



To: Oregon Legislative Assembly
From: Oregon Business Development Department
Re: HB 2700 – Business Ombudsman
Date: January 31, 2013

Background:

HB 2770 (2011 Legislative Session) directed the Oregon Business Development Department (Business Oregon), in consultation with the Governor's office and other state agencies, to explore the feasibility of establishing a Business Ombudsman within state government.

The legislation also directed Business Oregon, in considering the duties to be performed and information to be provided by a Business Ombudsman, to explore the feasibility of requiring a Business Ombudsman to provide and maintain on the department's website, or the website of another state agency, the following information:

- (a) The name of, contact information of and description of services provided by each appropriate state agency or technical service provider that provides assistance to new or prospective small businesses;
- (b) The name, contact information and description of duties of state agencies that perform regulatory and permitting activities that affect new or prospective small businesses; and
- (c) Methods by which new, prospective or established businesses may note questions or complaints that arise in the course of doing business in this state or with public entities in this state.

This report includes information on the above-noted goals and requirements of HB 2770. In particular, it touches upon the state's efforts at the time the legislation was considered, as well as the resulting recommendations to address those items.

Discussion:

As noted, HB 2770 required Business Oregon to explore the feasibility of establishing a position of Business Ombudsman within state government. Immediately following the legislative discussion on the issue and passage of the bill, the Governor's Office embarked on a comprehensive Regulatory Streamlining and Simplification Project to promote a more positive business climate and stimulate job growth in Oregon.

In September 2011, the Governor announced the Regulatory Streamlining and Simplification Project, led by the Department of Justice. Specifically, the project had the twin goals of fulfilling the Governor's commitment to the 2010 Oregon Business Plan's regulatory initiative and to identify best practices that may improve the state's business climate while protecting the values of the state and enforcement of its laws.

The project was organized so that an Advisory Committee comprised of delegates from the Oregon Business Plan, members of the Oregon Legislature, Attorney General's Office, labor, senior government and agency officials, and regional economic development organizations would offer advice and guidance on a phased, multi-year plan with specific recommendations for achieving the initiatives goals.

In particular, the work of the Advisory Committee contemplated the role of an Ombudsman in state government to be a proactive resource and to help assist businesses navigating the regulatory process at all levels of government early in the process. The final proposal recommends augmenting the Regional Solutions Centers to include an Ombudsman for businesses with the goal of enhancing the applicant's experience, promoting collaboration between all interested parties and fostering accountability and transparency in the process.

The proposal outlined the proposed duties and functions of the Ombudsman to include the following items:

- Serve as an intermediary for applicants to offer information and guidance and maintain a clearinghouse of information to assist applicants.
- Administer training programs for state staff and local governments to promote collaboration and the skills to implement this proposal.
- Determine those federal, state and local agencies that will require permits when significant development projects are proposed around the State.
- Convene all federal, state and local agencies that need to issue permits for specific significant development projects.
- Facilitate discussion among permitting agencies to determine common requirements, permit time lines, needed economic, environmental and social information as well s any other information required to process the permits.
- Develop a coordination plan for sequencing and scheduling development reviews among the agencies involved and integrating information requests of the applicant.
- Obtain agreement among the federal, state and local agencies regarding the coordination plan including timelines for review.
- Monitor and hold agencies accountable for implementing any such coordination plans, as agreed.
- On an annual basis report on recommended system improvements for federal, state and local agencies to improve the effectiveness of permitting processes.
- Monitor the progress of the Strategic Initiatives and, as needed, take steps to promote the collaboration and engagement of the respective agencies and related parties.
- Submit a report, at least annually, to the Governor and Governor's Regional Solutions Steering Committee describing the progress achieved on the strategic initiatives recommended in this Final Proposal.

Moreover, the Governor's Recommended Budget (GRB) for 2013-2015 includes funding for staffing and expenditures associated with the duties and functions of an Ombudsman to be part of the Regional Solutions Centers/Staff.

In addition, the Secretary of State has put forth a legislative concept (LC 517) for the 2013 Legislative Session establishing an Office of Small Business Assistance in the Office of the Secretary of State for the purpose of facilitating interactions between small businesses and state agencies with regulatory authority over small businesses. Whereas the Regulatory

Streamlining and Simplification Project works to help address business needs on the front-end, LC 517 also includes complaint and investigation procedures and requires preparation of reports upon the conclusion of investigations of complaints.

With respect to providing pertinent information on a state agency website, the Secretary of State's Office launched Oregon's One Stop Business Portal in July 2012 as a result of HB 3247 (2011 Legislature). The internet portal is usable and easy to understand built specifically for business. The goal of the website is to help entrepreneurs and business owners quickly find the information and services they need and complete tasks online. Small businesses seeking to register and begin the permitting process with state and local governments will find the information, services and resources in a single location. There is information for a number of business filing, tax, business assistance, promotion and regulatory programs.

The One Stop Portal project was a collaborative effort among nine state agencies, many Oregon business associations and dozens of individual Oregonians who provided invaluable feedback throughout the process.

Conclusion:

In sum, as a result of the Governor's Regulatory Streamlining and Simplification Project, and as contemplated in the Governor's Recommended Budget, it is feasible and desirable to have an Ombudsman position in state government to serve as a "regulatory troubleshooter" to coordinate with appropriate agencies and help businesses navigate the permitting process.

In addition, the state has been proactive toward updating its web presence, either through the One Stop Business Portal or Business Oregon's website, to provide contact information and a description of services at the state level that may be of use to Oregon businesses, in particular around regulatory and permitting issues and providing the ability to note questions or concerns that may exist in the process.