support future permitting projects will be of benefit to Washington State.”

- **Department of Community, Trade and Economic Development**

"Access to clear regulatory and environmental information is vital on the early business development stages. Retaining the Permit Assistance Center will continue to allow Washington State a competitive business tool. Without the Permit Assistance Center, we will see companies choosing other states to avoid the difficulties associated with the permit process."

- **Department of Health**

"If the PAC is terminated, the unsatisfactory situation that compelled the legislature to create the PAC in the first place will likely return."

- **Department of Natural Resources**

"The goals of the Permit Assistance Center are consistent with the Department of Natural Resources goals for improving regulatory programs, expediting timely review of project proposals, and fostering better relationships with the customers we serve."

- **Department of Transportation**

“The Washington State Department of Transportation (WSDOT) has not utilized the services available from PAC. WSDOT has a significant environmental staff with varied fields of expertise. WSDOT does not

foresee a need to utilize PAC in the future for our agency's specific needs."

- **Regional Clean Air Pollution Control Authorities**

"It (PAC) serves a valuable one-stop shopping function for those customers who want to determine all of their permit needs in one spot."

"In our area, commercial and industrial sources seeking air pollution permits do not seem to be aware of or find the Center's services beneficial."

"We at SCARPA are developing our own Compliance Assistance Program (CAP), targeting small business which lacks the resources to hire or contract with experts in the environmental regulatory field. I believe that our direct assistance in this manner will have greater value to our local businesses than would a statewide PAC."

- **Columbia River Economic Development Council**

"Knowing how the PAC has put us in the forefront on such issues as computerized multi-media assistance and cooperative permit processing, I believe that our state would lag behind the rest of the country in these particular areas if we failed to reauthorize the Permit Assistance Center. It is vital for business and our environment that we continue to play this kind of leadership role here in Washington."

- **Independent Business Association**

"This is to confirm our verbal comments with the Committee's staff that we at IBA are not aware of any IBA member who has used the PAC."

“Please understand that our lack of involvement with the PAC is in no way to be interpreted as a lack of need for the PAC. We believe that individuals and firms who have made use of the services of the PAC are much better qualified to comment to the Committee on the relative need for retaining the PAC and any recommended changes to the PAC.”

## INTERVIEWS WITH PARTICIPANTS IN CPP

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**CPP  
participants  
are very  
satisfied**

The audit team interviewed representatives of each of the entities who have participated in the CPP to date. Without exception, all participants were very satisfied with the process and the facilitation efforts rendered by PAC staff members. The participants also stated that the fees were reasonable and that they would use the CPP again should the need arise. One of the participants did feel that the PAC should have more authority to compel decision-making in the permitting process.

## CONCLUSIONS

Based on a review of agency documentation of their customers' views on PAC operations and interviews with CPP participants and other stakeholders in the operations of the PAC, we believe that the current customer base for the PAC is very satisfied with the services that the Center provides and they feel these services are needed. Notably, all representatives of state agencies and private sector entities who have participated in the CPP were very complimentary regarding the quality and quantity of the services received.

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**No change in the  
scope of PAC  
responsibilities  
is recommended**

As suggested by some of the stakeholders, we are not recommending increasing the scope of the PAC's responsibilities at this time. We believe that DOE and the PAC need to continue improving their operations and assessing the impact of their current efforts on this state's environmental regulatory activities (as discussed in Chapter 3 and incorporated in Recommendation 1) before contemplating any additional coordination duties.

A review of the statutory responsibilities, PAC operations, and comments from customers and stakeholders indicates that the PAC does not duplicate the efforts of other agencies or the private sector. To the contrary, one of the purposes of the PAC's activities is to coordinate and consolidate environmental permitting activities, therefore identifying and eliminating duplication of effort in the environmental quality regulatory arena.

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**No apparent  
duplication**

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# ENVIRONMENTAL PERMIT ASSISTANCE SERVICES IN OTHER STATES

## Chapter Five

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We surveyed all other states to assess their permit coordination practices and received responses from 26 states. Twenty-two of the responding states indicated that they had created some function within their environmental protection agency to promote coordination of permitting practices. Only one state has developed strategic plans and performance measures for its activities. Most states relied on either formal or informal customer feedback to assess the effectiveness of their activities. The survey results indicated that the responding states have yet to identify “Best Practices” which have been shown to result in highly-effective environmental permit coordination activities. The state of Washington appears to be in the mainstream of environmental permit coordination practice

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### Summary

### INTRODUCTION

As part of this review the auditor conducted a survey of all of the other states’ environmental protection agencies to determine whether they had similar permit assistance functions to those operating in this state and also to ascertain the existence of any “Best Practices”<sup>1</sup> which might be suitable for implementation in this state. We received responses from 26 states. We also conducted a review of relevant national literature to ascertain the existence of any other information on environmental permitting coordination activities in other states.

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**States have yet to identify best practices**

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<sup>1</sup> “Best Practices” or “Best Management Practices” refer to the processes, practices, and systems identified in public and private organizations that performed exceptionally well and are widely recognized as improving an organization’s performance and efficiency in specific areas. Source: GAO.

## RESULTS OF SURVEY OF OTHER STATES

### States with Environmental Permit Coordination Activities

The vast majority (22) of the responding states indicated that they had created some function within their environmental protection agency to promote coordination of environmental permitting activities. Only five of these states indicated that their environmental permit coordination efforts were mandated by state law.

### States That Have Implemented Strategic Planning and Performance Measurement

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Only one state has completed strategic plan

One state, New York, has completed development of a strategic plan and limited performance measures for its activities. New York uses the following measures to track performance: 1) total applications received, 2) on-time final decisions, 3) time in shop, and 4) backlog. Without more detailed information on practices in New York State, no comparison is made between its performance tracking and this state's activities. Several states mentioned that they view customer feedback as the primary measure of the success of their permit coordination functions. The responding states did not identify "Best Practices" which were tied to outcomes; however, several states believed that their use of the Internet to provide information on their environmental permitting practices was beneficial to businesses and other entities. As described in Chapter 2 of this report, the state of Washington, through the PAC, has recently implemented an On-line Permit Assistance Center accessible through the Internet.

## LITERATURE REVIEW OF PERMIT COORDINATION PRACTICES IN OTHER STATES

DOE staff provided JLARC with a "draft" copy of a February 1997 research paper which discusses the status of environmental

permit assistance programs in the states.<sup>2</sup> The researchers from Rutgers University conducted their own survey and determined that 44 states had some form of an environmental permit assistance function. Interestingly, the report includes commentary on the importance of permit assistance programs in mitigating environmental permitting problems but, on the other hand, notes that most states do not collect the data necessary to evaluate their performance in this regard.

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Other states  
do not collect  
performance  
data

## CONCLUSIONS

Our review of the survey responses and additional literature<sup>3</sup> on environmental permit coordination activities in other states indicates that these activities are recognized as desirable and beneficial to promote both economic development and compliance with environmental regulations. In comparison to other states' programs and activities, Washington is the only state we are aware of that has a formal Coordinated Permit Process. With that notable exception, the Center appears to be operating in a similar fashion to its counterparts in other states and to be in the mainstream of environmental permit coordination practice.

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<sup>2</sup> "The Truth About One-Stop Permitting, A Critical Examination of State Environmental Permit Assistance Programs." Rutgers University, Center for Urban Policy Research. Paper presented before the annual meeting of the Western Regional Science Association, Monterey, CA, February 21, 1998.

<sup>3</sup> "The Environmental Protection System in Transition, Toward a More Desirable Future"-Final Report of the Enterprise for the Environment, January 1998.

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# SUNSET REVIEW DISCUSSION AND RECOMMENDATIONS

## Chapter Six

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### DISCUSSION

#### Staff Analysis

Environmental permit coordination activities are recognized as desirable and beneficial to promote both economic development and compliance with environmental regulations, as well as to provide an enhanced opportunity for public participation in the permitting process. Based on our review of other states' practices, the state of Washington appears to be in the mainstream of environmental permit coordination practices. In this regard, the PAC is complying with its legislative mandate and, in the almost unanimous view of the Center's customers and stakeholders, it is providing a needed, highly-useful, and beneficial service. Additionally, PAC activities do not appear to be duplicative of other entities' efforts, either public or private.

For these reasons we are recommending that the Center's enabling legislation be re-authorized by the legislature. We also believe that the requirement for the Center's annual report should be modified to provide for a periodic report, submitted at the discretion of DOE to the applicable legislative standing committee chairs. These reports should contain specific policy and operational recommendations for enhancement of state environmental permitting coordination efforts and also DOE's progress in implementing a strategic planning process and performance measurement system for the Center's operations (as discussed below). We are recommending that any report to the legislature continue to be mandated in statute as this should enhance DOE's authority and ability to comment on and

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**PAC  
providing a  
needed  
highly-useful  
and  
beneficial  
service**



recommend changes to the environmental permitting practices of other state agencies and local government entities.

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PAC should  
be re-  
authorized,  
but with  
changes

Without baseline data and ongoing measurement of the impact of the Center's operations, we cannot currently quantitatively assess what the effect would be on the public of allowing the PAC's enabling legislation to sunset under the provisions of Chapter 43.131. RCW. Therefore this report recommends that the Center should document its performance in achieving improvements in the environmental permit coordination process, and identify and track the results of its activities that enhance the ability of both business and government to meet environmental standards in a more economical way.

We are not recommending increasing the scope of PAC's responsibilities (as was suggested by some of the stakeholders) at this time because we believe that DOE and PAC need to continue improving their operations and assessing the impact of their current efforts on this state's environmental regulatory activities prior to assuming any additional duties.

We also assessed whether PAC needs to be a statutory program. As noted in the previous chapter, only five of the 26 states responding to our survey have statutory permit assistance functions. This raises the question as to whether an environmental permit coordination function, such as PAC, needs to be set out in law in order to be operational and effective. The auditor believes that there are good reasons for continuing PAC on a statutory basis. First, the statutory mandate sets out a very clear legislative expectation that agencies should coordinate their activities. Secondly, we do not believe that CPP could function (sign contracts and collect fees for services) without direct statutory authority for doing so.

## SUNSET RECOMMENDATION

### ***Recommendation 2***

*The legislature should reauthorize the Permit Assistance Center, within the Department of Ecology.*

*As part of that legislation, consideration should be given to amending RCW 90.60.030 (6) to change the timing and content of the Permit Assistance Center's annual report to a periodic report. That report would be submitted at the discretion of the Department of Ecology and contain:*

- *Specific policy and operational recommendations for enhancement of state environmental permitting coordination efforts, and*
- *A status of the implementation of a strategic planning process and a performance measurement system for the Center's operations.*

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# SCOPE AND OBJECTIVES

## Appendix 1

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### SCOPE

The scope of this sunset review of the Permit Assistance Center shall encompass a study of the Center's operations, and its current utility in meeting a public need.

### OBJECTIVES

To determine to what degree the Permit Assistance Center:

1. Is complying with legislative intent as contained in Chapter 90.60 RCW.
2. Operates in an efficient and effective manner.
3. Provides a needed service, which is not duplicative of other agencies or the private sector, and whose termination would adversely affect the public health, safety, or welfare.

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# AGENCY RESPONSE

## Appendix 2

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- Department of Ecology
- Office of Financial Management

To link to this appendix, click [here](#).